

NEWS RELEASE

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IIROC to consult on competency profiles for registered and investment representatives

Pan-Canadian regulator's profiles will outline required knowledge, skills and behaviours

August 18, 2020 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC) today announced the launch of its [public consultation](#) on new competency profiles for registered representatives (RR) and investment representatives (IR), which clearly outline the requirements for IIROC-registered individuals to perform effectively in their roles.

To maintain a thoughtful, thorough and consultative approach, IIROC is developing profiles in phases, with the first phase already well underway and ready for public comment. This phase focuses on RRs and IRs - the two largest approval categories - and will include draft competency profiles for both retail and institutional settings, and a consideration of products RRs and IRs are permitted to trade. IIROC will continue its work and consult on the remaining nine approval categories in two subsequent phases over the next two years.

"By establishing clear, specific standards for IIROC registrants, we are providing value to investors and the financial system in the way we regulate, and in the way we protect and promote the health of Canada's capital markets," says Elsa Renzella, IIROC's Senior Vice-President of Enforcement and Registration.

As an example, competencies for a highly competent RR would include knowledge, skills and behaviours relating to: client relationships; specific regulatory obligations such as Know Your Client and suitability requirements; and technical knowledge relating to investment products.

Developing profiles for all IIROC approval categories is listed among IIROC's priorities in its three-year [strategic plan](#). Competency profiles will establish proficiency benchmarks that will allow IIROC to evaluate course providers. In setting out specific descriptions and expectations, these profiles will also give investment firms improved oversight of their employees' competency and compliance. In turn, employees will better understand the knowledge, skills and behaviours needed to be effective in their IIROC-approved roles, allowing them to actively develop these competencies through continuing education programs. Additionally, firms will be able to contribute to the profiles' ongoing upkeep and relevance by helping IIROC identify industry trends or developments.

As part of this process, IIROC is working with Metrix Group, an independent consultant specializing in learning solutions - including competency profile development. IIROC has also reviewed the approaches taken by regulatory authorities in comparable jurisdictions such as FINRA in the United States and the Financial Conduct Authority in the United Kingdom. IIROC has consulted with various advisory committees including its Proficiency Advisory Committee and with a working group of the institutional sub-committee of Conduct, Compliance and Legal Advisory Section.

Publishing competency standards are fundamental to developing sound, high-quality IIROC licensing courses by providing important guidance on course content development. For this reason, before IIROC undertakes a competitive procurement process to select a single course provider, IIROC first needs to complete its competency profiles. As a result, IIROC has renewed its contract with the Canadian Securities Institute (CSI), the current course provider for IIROC course licensing requirements, until December 2025.

This renewed agreement with CSI will continue to ensure improvements in the quality of the service requirements and regulatory course content offered. IIROC and CSI also continue to work together to offer more flexibility in course offerings by expanding CSI's computer-based testing and adding remote proctoring as an alternative to in-person examinations, in order to address public health concerns relating to COVID-19.

About IIROC:

IIROC is the pan-Canadian self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of 175 Canadian investment dealer firms and their nearly 30,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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