

RULE 2900

PROFICIENCY AND EDUCATION:

PART I – PROFICIENCY REQUIREMENTS

INTRODUCTION

This Part I outlines the proficiency requirements for Approved Persons. These proficiency requirements consist of both entrance thresholds and on-going requirements.

DEFINITIONS

For the purpose of this Part I:

“**Recognized Foreign Self-regulatory Organization**” means a foreign [self-regulatory organization](#) which offers a reciprocal treatment to Canadian applicants and which has been approved as such by Corporation.

All courses and examinations, unless otherwise specified, are administered by CSI Global Education Inc.

A. Proficiency Requirements for Approved Persons

1. Supervisors

- (a) The proficiency requirements for Supervisors of Approved Persons dealing with retail customers are:
 - (i) Two years of relevant experience working for a Dealer Member or such equivalent experience as may be acceptable to the [applicable](#) District Council;
 - (ii) If supervising Registered Representatives dealing with retail customers, successful completion of
 - A. The Canadian Securities Course,
 - B. The Conduct and Practices Handbook Course
 - C. The Branch Managers Course, and
 - D. The Effective Management Seminar within 18 months after beginning to supervise Registered Representatives dealing with retail customers.
 - (iii) If supervising Investment Representatives only, successful completion of The Canadian Securities Course, The Conduct and Practices Handbook Course, and the Branch Managers Course
 - (iv) If supervising options trading, successful completion of The Derivatives Fundamentals Course, The Options Licensing Course and The Options Supervisor Course.
 - (v) If supervising futures contract and futures contract options, successful completion of:
 - A. 1. The Derivatives Fundamentals Course and the Futures Licensing Course (“FLC”), or
 - 2. The FLC and the National Commodity Futures Examination administered by the National Association of Securities Dealers;

and

 - B. the Canadian Commodity Supervisors Examination.

- (b) The proficiency requirements for Supervisors of Approved Persons dealing with Institutional Customer accounts only are:
- (i) If supervising Registered Representatives or Investment Representatives dealing with institutional customers, successful completion of:
 - A. 1. The Branch Managers Course, or
 - 2. The Partners, Directors and Senior Officers Course;and
 - B. The proficiency requirements necessary to conduct or supervise any trading activity carried on by Approved Persons he or she supervises.
 - (ii) If supervising options trading, successful completion of The Options Supervisor Course.
 - (iii) If supervising futures contract and futures contract options, successful completion of:
 - A. 1. The Derivatives Fundamentals Course and Futures Licensing Course, or
 - 2. The Futures Licensing Course and the National Commodity Futures Examination administered by the Financial Industry Regulatory Authority;and
 - B. the Canadian Commodity Supervisors Examination.
- (c) A Chief Compliance Officer who is also a [Supervisor](#) of a producing [Supervisor](#) is exempt from the proficiency requirements in 1(a)(ii) provided he/she complies with the proficiency requirements of Dealer Member Rule 2900 Part I A.2B.
- (d) If an [individual](#) is approved as a [Supervisor](#) as of September 28, 2009, the requirement to complete The Derivatives Fundamentals Course and The Options Licensing Course in subsection 1(a)(iv) does not apply to the [individual](#) so long as the [individual](#) remains approved in the [Supervisor](#) category.
- (e) An [individual](#) who supervises a [Registered Representative](#) under Rule 1300.15(c) must satisfy the [applicable](#) proficiency requirements of Rule 2900 Part I A.6 or section 3.11 (Portfolio manager – advising representative) of National Instrument 31-103 *Registration Requirements and Exemptions* and is, for greater certainty, exempt from the requirements in Rule 2900 Part I A.1(a)(i), (ii) and (v).
- (f) A partner, [Director](#), or [Officer](#) who is a [Designated Supervisor](#) under Rule 1300.2 or 1300.4 and who undertook such a supervisory role immediately prior to September 28, 2009 is exempt from the [applicable](#) requirements in subsection 1(a)(ii) and (iii) provided:
- (i) the [individual](#) successfully completed the Partners, Directors and Senior Officers Course;
 - (ii) the [individual](#) seeks approval as a Supervisor within 6 months of September 28, 2009; and
 - (iii) the [individual](#) remains approved in the Supervisor category.

2. Directors and Executives

The proficiency requirements for a [Director](#) or [Executive](#) of a Dealer Member under Rule 7.3 or 7.4 are:

- (a) Successful completion of the Partners, Directors and Senior Officers Course;
- (b) If also approved in a trading category, successful completion of the applicable proficiency requirements; and
- (c) If supervising the handling of customer accounts, successful completion of the applicable proficiency requirements for a [Supervisor](#).

2A. Chief Financial Officers

1. The proficiency requirements for a chief financial officer pursuant to Rule 38.6 are:
 - (a) A financial accounting designation, university degree or diploma, or equivalent work experience; and
 - (b) Successful completion of the Partners, Directors and Senior Officers Course, and
 - (c) Successful completion of the Chief Financial Officers Qualifying Examination.
2. A [person](#) approved as Acting Chief Financial [Officer](#) pursuant to Rule 7.5(b) shall have 90 days from the date of termination of the Chief Financial [Officer](#) to successfully complete of the Chief Financial Officers Qualifying Examination.
3. Any Dealer Member that fails to provide to the Corporation proof of successful completion of the Chief Financial Officers Qualifying Examination within 10 days of the dates specified for successful completion in section 2 above, or such other dates as the Corporation may specify, shall be liable for and pay to the Corporation such fees as the [Board](#) may from time to time prescribe.

2B. Chief Compliance Officers

1. The proficiency requirements for a chief compliance officer pursuant to Rule 38.7 are:
 - (a) Successful completion of the Partners, Directors and Senior Officers Qualifying Examination; and
 - (b) Successful completion of the Chief Compliance Officers Qualifying Examination.
2. A [person](#) approved as acting Chief Compliance Officer pursuant to Rule 38.7 shall have 90 days from the date of termination of the Chief Compliance Officer to successfully complete of the Chief Compliance Officers Qualifying Examination.
3. Any Dealer Member that fails to provide to the Corporation proof of successful completion of the Chief Compliance Officers Qualifying Examination within 10 days of the dates specified for successful completion in section 2 above, or such other dates as the Corporation may specify, shall be liable for and pay to the Corporation such fees as the [Board](#) may from time to time prescribe.

3. Registered Representatives and Investment Representatives

The proficiency requirements for a [Registered Representative](#) or [Investment Representative](#) under Rule 18.3 are:

- (a) (i) Successful completion of

- (A) The Canadian Securities Course prior to commencing the training programme described in subsection (C),
- (B) The Conduct and Practices Handbook Course, and
- (C) Either
 - 1. For a [Registered Representative](#) dealing with retail customers a 90-day training programme during which time he or she has been employed with a Dealer Member firm on a full-time basis, or
 - 2. For an [Investment Representative](#), a 30-day training programme during which time he or she has been employed with a Dealer Member firm on a full-time basis;

or

- (ii) Successful completion of the New Entrants Course, where the [person](#) was registered or licensed with a [recognized foreign self-regulatory organization](#) within three years prior to application with the Corporation;

and

- (b) For a [Registered Representative](#) dealing with retail customers other than a [Registered Representative](#) dealing in mutual funds only, successful completion of the Wealth Management Essentials course within 30 months after his or her approval as a [Registered Representative](#).

4. Registered Representatives and Investment Representatives Dealing only in Mutual Funds

The proficiency requirement for a [Registered Representative](#) or [Investment Representative](#) dealing only in mutual funds under Rule 18.7 is successful completion of:

- (a) The Canadian Securities Course;
- (b) The Canadian Investment Funds Course administered by IFIC,
- (c) The Investment Funds in Canada Course administered by CSI Global Education Inc. and previously The Institute of Canadian Bankers, or
- (d) The Principles of Mutual Funds Investment Course administered by CSI Global Education Inc. and previously The Institute of Canadian Bankers.

5. Traders

The proficiency requirement for a Trader under Rule 500.2 is:

- (a) for a Trader on the Toronto Stock Exchange or TSX Venture Exchange, the Trader Training Course, unless an exemption is granted by either exchange or its market regulation services provider.
- (b) for a Trader on the Bourse de Montreal, the proficiency requirements determined to be acceptable by Bourse de Montreal.

6. Portfolio Management

6.1 The proficiency requirements for a [Registered Representative](#) providing discretionary portfolio management for managed accounts that do not trade in futures contracts are:

- (a) Successful completion of

- (i) The Conduct and Practices Handbook Course, and
- (ii) either
 - A. The courses necessary to attain the Canadian Investment Manager Designation, or
 - B. The three levels of the Chartered Financial Analyst programme administered by the CFA Institute;

and

- (b) Experience
 - (i) Of at least three years as a [Registered Representative](#) or a research analyst for a Dealer Member,
 - (ii) Of at least two years ending not more than three years prior to the date of application as a registered advisor under Canadian securities legislation managing on a discretionary basis at least \$5,000,000 in aggregate assets; or
 - (iii) Of at least five years ending not more than three years prior to the date of application, managing a portfolio of \$5,000,000 or more, on a discretionary basis, while employed by a government-regulated institution.

6.2 The proficiency requirements for a [Registered Representative](#) exercising discretionary authority over managed accounts trading in futures contracts or futures contracts options are:

- (a) Successful completion of
 - (i) The Canadian Commodity Supervisors Exam, the Futures Licensing Course and the courses necessary to attain the Derivatives Market Specialist Designation; or
 - (ii) The Chartered Financial Analyst program administered by the CFA Institute; and
- (b) Experience ending no earlier than three years prior to the date of commencing to exercise discretionary authority over managed accounts of at least 5 years as an [Approved Person](#) actively engaged in advising on and trading in futures contracts or futures contracts options for customer accounts.

7. Commodity Futures Contracts and Options

7.1 The proficiency requirements for a [Registered Representative](#) or [Investment Representative](#) who deals with customers in futures contracts or futures contract options are successful completion of:

- (a) The Derivatives Fundamentals Course and the Futures Licensing Course, or
- (b) The Futures Licensing Course and the National Commodity Futures Examination administered by the Financial Industry Regulatory Authority.

8. Options

The proficiency requirement for a [Registered Representative](#) or [Investment Representative](#) who deals with customers in options is successful completion of:

- (a) The Derivatives Fundamentals Course and the Options Licensing Course, or

- (b) The Series 7 administered by the Financial Industry Regulatory Authority and the New Entrants Course.

B. General Exemption

1. The [applicable](#) District Council may, under Rule 20.24, exempt any person or class of persons from the proficiency requirements on such terms and conditions, if any, as the [applicable](#) District Council may see fit.
2. The [Board](#) may prescribe a fee to be paid for any exemption application under paragraph 1.

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PROFICIENCY AND EDUCATION:

PART II – EXAMINATION REWRITE REQUIREMENTS AND COURSE AND EXAMINATION EXEMPTIONS

INTRODUCTION

This Part II outlines the exemptions that exist from the Corporation's course and examination requirements for persons seeking to be approved in certain categories of registration. This Part II exempts applicants from the requirement to rewrite courses or examinations that they have successfully completed if they are re-entering the industry, re-registering in a category of registration or seeking initial registration within certain time periods. This Part II also provides exemptions to applicants from the requirements to initially write a course or examination if the applicant satisfies one of the specifically enumerated exemptions based on grandfathering provisions or the successful completion of other courses and examinations. In addition, this Part II sets out the basis upon which the [applicable](#) District Council may grant a discretionary exemption.

All courses and examinations, unless otherwise specified, are administered by CSI Global Education Inc.

A. Requirement to Rewrite Courses and Examinations

1. Current and Former Approved Persons

- (a) An applicant for approval who was previously approved in a category must complete a proficiency requirement if he or she has not been approved in the category to which the requirement applies within the three years prior to the date of application.
- (b) An Applicant or [Approved Person](#) who has previously conducted a particular type of business must complete a proficiency required to conduct the type of business if he or she has not conducted the type of business within the past three years.
- (c) Sections (a) and (b) do not apply to new or amended course requirements not required when the [Approved Person](#) or applicant for approval was initially approved or began to conduct the type of business, provided that the applicant was not under a requirement to complete the course or examination when the applicant's approval lapsed.

2. Approval after Completion of Course

Subject to Rule 2900 Part II A.3(a), an applicant for approval who has never been approved or conducted a type of business must rewrite a required examination or course if it was completed more than two years before the date of application.

3. The Canadian Securities Course

- (a) An applicant for approval who has not previously been approved in a category or conducted a type of business requiring the Canadian Securities Course who would otherwise be required to rewrite the course is exempt if the applicant has:
 - (i) within two years prior to the date of application, successfully completed any one of the Professional Financial Planning Course, Wealth Management Techniques Course, Wealth Management Essentials Course, Investment Management Techniques Course, Portfolio Management Techniques Course, or the three levels of the Chartered Financial Analyst programme administered by the CFA Institute, or;

- (ii) within three years prior to the date of application completed the New Entrants Course or the Canadian Securities Course
- (b) An applicant for approval in a category or to conduct business requiring the Canadian Securities Course who was approved in a category or conducted a type of business requiring the course and who would otherwise be required to rewrite the course is exempt if the applicant has within three years prior to the date of application successfully completed any one of the Professional Financial Planning Course, Wealth Management Techniques Course, Wealth Management Essentials Course, Investment Management Techniques Course, Portfolio Management Techniques Course, or the three levels of the Chartered Financial Analyst programme administered by the CFA Institute.

4. The Chief Financial Officers Qualifying Examination

An applicant who would otherwise be required to rewrite the Chief Financial Officers Qualifying Examination is exempt if the applicant has, since completing the Chief Financial Officers Qualifying Examination, been working closely with and providing assistance to a Chief Financial Officer.

5. The Derivatives Fundamentals Course

- (a) An applicant for approval or an [Approved Person](#) who will be dealing with customers in futures contracts or futures contracts options and who would otherwise be required to rewrite the Derivatives Fundamentals Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Futures Licensing Course or the Canadian Commodity Supervisors Examination.
- (b) An applicant for approval or an [Approved Person](#) who will be dealing with customers in options and who would otherwise be required to rewrite the Derivatives Fundamentals Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Options Licensing Course.

6. The Futures Licensing Course

An applicant for approval or an [Approved Person](#) who will be dealing with customers in futures contracts or futures contracts options and who would otherwise be required to rewrite the Futures Licensing Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Canadian Commodity Supervisors Examination.

7. The Wealth Management Essentials course

An applicant who would otherwise be required to rewrite the Wealth Management Essentials Course is exempt if the applicant is currently seeking approval within two years of successfully completing the Investment Management Techniques Course, Portfolio Management Techniques Course, 3 levels of the Certified Financial Analyst programme administered by the CFA Institute, Professional Financial Planning Course, or the Wealth Management Techniques Course.

8. 30-Day Training Program

An applicant is exempt from re-doing the 30-day training program required under Rule 2900 Part I 3(a)(i)(C)2 if, within three years prior to application, the applicant was approved for trading for Retail Customers in securities with a Dealer Member or by a recognized foreign

regulatory authority or [self regulatory organization](#) or a Canadian securities regulatory authority.

9. 90-Day Training Program

An applicant is exempt from re-doing the 90-day training program required under Rule 2900 Part I 3(a)(i)(C)1 if, within three years prior to application, the applicant was approved for trading and advising Retail Customers in securities with a Dealer Member or by a recognized foreign regulatory authority or [self regulatory organization](#) or a Canadian securities regulatory authority.

B. Exemptions from Writing

1. Current and Former Approved Persons

- (a) An [Approved Person](#) is exempt from completing a new or amended proficiency requirement not in place at the time he or she was approved in a category unless the rule setting the requirement specifically provides otherwise.
- (b) An applicant for approval who was an [Approved Person](#) is exempt from completing a new or amended proficiency requirement not in place at the time of the applicant's previous approval in the same category for three years after the applicant's previous approval lapsed unless the rule setting the requirement specifically provides otherwise.

2. The Canadian Securities Course

An applicant is exempt from writing the Canadian Securities Course if the applicant has previously been registered or licensed with a recognized foreign regulatory authority or [self-regulatory organization](#) and has successfully completed the New Entrants Course within two years of the application.

3. The Derivatives Fundamentals Course

An applicant is exempt from writing the Derivatives Fundamentals Course if the applicant is seeking approval within two years of successfully completing the Options Course Licensing Course, the Options Supervisors Course, the Futures Licensing Course, or the Canadian Commodity Supervisors Examination.

4. The Wealth Management Essentials Course

An applicant is exempt from writing the Wealth Management Essentials Course if the applicant

- (a)
 - (i) has successfully completed the Investment Management Techniques Course or the Professional Financial Planning Course prior to July 4, 2008, having been enrolled prior to July 4, 2006 and
 - (ii) is seeking approval within two years of successfully completing the Wealth Management Techniques Course or the Portfolio Management Techniques Course; or
- (b) Is seeking re-approval within three years of successfully completing the Wealth Management Techniques Course or the Portfolio Management Techniques Course.

5. 90-Day Training Program

An applicant is exempt from completing the 90-day training program if, within three years prior to application, the applicant was approved or registered with a Dealer Member, [securities dealer](#) or [investment dealer](#); or by a recognized foreign regulatory authority or [self-regulatory organization](#); or as an [investment](#) advisor by a Canadian securities regulatory authority in a capacity permitting trading and advising in securities to Retail Customers.

6. 30-Day Training Program

An applicant is exempt from completing the 30-day training program if, within three years prior to application, the applicant was registered with a Dealer Member, [securities dealer](#) or [investment dealer](#); or by a recognized foreign regulatory authority or [self-regulatory organization](#); or as an [investment](#) advisor by a Canadian securities regulatory authority in a capacity permitting trading in securities to [Retail Customers](#).

C. Discretionary Exemptions

- (a) The [applicable](#) District Council may, under Rule 20.24, grant an exemption from the requirement to rewrite or write any required course or examination, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption, if the applicant demonstrates adequate experience and/or successful completion of industry courses or examinations that the [applicable](#) District Council, in its opinion, determines is an acceptable alternative to the required proficiency.
- (b) The [Board](#) may prescribe a fee to be paid for any exemption application under this Rule 2900 Part II.

RULE 2900
PROFICIENCY AND EDUCATION:
PART III – THE CONTINUING EDUCATION PROGRAM

Repealed

Rule 2900 Part III and the Guidelines for the Continuing Education Program are repealed effective January 1, 2018 and replaced by Continuing Education [Rule 2650](#) as per [IIROC Rules Notice 17-0223](#).