

RULE 2700 | CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

2701. Introduction

- (1) The *Corporation* requires *Approved Persons* to meet continuing education requirements to enhance and further develop their baseline proficiencies.
- (2) Rule 2700 is divided into the following parts:
 - Part A – The continuing education program and continuing education requirements
[sections 2703 and 2704]
 - Part B – Continuing education program courses and administration
[sections 2715 through 2717]
 - Part C – Participation in the continuing education program
[sections 2725 and 2726]
 - Part D – Changes during a continuing education program cycle
[section 2735]
 - Part E – Discretionary relief
[section 2745]
 - Part F – Penalties applicable to the continuing education requirements for *Approved Persons*
[section 2755]

2702. Definitions

- (1) The following terms have the meaning set out below when used in sections 2703 through 2799:

“continuing education course”	A single, integrated course or series of relevant courses, seminars, programs or presentations that together meet the time and content requirements for continuing education set out in Rule 2700.
“continuing education participant”	An <i>Approved Person</i> approved in one or more of the categories set out in subsection 2704(1).
“continuing education program”	The <i>Corporation’s</i> continuing education program, consisting of compliance and professional development requirements.

PART A - THE CONTINUING EDUCATION PROGRAM AND CONTINUING EDUCATION REQUIREMENTS

2703. The continuing education program

- (1) The *continuing education program* consists of three parts:
 - (i) a compliance course requirement, which is training covering ethical issues, regulatory developments and rules governing investment dealer conduct, and
 - (ii) a professional development course requirement, which is training that fosters learning and development in areas relevant to investment dealer business,

- (iii) Mandated annual continuing education training specifically prescribed by the Corporation which may satisfy clauses (i) or (ii) above as prescribed by the Corporation.
- (2) The *continuing education program* operates in two year cycles. The first two year cycle commenced on January 1, 2018. The beginning and end of each *continuing education program* cycle is the same for all *continuing education participants*.
- (3) A *Dealer Member* or external course provider may provide a *continuing education course*.
- (4) A *Dealer Member* or external course provider may submit continuing education courses for accreditation through the *Corporation's* accreditation process.
- (5) A *continuing education participant* is exempt from the professional development course requirement if he or she:
 - (i) is approved in the category of *Registered Representative, Associate Portfolio Manager, Portfolio Manager* or *Supervisor*, and
 - (ii) has been continuously approved in a retail trading capacity since January 1, 1990 or earlier by either the *Corporation*, the Toronto Stock Exchange, the Montreal Exchange, or the TSX Venture Exchange including any of their predecessors.

2704. Continuing education requirements

- (1) In each *continuing education program* cycle, a *continuing education participant* must meet the continuing education requirements for the applicable *Approved Person* category, regardless of product type, as set out in the following table.

Approved Person Category	Client Type	Compliance course requirement	Professional development requirement
<i>Registered Representative</i>	<i>retail client</i>	Yes	Yes
<i>Registered Representative</i>	<i>institutional client</i>	Yes	No
<i>Investment Representative</i>	<i>retail client or institutional client</i>	Yes	No
<i>Portfolio Manager</i>	<i>retail client or institutional client</i>	Yes	Yes
<i>Associate Portfolio Manager</i>	<i>retail client or institutional client</i>	Yes	Yes
<i>Trader</i>	N/A	Yes	No
<i>Supervisor</i>	<i>retail client or institutional client</i>	Yes	No

Approved Person Category	Client Type	Compliance course requirement	Professional development requirement
<i>Ultimate Designated Person</i>	N/A	Yes	No
<i>Chief Compliance Officer</i>	N/A	Yes	No

- (2) *Registered Representatives* dealing in mutual funds only who are an employee of a firm registered as both an investment dealer and a mutual fund dealer:
 - (i) are not subject to and do not need to comply with the *Registered Representative* continuing education requirements set out in subsection 2704(1), and
 - (iii) are subject to and must comply with the continuing education requirements for individuals registered as a dealing representative set out in Mutual Fund Dealer Rule 900.
- (3) A *continuing education participant* registered in more than one *Approved Person* category must meet the continuing education requirements of the category with the most onerous continuing education requirements.
- (4) All *continuing education participants* must complete at least 10 hours of compliance courses in each *continuing education program* cycle in accordance with requirements in section 2715.
- (5) A *continuing education participant* that is subject to professional development requirements must complete at least 20 hours of professional development courses in each *continuing education program* cycle in accordance with requirements in section 2716.

2705. – 2714. Reserved.

PART B – CONTINUING EDUCATION PROGRAM COURSES AND ADMINISTRATION

2715. The compliance course

- (1) A *continuing education participant*:
 - (i) may only receive continuing education credit for a compliance course with an examination, in the cycle when the *continuing education participant* successfully passes the examination,
 - (ii) may not receive continuing education credit for any preparation towards a compliance course with an exam, except in the cycle when the *continuing education participant* successfully passes the examination, and
 - (iii) may receive continuing education credit of a maximum of five hours for compliance *continuing education courses* offered by a foreign *securities* dealer or foreign external course provider.
- (2) A *Dealer Member* may give continuing education credit for *Dealer Member* compliance manual training where:
 - (i) the content of the compliance manual training satisfies clause 2703(1)(i), and
 - (ii) the compliance manual training is delivered by the *Dealer Member* through in-person seminars, or webinars that are accompanied by a method of evaluation.

2716. The professional development course

- (1) A *continuing education participant* subject to the professional development requirement:
 - (i) may not receive continuing education credit for any preparation towards a professional development course with an exam, except in the cycle when the *continuing education participant* successfully passes the examination, and
 - (ii) may only receive continuing education credit for a professional development course with an examination in the cycle when the *continuing education participant* successfully passes the examination.

2717. Dealer Member's administration of the continuing education program

- (1) A *Dealer Member* must:
 - (i) verify the *continuing education participant's* compliance with the requirements at the end of the *continuing education program cycle*,
 - (ii) keep evidence of a *continuing education participant's* completion of the *continuing education course*, which may be a certificate issued by the course provider, an attendance sheet, or bulk notice of completion,
 - (iii) keep *continuing education program records*, including course related materials, for each *continuing education program cycle* for a minimum of seven years following the end of the *continuing education program cycle*,
 - (iv) designate an *individual* responsible for supervising training and approving a *continuing education participant's* chosen *continuing education course*,
 - (v) ensure that a *continuing education participant's* chosen *continuing education course* satisfies the content criteria described in subsection 2703(1),
 - (vi) where the *continuing education course* is delivered by the *Dealer Member*, evaluate a *continuing education participant's* knowledge and understanding of the course,
 - (vii) ensure that each *continuing education participant* meets the continuing education requirements during each *continuing education program cycle*, and
 - (viii) update the continuing education reporting system and notify the *Corporation* within 10 *business days* after the end of the *continuing education program cycle* of all *continuing education participants* that have met their continuing education requirements within the prescribed cycle.
- (2) A *Dealer Member* may allow a *continuing education participant* to use the continuing education credits earned through courses or seminars completed at the *continuing education participant's* former sponsoring *Dealer Member*. A *Dealer Member* may accept a statement of completion issued by the *continuing education participant's* former sponsoring *Dealer Member*.
- (3) A *Dealer Member* may allow a continuing education participant to use mandatory conduct training prescribed in section 2604(2) towards compliance course requirement in clause 2703(1)(i).

2718. – 2724. Reserved.

PART C – PARTICIPATION IN THE CONTINUING EDUCATION PROGRAM**2725. Participation of recently Approved Persons**

- (1) An *individual* enters the *continuing education program* cycle upon initial approval in an *Approved Person* category listed in subsection 2704(1).
- (2) Notwithstanding subsection 2725(1), an *individual* that receives approval in an *Approved Person* category listed in subsection 2704(1) during the last six months of the current *continuing education program* cycle will become subject to the applicable continuing education requirements starting at the beginning of the next *continuing education program* cycle.

2726. – 2734. Reserved.

PART D - CHANGES DURING A CONTINUING EDUCATION PROGRAM CYCLE**2735. Changes to Approved Persons category during a continuing education program cycle**

- (1) A *continuing education participant* who changes his or her *Approved Person* category during a *continuing education program* cycle must complete the continuing education requirements applicable to the new *Approved Person* category in the same *continuing education program* cycle.
- (2) Notwithstanding subsection 2735(1), a *continuing education participant* who changes his or her *Approved Person* category during the last six months of the current *continuing education program* cycle, becomes subject to the applicable continuing education requirements of the new *Approved Person* category at the beginning of the next *continuing education program* cycle.
- (3) A *continuing education participant* may not change to an *Approved Person* category with less onerous continuing education requirements to avoid completing the more onerous continuing education requirements of a former *Approved Person* category, or penalties for non-completion of continuing education requirements. Any change to the *Approved Person* category during the last six months of the *continuing education program* cycle which results in less onerous continuing education requirements must be accompanied by an explanation from the sponsoring *Dealer Member* to satisfy the *Corporation* that the category change is not an avoidance measure.

2736. – 2744. Reserved.

PART E – DISCRETIONARY RELIEF**2745. Discretionary Relief**

- (1) The *Corporation* may extend the time a *continuing education participant* has to complete any *continuing education course* beyond the two year *continuing education program* cycle due to, but not limited to, an illness if:
 - (i) an *Executive* at the *continuing education participant's* sponsoring *Dealer Member*:
 - (a) approves the extension,
 - (b) notifies the *Corporation* of the reason for the extension, and
 - (c) proposes the new date of completion of the required course,
 and
 - (ii) the *Corporation* approves the request for an extension.

- (2) In the case of an indefinite leave of absence, the *Corporation* may exempt from the *continuing education program* a *continuing education participant* who is unable to complete his or her continuing education requirements due to, but not limited to an illness, for more than one *continuing education program cycle* if:
 - (i) an *Executive* at the *continuing education participant's* sponsoring *Dealer Member*:
 - (a) approves the exemption,
 - (b) notifies the *Corporation* of the reason for the exemption, and
 - (c) states that the leave is for an indefinite period,
 and
 - (ii) the *Corporation* approves the request for an exemption.
- (3) A *continuing education participant* who is granted an exemption under subsection 2745(2) and returns to the industry after an absence of:
 - (i) three years or less must have the *Corporation* determine the continuing education requirements before he or she resumes any activity that needs approval, or
 - (ii) more than three years must meet the applicable proficiency and registration requirements for his or her *Approved Person* category.

2746. – 2754. Reserved.

PART F - PENALTIES APPLICABLE TO THE CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

2755. Penalties for late filing or not completing continuing education requirements in a continuing education program cycle

- (1) On the last *business day* of the first month of a *continuing education program cycle*, the *Corporation* will automatically suspend the approval of the *continuing education participant* if:
 - (i) a *continuing education participant* fails to complete the continuing education requirements for the previous *continuing education program cycle* within the prescribed cycle, or
 - (ii) the sponsoring *Dealer Member* fails to update the continuing education reporting system and notify the *Corporation* as required by clause 2717(1)(vii).
- (2) A sponsoring *Dealer Member* that fails to comply with the requirements of clause 2717(1)(vii) will be liable for and pay the *Corporation* such fees as the *Board* may prescribe from time to time.
- (3) The *Corporation* may reinstate the *continuing education participant's* approval after the sponsoring *Dealer Member* has notified the *Corporation* in writing that the *continuing education participant* has completed the continuing education requirements.
- (4) If a sponsoring *Dealer Member* pays a fine in error, the *Corporation* will issue a refund provided the *Dealer Member* requests a refund within 120 days of the date the invoice is issued by the *Corporation*.

2756. – 2799. Reserved.