

August 26, 2019

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Dear Mr. Korble and Ms. Kwok:

**Re: IIROC Notice 19-0117 Continuing Education Rules (the “Proposed Amendments”)**

The Investment Industry Association of Canada (the “IIAC or “we”) appreciates the opportunity to respond to the request for comments on IIROC’s Proposed Amendments to Continuing Education Rules.

**Former Approved Persons**

The IIAC supports IIROC’s decision to remove the provision permitting former Approved Persons to use rewrites of the CSC and CPH to satisfy their continuing education (CE) requirements, and the removal of subsection 2657(3). We agree that it is appropriate to eliminate inconsistent treatment between new Approved Persons and former Approved Persons in respect of the use of the qualification courses to be used as continuing education credits.

**Voluntary Participation Program (VPP)**

We support IIROC’s proposed amendments in relation to the VPP initiative to limit its use to former Approved Persons, and only for one cycle. In respect of the list of the approved courses on the VPP list, ideally, IIROC should publish a list that contains only courses that are equivalent to the CSC. If multiple courses are permitted, it should be explicit as to the combination of courses that would be acceptable in order to eliminate ambiguity as to which combination of courses are acceptable for this purpose.

**Penalties for Late Filing and Non-Completion of CE Requirements**

The IIAC favors the proposed penalty of \$100 per CE participant for each business day the Dealer is late in reporting, following the 10th business day of January and lasting until the last business day of January

over the previously proposed \$2500 penalty. The daily fine structure provides the opportunity for firms to rectify errors early and avoid or minimize the potential penalty by filing as soon as possible.

We request clarification on the reinstatement process for CE participants who have been suspended due to failure to complete CE courses.

### **Compliance Courses Completed in a Foreign Jurisdiction**

In order to provide consistency and predictability, the IIAC does not support expanding the types of compliance courses that qualify for CE when offered by a foreign securities dealer or foreign course provider beyond those that are recognized by a foreign securities regulator. Given that Dealers will not possess all relevant course information, it would be difficult to ensure that non-regulator endorsed CE courses cover the material in a sufficient manner. Broadening the scope further than what foreign securities regulators have approved will increase ambiguity around CE qualification criteria and will result in a more cumbersome process for Dealers to evaluate course equivalency for CE credits and to apply to such courses. This may lead to inconsistency in allocating credit for the same or similar foreign based courses.

### **Dealer-Delivered Continuing Education Programs**

The IIAC supports IIROC's proposal to remove clause 2657(1)(v), which requires Dealer-delivered programs to include a method of evaluation, such as an examination, course work, or case study. As noted in our earlier submission, this amendment will provide consistency with third party delivered programs that do not necessarily have an evaluation component. We agree that IIROC's best practice guidelines for Dealer-delivered programs remains an appropriate policy for content and delivery of CE programs.

### **Repeated Courses**

We agree that Approved Persons should not be allowed to repeat the same CE course for CE credits unless the course has been substantially updated, as it does not contribute to the learning and enhancement of CE participants' skill sets. In addition, we would like to request clarification on what qualifies as 'substantially updated' with respect to CE courses.

### **Additional Suggestions:**

The IIAC would like to reiterate our proposal to amend the current rules to allow any person who becomes licensed with IIROC in the second year of the CE cycle, to start their CE requirements in the following CE cycle. The current rules state that anyone being licensed with IIROC up to June 30<sup>th</sup> of the second year of the cycle, must complete their required credits for that given cycle by the end of the year. As noted in our earlier submission in 2017, this is very onerous, in certain circumstances that completion of the CE requirements could be extremely difficult to complete if the individual has less than one year to do so. We recommend that if an Approved Person enters the CE program cycle within one year of the end of the cycle, the CE requirements should commence in the next CE program cycle. This would not prejudice investors, as the Approved Persons would have just completed the required courses. It should be noted that many dealers also require CE requirements to be completed in October of the qualifying year, in order

to ensure there is sufficient time to account for issues. This further shortens the time for registrants to complete their CE requirements.

Thank you for considering our comments and if you have any questions with respect to the foregoing, we kindly ask that you contact the undersigned at [msaleem@iiac.ca](mailto:msaleem@iiac.ca) or 416-687-5476. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mustapha Saleem', with a horizontal line drawn through the middle of the signature.

Mustapha Saleem  
Policy Analyst  
Investment Industry Association of Canada