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*For distribution to relevant parties within your firm*

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## **By-Laws and Regulations Revisions to Policy 6, Part III: The Continuing Education Program**

The Board of Directors has approved revisions to Policy 6, Part III : The Continuing Education Program, effective immediately.

The changes were recommended by the Education and Proficiency Committee to clarify the policy based on experience during the first continuing education cycle from January 1, 2000 to December 31, 2002.

The principal changes are:

1. There has been some rewording and reorganization of the policy and the section numbering has been made consistent throughout. Following are the substantive changes.
2. The term “product knowledge or professional development” has been replaced throughout with “professional development” as the current term is too cumbersome. The term “professional development” encompasses courses that improve product knowledge.
3. In the definitions section:
  - The definition of “Program” has been removed as it is simply an abbreviated reference to the policy.
  - The term “course” has been defined to make it clear that it can be a single, integrated course or a course of study made up of separate courses, seminars or programs that, in the aggregate, meet the policy guidelines as to content and duration.
  - “Participants” has been defined to refer to the subset of approved persons that have a continuing education requirement in any given cycle. Recently approved persons do not generally have a requirement until the second cycle after their approval and some classes

of approved persons such as non-trading partners, directors and officers do not have a requirement.

4. The section in the current policy describing requirements to participate in the program has been replaced with a schedule of approval categories showing the requirements for those categories. This schedule was initially prepared to assist Members in understanding the applicability of the program to specific approval categories, and was found to be more comprehensible than the prose description in the current policy.

The only change to the requirements is for designated registered options principals and alternate registered options principals. Under the previous policy they had both compliance and professional development requirements. However, in many firms those occupying the positions are not registered to trade with the public, which is the first criterion for determining whether a category might be subject to a professional development course requirement. Those that are registered to trade may be subject to the requirement in any event, as for those approved in multiple categories the requirements of the more demanding category apply.

5. The previous policy exempted those continuously registered for more than 15 years as of the start of the program (January 1, 2000) from the professional development requirement. Those that had been continuously registered for more than 10 but less than 15 years as of January 1, 2000 had to complete the professional development requirement in the first cycle (2000 to 2002) and were exempt thereafter. As those persons have now completed their first cycle requirement, the policy has been changed to state simply that those continuously registered for more than 10 years as of January 1, 2000 are exempt from the professional development requirement. The policy has also been revised to state that such registration has to have been “in a trading capacity” so that non-trading persons cannot use their previous registration as a basis for grandfathering if they switch to trading approval. Such an exemption would not be available to anyone else acquiring a trading approval at the same time.
6. A section has been added regarding changes of category during a cycle. This issue resulted in many questions during the first cycle. Two principles were the basis for the section:
  - Those who change to a trading category that includes a professional development requirement they did not previously have, should be brought into that part of the program using the same approach as for newly approved persons;
  - The operative requirement for determining CE completion for the purposes of fines and other penalties at the end of a cycle is the requirement for an approved person’s category as of the end of the cycle.

An approved person could change at the end of a cycle from a category that carries a professional development CE requirement to one that does not, simply to avoid the penalty of failure to complete, the policy. The new section therefore provides that when an approved person changes to a less demanding category and then back, he or she is immediately subject to the more demanding requirement. If there is insufficient time to complete a new

professional development requirement resulting from this provision, the approved person is entitled to seek an extension.

7. The section granting exemptions from the examination rewrite policy for voluntary participants in the CE program has been expanded to clarify the limits and timing requirements and to expand the range of eligible CE courses, as follows:
  - The current policy allows voluntary participants to take courses provided only by the Canadian Securities Institute. At the request of both course providers and Members, the Education and Proficiency Committee is developing a voluntary accreditation process for all course providers, i.e. accreditation would not be required but getting an accreditation would give both the provider and Members certainty that the course meets the CE guidelines. In anticipation of this development, the voluntary participation provision has been amended to include any recognized courses.
  - The voluntary participation provisions cover both persons who surrender their approval and those who complete the Canadian Securities Course and Conduct and Practices Handbook Examination (collectively “the basic proficiency courses”) but do not apply for approval. The revised policy clarifies the application of the existing provision as follows:
    - The exemption from Policy 6, Part II covers only the rewrite requirements for the basic proficiency courses, not those for other courses.
    - The exemption is not available for those who completed their basic proficiency courses prior to January 1, 1997 and were never registered thereafter. The timing is consistent with the general three-year rewrite requirement and the timing requirements for those who are eligible for voluntary participation.
    - The exemption is not available if the basic proficiency courses were completed more than one cycle before the cycle in which voluntary participation began.
    - Voluntary participants, whatever their past or future categories, must fulfill both the compliance and professional development requirements in each cycle in order to remain exempt from the rewrite provisions.
    - The exemption from the rewrite requirements is valid until the end of the first year of the cycle following completion of the voluntary CE. To extend an exemption beyond the first year the voluntary participant has to complete the next cycle’s CE requirements.
8. Section G has been added specifying timelines for reporting CE completion to the IDA. It was found at the end of the first cycle that numerous completion reports had not been filed such that IDA Staff were inundated not only with reports on those who had completed their requirements late in the cycle, but also with reports from earlier completions.

9. The carry-forward provision for professional development courses permits a participant to use a second eligible course completed during a cycle forward to the following cycle. This provision has been clarified as follows:
  - It has been limited to full courses taking more than the minimum 30 hours, starting with courses carried over from Cycle 2 (2003-2005) to Cycle 3 (2006-2008). The provision was originally intended to enable approved persons taking several courses or multi-level programs to use more than one taken in a cycle, so as not to encourage them to delay taking additional courses in order to fit them into the CE cycle. It was not intended to encourage the counting of every CE-eligible hour in order to carry forward anything that pushed total CE hours over 30. This restriction has been applied to carry-forwards from the current cycle as some participants have completed this cycle's
  - It has been made more clear that the provision allowing the carry forward of different levels of a program applies to multi-level or multi-year programs. There were frequent questions whether a single course that took more than 60 hours to complete could be split to cover two cycles of professional development requirements. The clarification reiterates that the 30 hour guideline is a minimum, that a single course that takes longer than 30 hours is still only one course.
  - It has been clarified that the Professional Financial Planning Course (PFP) and the Investment Management Techniques Course (IMT) may not be carried forward pursuant to subsection 2 if it was used as to satisfy the post-licensing requirement of Policy 6, Part 1A, section 3(c).
10. An exemption process has been added for persons on long-term leave of absence, generally for reasons of disability. Such exemptions will be approved by the applicable District Council or its designate. The provision notes, however, that a registrant returning to active employment after more than three years absence, who has not met continuing education requirements during that time, may be required to retake basic proficiency courses. This provision puts such a person in the same position as someone who had surrendered their registration and been employed outside the industry for the same period.
11. Individuals returning to the industry in year 2 or 3 of a Cycle are not automatically exempted from CE requirements for the current cycle of CE as previously administered in the preceding cycle. As a result, firms should request a Hardship extension if an individual is re-registered in Year 2 or 3 of a Cycle and does not have sufficient time to complete CE requirements for the cycle. (See also Continuing Education FAQ item 6).

Requests must be in the form of a letter signed by a Partner, Director or Officer of the firm and must specify the reason for the hardship and contain a proposed new date for completion. There is no fee for this request
12. The guidelines for both professional development and compliance courses have been amended to deal with commonly asked questions, as follows:

- If a course has a mandatory examination, the examination must be taken and passed for the course to be counted towards a CE requirement.
- Preparatory courses and seminars for examinations or other courses do not count separately towards a CE requirement. The examination or basic course must be taken and passed. However, the time taken for the preparatory course or seminar can be counted in determining the duration of the whole course.
- Teaching courses that would themselves count towards a CE can be counted towards a CE requirement. Similarly, sitting on an IDA committee dealing with relevant compliance issues can be counted towards the compliance requirement.

The IDA is in the process of developing a new CE tracking system for Cycle 2. Status reports for each firm will be issued when this database is complete.

Kenneth A. Nason  
*Association Secretary*

**INVESTMENT DEALERS ASSOCIATION OF CANADA**

*THE CONTINUING EDUCATION PROGRAM*

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada (“Association”) makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Policy No. 6, Part III is repealed and replaced as follows:

**POLICY NO. 6**

**PROFICIENCY AND EDUCATION:**

**PART III – THE CONTINUING EDUCATION PROGRAM**

INTRODUCTION

This Part III establishes a Continuing Education Program (“the Program”) for Participants for the duration of their career in the securities industry. The Program operates on three-year cycles, the first commencing in January 1, 2000. The start-to-end date of each cycle is the same for all participants.

**A. DEFINITIONS**

For the purposes of this Part III,

“Course” – means a single integrated course, or a series of pertinent courses, seminars, presentations or programs that in total meet the minimum time and content requirements of the course guidelines which form part of this Policy 6, Part III.

“Participants” – means certain “approved persons” employed by Members of the Investment Dealers Association of Canada (“the Association”), and approved by the Association in the registration categories listed in Schedule 1 of this Policy 6, Part III (“Schedule 1”).

**B. PARTICIPATION IN THE PROGRAM**

Unless exempted under this Part III, Participants must complete continuing education courses based on their categories of approval, as specified in Schedule 1.

**C. EXEMPTION FROM THE WHOLE OR PART OF THE PROGRAM**

1. Partners, Directors and Officers approved in non-trading and non-supervisory categories of registration are exempt from the Program.
2. Participants approved as registered representatives, branch managers, sales managers, and futures principals, who have been continuously approved in a trading capacity for more than 10 years as of January 1, 2000, are exempt from the requirement to complete a professional development course. However, such persons shall complete a compliance course in each cycle throughout their career.

**D. ENTRY OF RECENTLY APPROVED PERSONS**

Recently approved persons shall not participate in the Program during the first three years of registration but shall do so, depending on the year of registration, as follows:

1. If the three years since registration ends in year one of a cycle, then the approved person becomes a participant in that cycle.
2. If the three years since registration ends in year two or three of a cycle, then the approved person becomes a participant in next three-year cycle of the Program.
3. For greater clarification, refer to the Chart below.

<b>A Registrant approved in the year:</b>	<b>Whose 3 years ends</b>	<b>Starts CE in this Cycle</b>
1997	2000	Cycle 1: 1/Jan/2000 to 31/Dec/2002
1998	2001	<b>Cycle 2: 1/Jan/2003 to 31/Dec/2005</b>
1999	2002	<b>Cycle 2: 1/Jan/2003 to 31/Dec/2005</b>
2000	2003	<b>Cycle 2: 1/Jan/2003 to 31/Dec/2005</b>
2001	2004	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2002	2005	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2003	2006	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2004	2007	<b>Cycle 4: 1/Jan/2009 to 31/Dec/2011</b>
2005	2008	<b>Cycle 4: 1/Jan/2009 to 31/Dec/2011</b>
2006	2009	<b>Cycle 4: 1/Jan/2009 to 31/Dec/2011</b>

**E. CHANGE IN CATEGORIES WITHIN A CYCLE**

1. Any change, in year one of a cycle, from a registration category that requires a compliance course only, to a category requiring both a compliance course and a professional development course, will require completion of the courses for the new category. If the change occurs in year two or three of the cycle, the requirements are those of the previous category. The requirements for the new position will commence in the next cycle.
2. For changes from a category that requires both a compliance course and a professional development course to a category requiring a compliance course only, the requirements are those of the participant's registration category at the end of the cycle.
3. Any change back to a category requiring both a compliance course and a professional development course made after the change as described in subsection 1 will immediately return the participant to

the requirement for completion of both the compliance and the professional development course. Should such a change occur too close to the end of the cycle to permit completion of the professional development course, the Member firm may apply for an extension, pursuant to Part L.

4. An application for a change of category as described in subsection 3 in the first year of the cycle, following a change as described in subsection 2, must be accompanied by an explanation from the Member sufficient to satisfy the Association that the category changes are not in an effort to avoid completion of the Program's requirements.

**F. VOLUNTARY PARTICIPATION IN THE PROGRAM**

1. Persons who terminate their approval after January 1, 1997, may maintain their standing in the Program on a voluntary basis by completing courses recognized by the Association as meeting the requirements of the Program.
2. Persons maintaining voluntary standing in the Program as described in subsection 1 are exempt from the examination rewrite requirements outlined in Policy 6, Part II – Course and Examination Exemptions for the Canadian Securities Course (CSC) and the Conduct and Practices Handbook Exam (CPH). The CSC and/or CPH must have been successfully passed within the 3 years prior to the start of either:
  - (a) the current cycle, or
  - (b) the earliest cycle in which the individual began continuous participation in the Program.
3. Graduates of the CSC and the CPH after January 1, 1997, who have not been approved in any capacity, may join the Program on a voluntary basis by taking courses recognized by the Association as meeting the requirements for the Program. The CSC and/or CPH must have been successfully passed within the 3 years prior to the start of either:
  - (a) the current cycle, or
  - (b) the earliest cycle in which the individual began continuous participation in the Program.
4. Persons joining the Program as described in subsection 3 are exempt from the examination rewrite requirements outlined in Policy No. 6, Part II – Course and Examination Exemptions.
5. Voluntary participants must complete both a professional development course and a compliance course in each cycle to maintain voluntary participation standing and qualify for the exemptions in subsections 2 and 4.
6. The exemptions in subsections 2 and 4 are valid until the end of the first year of the next cycle.

**G. REPORTING REQUIREMENTS**

A Member must update the Association within ten days after the end of the month in which the Member becomes aware of the names of its Participant that have satisfied all CE course requirements for that Cycle.



**H. THE COMPLIANCE COURSE**

1. The compliance course is a mandatory component of the Program for all participants.
2. Members may have an external course provider develop and deliver the compliance course or may develop and deliver their own internal course.
3. The use of a compliance course developed by a Member is subject to the following requirements:
  - (a) The course developed must comply with the guidelines issued by the Education & Proficiency Committee;
  - (b) Participants completing a course offered by a Member shall have the Member sign off on their successful completion of that course. The Member shall determine its own method of evaluating Participants' knowledge and understanding of the courses completed.

**I. PROFESSIONAL DEVELOPMENT COURSE**

1. Participants may choose a course from an external course provider or a suitable training Program offered by their sponsoring Member.
2. The course chosen by a Participant, whether from an external provider or one offered by the Member, must be approved by the Member's training supervisor or other responsible person as being relevant to that Participant's role in the investment industry.
3. Professional development courses developed and offered by the Member or an external course provider are subject to the following requirements:
  - (a) The courses must comply with the guidelines issued by the Education and Proficiency Committee.
  - (b) Participants completing courses offered by their sponsoring Member shall have the Member sign off on their successful completion of that course. The Member shall determine its own method of evaluating Participants' knowledge and understanding of the courses completed.

**J. CARRY-FORWARD PROVISIONS**

1. No carry forwards are permitted for the compliance course requirement.
2. A maximum of one approved course completed prior to the start of the current cycle that satisfies the minimum 30-hour requirement may be carried forward into the next cycle as a professional development credit. Starting with courses taken in Cycle 2, a course of less than 30 hours may not be carried forward into the next cycle.
3. Where a recently approved person completes a course that qualifies for the professional development requirement during that approved person's first three years of registration, that course can be carried forward to apply to that approved person's first cycle.
4. The Professional Financial Planning Course (PFP) and the Investment Management Techniques Course (IMT) may not be carried forward pursuant to subsection 2 if it was used as to satisfy the requirement of Policy 6, Part 1A, section 3(c).
5. A Multi-level program completed over a period of more than one year, such as a university degree program or the Chartered Financial Analyst (CFA) program, may satisfy the professional development course requirement for more than one cycle provided each program level meets the guidelines. A level can be carried forward to satisfy the requirement of the next cycle only.

**K. PENALTIES**

The following penalties shall be imposed for the failure of a Participant to complete the course requirements within a three-year cycle:

1. At the beginning of year one of the next three-year cycle, a monthly fee in the amount of \$500 shall be imposed against the Participant's sponsoring Member for a maximum of six months, or until the Participant completes the courses required, whichever occurs first.
2. If, at the end of the six-month period referred to in subsection 1, the Participant fails to complete the Program requirements, then the Participant's approval will be suspended automatically until such time as the participant successfully completes the course requirements.
3. If, at the end of the three-year cycle, the Participant fails to complete the compliance portion of the program, then a mandatory condition of close supervision, in accordance with the Association's provisions, will be imposed on the Participant's registration until such time as course is successfully completed.
4. Any late completion fees paid in error will be refunded provided that the refund is claimed within 120 days of the first day of the month for which the fee was paid.

**L. EXTENSION FROM COMPLETION OF COURSE REQUIREMENTS IN A THREE-YEAR CYCLE**

1. A Participant may be granted an extension from the requirement to complete the course requirements within a three-year cycle due to, but not limited to, a leave of absence or illness, if
  - (a) A partner, director or officer of the participant's sponsoring Member
    - (i) approves the delay of completion of the course requirements;
    - (ii) advises the Association of the reasons for the delay and
    - (iii) agrees to a new date for the completion of the course requirement; and,
  - (b) The applicable District Council, or its designate, in its discretion determines that the delay is warranted.
2. Despite subsection 1, the granting of such an extension does not permit the Participant to delay the commencement of the next three-year cycle.
3. In the case of an indefinite leave of absence, a Participant unable to complete their requirements for more than one cycle may receive an exemption from the Program provided that
  - (a) A partner, director or officer of the participant's sponsoring Member
    - (i) approves the exemption, and
    - (ii) outlines, in a letter delivered to the Association, the reasons for the exemption; and
  - (b) The applicable District Council or its designate, in its discretion, determines that the exemption is warranted.
  - (c) Upon return to the industry and before engaging in any activity requiring registration
    - (i) after an absence of less than three years, the Participant's proficiency and CE requirements will be determined by the applicable District Council
    - (ii) after an absence of more than three years, the Participant shall successfully complete the required proficiency courses as outlined in Policy 6, Part II.

## SCHEDULE 1

### Continuing Education / Registration Category Chart

	<b>Registration Category</b>	<b>Continuing Education Requirement</b>
<b>Retail</b>	<ul style="list-style-type: none"><li>• Investment Representative</li></ul>	Compliance Program
	<ul style="list-style-type: none"><li>• Investment Futures Contract Representative Options</li></ul>	
	<ul style="list-style-type: none"><li>• Investment Representative Options</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Representative*</li></ul>	Compliance Program and Professional Development Program
	<ul style="list-style-type: none"><li>• Registered Futures Contract Representative Options*</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Representative Options*</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Mutual Fund Representative</li></ul>	
	<ul style="list-style-type: none"><li>• Portfolio Manager (and Associate)</li></ul>	
<b>Non-Retail</b>	<ul style="list-style-type: none"><li>• Investment Representative</li></ul>	Compliance Program Only
	<ul style="list-style-type: none"><li>• Investment Futures Contract Representative Options</li></ul>	
	<ul style="list-style-type: none"><li>• Investment Representative Options</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Representative</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Futures Contract Representative Options</li></ul>	
	<ul style="list-style-type: none"><li>• Registered Representative Options</li></ul>	
<b>Supervisory Categories</b>	<ul style="list-style-type: none"><li>• Branch Manager</li></ul>	Compliance Program and Professional Development Program
	<ul style="list-style-type: none"><li>• Sales Manager</li></ul>	
	<ul style="list-style-type: none"><li>• Assistant Branch Manager</li></ul>	
	<ul style="list-style-type: none"><li>• Co-Branch Manager</li></ul>	
	<ul style="list-style-type: none"><li>• <u>Designated Registered Futures Options Principal</u></li></ul>	
	<ul style="list-style-type: none"><li>• <u>Alternate Registered Futures Options</u></li></ul>	

Principal

<b>Partners, Directors &amp; Officers (“PDO”)</b>	• PDO – Trading (Registered Representative*, Registered Futures Contract Representative*, Registered Representative Options*)	Compliance Program and Professional Development Program
	• PDO – Trading (Registered Representative (Non-Retail), Registered Futures Contract Representative (Non-Retail), Registered Representative Options (Non-Retail))	Compliance Program Only
	• PDO – Trading (Investment Representative, Investment Futures Contract Representative, Investment Representative Options)	Compliance Program Only
	• PDO – Non-Trading	No Requirement
<b>Other</b>	• Ultimate Designated Person	Compliance Program Only
	• Alternate Designated Person	
	• Designated Registered Options Principal	
	• Alternate Registered Options Principal	
	• Chief Compliance Officer	
	• Registered Representative – Restricted	

Participants registered in more than one category, must meet the Continuing Education requirements of the more demanding category. For example, a Participant approved as an Ultimate Designated Person and as a PDO-Trading (RR) is required to complete the Compliance Program and the Professional Development Program.

Those who have been continuously licensed with an SRO member in a trading capacity since 1989 are responsible for the compliance portion of the program only.

## **GUIDELINES FOR THE CONTINUING EDUCATION PROGRAM**

### **INTRODUCTION**

This part of Policy 6, Part III sets guidelines for continuing acceptable education course content, length and rigour which each Member must comply with if practicable. The guidelines also recommend a process to aid firms in identifying appropriate suppliers and courses.

The parameters and guidelines should be considered in the context of what is appropriate to the individual, his or her position and responsibilities, and the needs of the firm. This can best be accomplished by each firm allocating responsibility to a single person for defining training needs and appropriate programs to address them. Depending on the firm, some responsibility for approval of an individual's program may be delegated to the appropriate supervisor.

As part of the audit process, the Association will review a firm's continuing education program to ensure that it is properly documented and satisfies the guidelines.

### **THE COMPLIANCE COURSE**

#### **A. BASIC PRINCIPLES**

1. The Policy requires that certain approved persons successfully complete the compliance course within each three-year CE cycle. To determine which approved persons are required to take the course, please refer to the Policy itself.
2. A Member can choose to develop and deliver a compliance course, which reflects its own assessment of its current needs and priorities, or it may purchase a compliance course from an external provider. Alternatively, Members may offer a combination of both.
3. Compliance courses completed by branch managers, sales managers and others in a supervisory position should reflect their additional responsibilities.
4. The Member must maintain a record of successful completion of the compliance course.
5. As part of the audit process, the Association will review Member-developed compliance courses to ensure they satisfy the Guidelines.
6. If the compliance course program includes an examination, this examination must be successfully completed in order for the course to be applied towards the individual's Compliance requirement.
7. Seminars that support other courses, or preparatory courses that support a course or examination, do not qualify separately for CE credit. The course or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory course hours may then be included in determining the duration of the total course.
8. A Participant who sits on a committee or council of the IDA, or who teaches a financial course may receive CE credits provided the member firm determines that the issues dealt with are relevant. The member firm may determine the amount of time applicable towards CE Compliance credits.

**B. DELIVERY GUIDELINES**

1. The course or courses used to fulfill the compliance requirement must be a minimum of 12 hours in total duration.
2. The Guidelines have been developed to offer some flexibility to Members and their approved persons. The manner in which the topics are reviewed is left to the Member's discretion, provided the minimum 12-hour requirement for every 3-year cycle is satisfied.
3. The Member may choose to deliver the compliance course in a number of ways. The following are examples of possible modes of delivery, but is not exhaustive:
  - (a) A Member may hold an 8-hour in-house compliance seminar, with 4 hours of preparatory reading and study. In the first part of the seminar, topic areas 1 - 4, below, could be reviewed. Then the information imparted could be used in the discussion of case studies during the remainder of the seminar, or
  - (b) A Member could offer the compliance course over the three years, by requiring their approved persons to participate in a minimum 4-hour seminar every year. However, the seminar must still cover at least one of the 4 topic areas set out below and must do so in sufficient depth.
4. It is up to the Member to determine what constitutes successful completion of the course by its approved persons. For example, a Member may:
  - (a) require its approved persons to write and pass a firm-developed and delivered exam,
  - (b) require its approved persons to write and pass an external course provider developed and delivered exam, or
  - (c) require a certificate of attendance and participation at a seminar.

The preceding list of examples is not exhaustive.

**C. COURSE CONTENT**

1. The course content must fall within at least one of the following 4 major topic areas:
  - (a) Review of critical regulations and application
  - (b) Regulatory changes
  - (c) Rules relating to new products, if offered by the firm
  - (d) Ethics
2. Some examples of relevant issues for the 4 topic areas are provided below. Examples are given for both institutional and retail registrants. Certain of the examples will change over time to reflect emerging issues in the industry
  - (a) How the Securities Administrators and Self Regulatory Organizations Regulate Securities Industry Participants

- (b) Regulatory Developments that Affect Firm Management
  - (c) Disclosure of Information to Clients
  - (d) Registration and Continuing Education
  - (e) Operations and Firm Capital
  - (f) Sales and Trading Conduct – General
  - (g) Sales and Trading – Institutional Markets
  - (h) Current Developments in Bond Market Regulation
  - (i) Suitability and New Products
  - (j) Corporate Finance – New Rules
  - (k) Corporate Finance – Proposed New Rules
  - (l) Ethical issues and Case Studies
  - (m) Anti-money laundering laws and regulations and their implementations at the Member.
3. The importance of certain topics may vary by Member, depending on the Member's business and the participants' individual responsibilities.



## **THE PROFESSIONAL DEVELOPMENT COURSE**

### **A. BASIC PRINCIPLES**

1. In general, the courses should be relevant to the securities industry and financial advisors, management-oriented, or designed to improve client service.
2. The subject matter of an individual's course or courses should reasonably reflect that person's skill requirements or be based on the firm's products and market strategies.
3. The program undertaken should reflect the industry's commitment to high quality client service, advice, and professionalism.
4. The subject matter should be educational and non-promotional in nature. For example, the following would not qualify: corporate events held exclusively to introduce or promote new product or service offerings, networking events, or motivational speakers.
5. The program's provider should be professional, having defined the program's learning outcomes in advance, and be able to certify a student's successful completion. Alternatively, the firm may certify a student's successful completion, and assume responsibility for this function.
6. If the course program includes an examination, this examination must be successfully completed in order for the course to be applied towards the individual's Professional Development requirement.
7. Seminars that support other courses, or preparatory courses that support a course or examination, do not qualify separately for CE credit. The course or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory course hours may then be included in determining the duration of the total course.
8. An individual who teaches a relevant course may receive CE credits provided the member firm determines that the issues dealt with are relevant to Professional Development. The member firm may determine the amount of time applicable towards CE Professional Development credits.

### **B. DELIVERY GUIDELINES**

1. The course, or combination of courses, used to fulfill the Professional Development course must be at least 30 hours.
2. The Guidelines have been developed to offer some flexibility to Members and their approved persons. The manner in which the topics are reviewed is left to the Member's discretion, provided the minimum 30-hour requirement for every 3-year cycle is satisfied.

3. The determination of delivery should consider both the most appropriate learning tools and the need to ensure that requirements have been met. In different situations, any of the following may prove to be appropriate
  - (a) Self-study materials which may contain an evaluation
  - (b) Material delivered electronically through computer-based technology
  - (c) Seminars and discussions delivered through internal or external providers
4. Material should, where possible, use cases and other application-based learning to develop problem-solving and decision-making skills. Training strategies should focus on product knowledge, regulatory knowledge, business development skills, managerial skills and client communication skills.
5. In some firms, programs have been developed beyond the basic licensing requirements for investment advisors, branch managers, and others. These courses are designed to develop additional skills particular to the position. This type of course would generally meet the criteria for the continuing education program. However, these courses must be of a non-promotional nature, i.e. there must be no specific product incentives attached.

**C. COURSE CONTENT**

1. Generally, the courses ought to examine products, services and investment and financial strategies that the individual may offer to clients or managerial skill for individuals. More specifically, the courses and materials should deal with the following areas:
  - (a) Product features which should be fully communicated to a client in recommending a product
  - (b) Approaches to valuation of a product and the product's applicable risk factors
  - (c) Strategies for investing in a product including the particular client objectives in which it would provide the most suitable results
  - (d) The suitability of the use of leverage for a particular product and investment strategy
  - (e) The features and applicable cost of a service which the firm offers
  - (f) The regulatory, tax and other features of a product or service which might affect its suitability
  - (g) Methods of evaluating competing products, services and investment strategies
  - (h) The suitability of a product, service or strategy for clients with different financial, risk and knowledge profiles
  - (i) Managerial skills which would assist managers in meeting strategic and operational objectives
  - (j) Communication skills which would result in improved client service and determinations of client service
  - (k) Practice management skills which would provide tools to assist firm personnel in improving client service

- (l) Technology used to enhance client service and the provision of advice.
2. The following are some examples of external courses that would likely fit the criteria outlined in the framework for an individual's course of study:
  - (a) Courses and seminars offered by the Canadian Securities Institute. Additional licensing courses such as derivatives courses may be used to satisfy the requirement; however, the Professional Financial Planning Course or Investment Management Techniques Course may be used only if it has not been used to satisfy the requirement of Policy 6, Part I, Section A.3(c).
  - (b) Relevant courses offered or endorsed by professional associations that have licensing and continuing education programs such as, CIMA, CFP, CFA, IQPF, CLU and insurance licensing.
  - (c) Relevant courses delivered through established post secondary institutions.

**SUGGESTED PROCESS TO ESTABLISH TRAINING SOLUTIONS FOR MEETING  
CONTINUOUS EDUCATION REQUIREMENTS**

1. Identify Training Needs
  - (a) Identify knowledge and skills, which would impact positively on the firm and individuals.
  - (b) Identify the learning objectives expected from the program or course.
2. Identify the evaluation method(s) to be used.
3. Determine how successful completion is to be ascertained.
4. Identify the delivery mechanism
  - (a) Determine whether external or internal delivery is most appropriate approach.
  - (b) Determine external suppliers or internal experts who are professional and capable of providing delivery of material.
  - (c) Identify programs / courses that would deliver the skills and knowledge which would meet the firm and individual needs.
5. Cross-check outcomes desired against outcomes promised.

**PASSED AND ENACTED** by the Board of Directors this 9th day of October, 2003, to be effective on a date to be determined by Association staff.