

Administrative Bulletin**General**

Request for Comments

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Comments due by: March 18, 2025

Contact:

Registration, Proficiency

Proficiency@ciro.ca

Bulletin: 24-0356**December 19, 2024**

Rule amendments — Request for comments– Proposal to harmonize CIRO Continuing Education (CE) Programs

Executive Summary

The Canadian Investment Regulatory Organization (CIRO) is proposing rule amendments to its continuing education (CE) programs under the Investment Dealer Partial Consolidated (IDPC) Rules and the Mutual Fund Dealer (MFD) Rules as part of its commitment to developing harmonized Continuing Education (CE) rules.

We have considered:

- material differences between the IDPC and MFD Rules for CE,
- the objectives of the current MFD and IDPC CE programs, which is to further develop baseline proficiencies applicable to Approved Persons consistent with the proficiency principle,
- the objectives of CE harmonization and applicable regulatory requirements, including those specific to Quebec, and
- the potential operational and IT system impacts of harmonized rules on all CIRO firm types.

With these considerations in mind, we concluded that a phased approach to harmonizing CE rules is most appropriate in order to ensure:

1. timely harmonization of material differences between CE programs, where possible, and
2. adequate collection and analysis of feedback and information on rules that have a more significant impact on current complex operational and IT systems.

Phase 1 will focus on proposed rule amendments for the next CE cycle that have a minimal impact on firms and Approved Persons in the next CE cycle. Phase 2 will consider future rule amendments that have significant operational and/or IT system impacts, which would take place in the following CE cycle.

In this bulletin, we are seeking comments on the proposed rules for the first phase of harmonization. We are also seeking feedback on further ways to harmonize the CE rules in the next phase for those requirements that have significant operational and system implications.

How to submit comments

We invite interested parties to make written submissions on the proposed rule amendments and also welcome feedback on Phase 2 considerations. Please submit your comments in writing via email (only) by March 18, 2025 to:

Registration, Proficiency

Canadian Investment Regulatory Organization
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40 Temperance Street
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e-mail: proficiency@ciro.ca

A copy should also be delivered to the Canadian Securities Administrators (**CSA**):

Trading and Markets

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West Toronto, Ontario M5H 3S8
e-mail: tradingandmarkets@osc.gov.on.ca

and

Capital Markets Regulation

B.C. Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2
e-mail: CMRdistributionofSROdocuments@bcsc.bc.ca

Commentators should be aware that a copy of their comment letter will be made publicly available on the [CIRO website](#).

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1. Background

In 2021, the Canadian Securities Administrators (CSA) published a Position Paper on the New SRO framework that included implementing a streamlined CE program for all dealer members that is fair, consistent and proportionate as part of a solution to strengthen the regulatory regime's proficiency framework.¹ In turn, the CIRO strategic priorities highlighted our public commitment to harmonize the two CE programs of our predecessor organizations,² which was further confirmed in our Fiscal 2025 Annual Priorities to develop a proposal to pursue harmonization of the two programs.³

Since CIRO's inception, we have been considering how best to pursue harmonization of our CE programs. As part of our review, we considered:

- material differences between the IDPC and MFD Rules for CE,
- the objectives of the current CE programs, which is to further develop baseline proficiencies applicable to Approved Persons consistent with the proficiency principle,
- the objectives of CE harmonization, and applicable regulatory requirements including those specific to Québec⁴, and
- the potential operational and IT system impacts of harmonized rules on all CIRO firm types.

We have identified a number of material differences between IDPC and MFD Rules concerning:

- reporting and record-keeping
- accreditation
- CE course/activity approval
- course repeats
- carry forwards
- voluntary participation in a CE program
- proration, and
- cycle dates.

These are described in the tables in sections 4 and 5. Based on these material differences and overall considerations for effective harmonization, we have concluded that a phased approach to harmonizing CE rules is most appropriate in order to ensure:

1. timely harmonization of material differences between CE programs, where possible, and
2. adequate collection and analysis of feedback and information on rules that have a more significant impact on current complex operational and IT systems.

With a phased approach to harmonization, we will be able to effectively:

- propose, and subsequently implement, rules that have a minimal impact on firms and Approved Persons in the next CE cycle (Phase 1), and

¹ [CSA Position Paper 25-404 - New Self-Regulatory Organization Framework](#)

² [CIRO Strategic Plan FY 2025-2027](#)

³ [CIRO Annual Priorities for fiscal 2025 | Canadian Investment Regulatory Organization](#)

⁴ Impacts of the proposal for MFDs and representatives registered in Québec are described in section 9 of this Bulletin.

- consider future amendments for those rules that have significant operational and/or IT system impacts in the following CE cycle (Phase 2).

The primary purpose of this Bulletin is to seek comments on the proposed rule amendments, which is part of the first phase to harmonize:

- firm record-keeping and reporting responsibilities for CE,
- accreditation requirements,
- types of courses or activities that qualify for CE,
- treatment of CE course repeats,
- treatment of carry forwards, and
- the approach with Voluntary Participation Program (VPP).

These rule amendments are set out in further detail in section 4. In section 5, we are also seeking feedback on those further considerations for CE harmonization, which we plan to propose as the second phase of amendments.

2. Current CIRO CE programs

CIRO's predecessor organizations, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (MFDA) have administered separate CE program requirements that continue to apply under the respective IDPC Rules and MFD Rules. The table below provides an overview of each program's CE cycle, credit requirement and IT system requirements. We also provide a general history of each CE program in sections 2.1 and 2.2.

Program elements	IDPC	MFD
CE Cycle	Two-year cycle: January 1 st to December 31 st	Two-year cycle: December 1 st to November 30 th
Reporting and record-keeping	Firm	Shared responsibility: Firms, Approved Persons and course providers
CE credit requirements	20 Professional Development (PD) credits 10 Compliance credits	20 Professional Development (PD) credits 8 Business Conduct credits 2 Compliance
IT system requirements	CIRO Services	CE Reporting and Tracking System (CERTS)
Accreditation	Not mandatory, administered by CIRO	Mandatory, prescribed accreditors

2.1. Investment Dealer CE program

The initial CE program for investment dealers was established in 2000 under the Investment Dealers Association (IDA). However, the latest rule amendments to the IIROC CE program were implemented on January 1, 2018, based on updated policy objectives reached by way of public consultation, to ensure:

- a commitment to high standards of proficiency, professionalism and ethics,
- a desire to encourage ethics training, and
- a goal for modernization and simplification of the existing CE program.

Highlights of the 2018 IIROC CE program included:

- codifying firm-based duties and responsibilities,
- implementing a principles-based approach to determine what topics qualify for CE,
- broadening the scope of what is acceptable for professional development to include CE courses that reflect a CE participant's professional growth and development,
- shifting from a three-year to a two-year cycle resulting in a proportionate reduction in CE credit hour requirements, and
- eliminating monthly CE reporting requirements for firms.

These elements have been adopted in the current IDPC Rules on CE for investment dealers.

2.2. Mutual Fund Dealer CE program

The MFDA CE program started on December 1, 2021, based on policy objectives reached by way of public consultation, to ensure that:

- the content of a CE requirement should address ethical practices, compliant standards and professional development,
- CE requirements should be administratively feasible,
- CE requirements should not create unnecessary duplication with CE requirements of other relevant organizations, and
- CE requirements should not be cost prohibitive.

At a high level, the MFDA's CE program established requirements for:

- roles and responsibilities applicable to firms, CE Participants and course providers,
- methods of administration, including administrative record-keeping and reporting requirements,
- CE activity administration, including accreditation,
- CE attendance administration,
- leaves of absence administration, including proration,
- compliance with credit requirements, including the applicable non-compliance process.

In addition, the rules incorporated substantive aspects of other interdependent financial services CE programs, including the former IIROC CE rules and the CE rules of the Chambre de la sécurité financière (CSF), to limit adding regulatory burden of completing overlapping CE requirements on MFD CE participants who are also CSF members.

3. Research and review

We looked at various jurisdictions to compare different regulatory approaches to CE. The comparative review helped to inform our proposal and to consider relevant standards and best practices. What we learned from conducting an environmental scan of the different jurisdictions below is that securities regulators in Australia, the UK, Singapore and the US each:

- require firms to be responsible for continuing education compliance oversight,
- require firms to be exclusively responsible for CE record-keeping,
- apply an annual continuing education cycle, and
- require continuing education activities to be completed in the current cycle (e.g., no carry forwards),⁵ and
- rely on a principles-based rules framework.

The UK and Singaporean models deviate slightly in that they require at least some CE activities to be accredited whereas the others do not. However, firms must still approve or deem an accredited activity to be relevant.⁶ The responsibility to approve accredited and non-accredited CE activities rest squarely with the firm. Each regulator expects firms to include in their CE policies and procedures an acceptable approval method or process.

3.1. ASIC

The Australian Securities and Investments Commission (ASIC) requires all registered financial advisers “to participate in development programs and activities that ensure they maintain and extend their professional capabilities, knowledge and skills, including keeping up to date with all regulatory, technical and other developments relevant to the provision of financial advice.”⁷

Financial advisers must complete 40 hours of continuing professional development (CPD) each year, including:

- 5 hours of technical competence,
- 5 hours of client care and practice,
- 5 hours of regulatory compliance and consumer protection, and
- 9 hours of professionalism and ethics.

Firms that employ financial advisors in Australia are required to develop a CPD policy that:

- sets out its overall approach to meeting its CPD obligations and the CPD obligations of its financial advisors.

The CPD policy must describe how the firm will:

- assess and approve CPD plans for financial advisors,
- monitor how financial advisors will implement their CPD plans,
- assess and approve activities, and attribute hours to them,
- ensure that their financial advisors meet their CPD requirements,

⁵ Only during the COVID-19 outbreak were UK firms permitted to allow individuals, in exceptional circumstances, carry over any uncompleted CPD hours to the next CPD year. See [Continuing Professional Development \(CPD\) and professional qualification exams during coronavirus](#)

⁶ See e.g., [Section 38B of Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions](#)

⁷ [Continuing professional development \(CPD\) requirements for financial advisers.](#)

- maintain evidence of CPD activity completion, and
- ensure that records are completed and maintained in compliance with its CE record-keeping obligations.⁸

3.2. FCA

The UK Financial Conduct Authority (FCA) mandates CPD for retail investment advisers. A firm in the UK must ensure that a retail investment adviser completes a minimum of 35 hours of appropriate CPD in each 12-month period,⁹ which may include participating in courses, seminars, lectures, conferences, workshops, web-based seminars, e-learning or even industry mentoring sessions.¹⁰

All CPD must:

- be relevant to the retail investment adviser's current role and any anticipated changes to that role,
- maintain the retail investment adviser's knowledge by reference to current qualification standards relevant to the retail investment adviser's role,
- contribute to the retail investment adviser's professional skill and knowledge, and
- address any identified gaps in the retail investment adviser's technical knowledge.

A firm must retain records of CPD completed by each retail investment adviser it employs.¹¹

3.3. Singapore

The Monetary Authority of Singapore (MAS) requires authorized representatives to complete CPD training which is relevant to the type of regulated activity that he or she conducts.¹² CPD activities may include:

- lectures,
- conferences,
- workshops,
- courses,
- product seminars before the launch of new products, and
- e-learning courses.

A firm must obtain and keep relevant supporting evidence that each of its appointed representatives has completed at least 9 hours of CPD training within a calendar year, which includes:

- 6 hours of courses in ethics or rules and regulations or both that are relevant to the type or types of regulated activity he or she carries out and which are accredited by The Institute of Banking and Finance Singapore (IBF), and
- 3 supplementary CPD hours of relevant training courses.

⁸ [Corporations \(Relevant Providers Continuing Professional Development Standard\) Determination 2018](#) (July 16, 2020).

⁹ TC 2.1.15 Continuing professional development for retail investment advisers

¹⁰ TC 2.1.20 Continuing professional development for retail investment advisers

¹¹ [TC 2.1.24 \(Record keeping requirements\)](#) (August 2024).

¹² [Section 8.3\(b\) of the Securities and Futures Act 2001](#).

3.4. FINRA

The Financial Regulatory Authority (FINRA) prescribes requirements regarding the continuing education of registered persons, which consist of a Regulatory Element and a Firm Element. FINRA dealers are responsible for maintaining a continuing and current education program designed to enhance securities knowledge, skill, professionalism, and specific to its size, structure, scope of business activities, as well as regulatory developments. Registered individuals must complete CE requirements annually, which cover training topics related to the role, activities or responsibilities of the individual and professional responsibility. The firm must maintain records for CE. FINRA is unique in that CE is not counted in hours. Instead, registered individuals must complete the required elements by the end of the calendar year.

4. Request for comment

This Bulletin's primary purpose is to seek comments on the rule amendments we propose for the first phase of harmonization. The key elements of the proposal are summarized in the table below.

IDPC Rules	MFD Rules	Harmonized solution	Rationale
Record-keeping and Reporting			
<ul style="list-style-type: none"> Firm record-keeping and reporting only 7-year record retention 	<ul style="list-style-type: none"> Shared record-keeping and reporting for firms, Approved Persons and Course Providers 2-year record retention 	<ul style="list-style-type: none"> Firm record-keeping and reporting only 7-year record retention 	Conform with general firm obligations that are consistent with general record-keeping requirements
Accreditation			
<ul style="list-style-type: none"> No mandatory content accreditation Optional content accreditation 	<ul style="list-style-type: none"> Mandatory content accreditation Prescribed accreditors 	<ul style="list-style-type: none"> No mandatory content accreditation No prescribed accreditors Optional content accreditation 	Principles-based approach for CE course/activity approval that is consistent with the proficiency principle
Course Approvals			
<ul style="list-style-type: none"> Principles-based CE course approval requirement 	<ul style="list-style-type: none"> Prescriptive course approval requirement 	<ul style="list-style-type: none"> Principles-based CE course approval requirement 	Principles-based approach for CE course/activity approval that is consistent with the proficiency principle
Other specific CE requirements			
<ul style="list-style-type: none"> No course repeats 	<ul style="list-style-type: none"> Course repeats 	<ul style="list-style-type: none"> Course repeats 	Principles-based approach for CE course/activity approval that is consistent with the proficiency principle
<ul style="list-style-type: none"> Carry forward 10hrs of a 20hr PD course 	<ul style="list-style-type: none"> Carry forward 5hrs of a PD course 	<ul style="list-style-type: none"> No carry forwards Apply CE credit only in cycle of a 	Consistent with the Proposed Proficiency Model

IDPC Rules	MFD Rules	Harmonized solution	Rationale
		successful exam completion	
• Voluntary Participation Program	• No Voluntary Participation Program	• No Voluntary Participation Program	Consistent with the Proposed Proficiency Model

We are of the view that the rules amendments proposed for the first phase will:

- Reinforce the ongoing proficiency principle in section 3.4 of National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations* (NI 31-103) and applicable CRO requirements, which provide that,
 - Registered individuals should update their knowledge and training to keep pace with new securities, services and developments in the industry that are relevant to their business, and
 - Firms are required to provide training on compliance with securities legislation to their registered individuals.
- Strike an appropriate balance between providing an effective, fair CE program for firms and Approved Persons, while keeping in mind our objectives of strengthening the proficiency regime and protecting investors without imposing unnecessary regulatory burden on firms.

We propose that these rule amendments be implemented for the next CE cycle. The text of the proposed rule amendments is set out in Appendices 1 and 3 (clean) and a blackline of the changes is set out in Appendices 2 and 4. For completeness, we have incorporated in previously proposed amendments to IDPC Rule 2700 under the proposed proficiency model¹³ as both sets of amendments are proposed to be effective as of January 1, 2026. Appendix 5 shows the blackline changes to the current IDPC Rule 2700.

The following sections describe the proposed amendments in the attached documents in detail.

4.1 Record-keeping and reporting requirements

Current MFD Rule 1.2.6(g) requires either firms, Approved Persons or course providers, where applicable, to:

- keep CE records for 2 years, and
- report each CE activity completed by an Approved Person within a prescribed cycle directly to CRO.

Other MFD Rules that also prescribe record-keeping and reporting obligations alternatively require that firms must:

¹³ [Proposed Proficiency Model — Approved Persons under the Investment Dealer and Partially Consolidated Rules](#)

- keep records, that include CE documentation, for 7 years,¹⁴ and
- report completion of compliance obligations directly to CIRO on behalf of their Approved Persons.¹⁵

IDPC Rules regarding record-keeping and reporting repeat similar requirements for firms to:

- keep records, that include CE documentation, for 7 years,¹⁶ and
- report completion of compliance obligations directly to CIRO on behalf of their Approved Persons.

IDPC Rule 3801(1) clarifies firm's general record-keeping and reporting obligations:

Maintaining complete and accurate records is a fundamental responsibility of a Dealer Member. A Dealer Member's records provide an audit trail to support the Dealer Member's supervision of its business and are necessary to prepare regulatory [...] reports".

To align with general record-keeping and reporting obligations, we propose to amend the CE record-keeping and reporting rule requirement in MFD Rule 900 by removing those provisions that currently apply to Approved Persons and course providers in order to harmonize with the IDPC Rule requirement and general record keeping and reporting requirements applicable to firms.¹⁷ In effect, the proposed rule amendment is intended to clear any inconsistency with record-keeping and reporting obligations in the MFD Rules and to ensure that all CIRO firms are clearly aware that record keeping and reporting on CE are primarily the responsibility of the firm consistent with their overall supervisory responsibilities. Furthermore, for consistency with the other applicable provisions set out above, we have proposed amendments to the MFD rules which clarify that records must be kept for 7 years.

4.1.1. Operationalizing the MFD CE Reporting and Tracking System (CERTS)

We are aware that the proposed rule amendments to MFD Rule 900 will have a direct impact on the way some firms will report CE post-implementation using CERTS, the current reporting and tracking systems used for the MFD CE program. Currently, CERTS is used to input the records required to show completion of CE courses or activities for each Approved Person.

Under the current rules, Approved Persons, or firms and course providers on behalf of an Approved Person, may upload the prescribed records as evidence of completion of each CE course or activity on CERTS. We propose to eliminate the prescribed types of CE completion records under the MFD Rules. However, similar to IDPC, firms will still have to track and maintain their records internally.

We believe this proposed rule amendment will provide firms with adequate relief in carrying out the primary responsibility of reporting on CE. Approved Persons will retain 'read only' access in CERTS to view any information provided by their firm on their behalf. All CIRO firms should

¹⁴ MFD Rule 5.6 (Record Retention)

¹⁵ MFD Rule 1.4 (Reporting)

¹⁶ IDPC Rule 2717(1)(iii), IDPC Rule 3785(1) and

IDPC Rule 3803(1): "A Dealer Member must retain copies of all records in a safe location required under Corporation requirements, in durable and accessible form, for a minimum of seven years from the date the record is created unless Corporation requirements or securities laws relating to the specific type of record require a different retention period."

¹⁷ Section 11.6 of NI 31-103 and section 11.5(1) of NI 31-103CP

continue to be expected to have appropriate controls and supervision in place to guard against the risk of falsification of the information recorded.

4.2. Accreditation requirements

Currently, the MFD Rules require all CE activity content must be accredited by either:

- a CISO firm subject to MFD Rules,
- a third party recognized by CISO (“Third Party Accreditor”),
- the CSF, or
- the CISO in-house accreditation service under IDPC Rules.¹⁸

Accreditations performed under the MFD Rules are completed to ensure that CE activities being offered to Approved Persons meet the minimum content criteria set out under the standard evaluation procedures.¹⁹ Even firms that self-accredit their own internal content for their Approved Persons must comply with the standardized procedures, regardless of firm type, size, resources or internal needs.

All accreditations performed either by firms or external organizations must adhere to the standard evaluation procedures that prescribe 10 separate sub-requirements to ensure consistent accreditation of content between CISO firms and external organizations. However, the MFD Rules are not currently explicit about the role firms must take to provide necessary oversight over which activities are relevant for each Approved Person.

By comparison, firms subject to the IDPC Rules are required to review and approve the Approved Person’s CE course, regardless of whether it is accredited or non-accredited. The IDPC Rules prescribe administrative requirements for further clarity on how a firm must comply with CE requirements, that include:

- designating an individual responsible for supervising training and approving a CE course²⁰ or activity for CE credit,
- verifying completion of an approved CE course or activity, and
- ensuring that a CE course or activity complies with all applicable CE requirements.²¹

Irrespective of the fact that a course may be accredited by CISO, firms continue to have an obligation to ensure that CE approved for their Approved Persons, under IDPC Rule 2717, are relevant based on the individual’s role and the firm’s business model. The responsibility for the firm as set out in IDPC Rule 2717 is directly related to the proficiency principle which requires firms to ensure their Approved Persons are proficient at all times. The fact that a course is accredited does not remove the obligation. However, IDPC Rule 2703(4) does allow a firm that wishes to accredit the content of a CE course to use CISO’s accreditation process as an option.

The CISO accreditation process under the IDPC is application-based. It requires an applicant to address the following six key areas in order for CISO to determine if a course’s content is eligible

¹⁸ The Rule currently refers to IIROC, as the predecessor organization.

¹⁹ MFD Rule 900.9.3.

²⁰ IDPC 2702(1): “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”.

²¹ IDPC 2717(1).

for accreditation, the appropriate number of CE credit hours, and to confirm the CE course type (i.e., compliance or professional development) by describing:

- What are the general objective(s) of the course,
- How will the course enhance the proficiency of a CE participant,
- Who are the qualified personnel responsible for course planning, development and delivery,
- What are the instructional delivery methods used for the course,
- What are the assessment materials and methods used to ensure a CE participant has met the intended objectives, and
- What types of control measures are in place to track CE participation.²²

We propose to amend the MFD Rules by eliminating mandatory accreditation requirements in the MFD Rules in order to harmonize with the principles-based approach in the IDPC Rules. By eliminating mandatory accreditation, which includes eliminating prescribed accreditors, we will:

- prescribe similar administrative requirements to those currently included in the IDPC Rules for further clarity on how a firm must meet its general responsibilities with CE, and
- permit all CISO firms to rely on the CISO accreditation process as an option to accredit CE content, if desired.

We believe that these proposed amendments will create greater harmony between the MFD and IDPC Rules, consistent with firm's general responsibilities for CE, and achieve greater consistency for CE course or activity approval for all CISO firms. Finally, we intend to replace the standard evaluation procedures in the MFD Rules with guidance for firms, to give effect to a more principles-based approach to CE course or activity approval that will provide guidelines to all CISO firms.

4.2.1. Cross-listing CE activities and listing fees

Currently, a course provider who wishes to provide a CE activity to all CISO Approved Persons must seek accreditation from different sources and pay two separate fees to have their activity posted separately on the IDPC and MFD platforms. In light of the proposed amendment to eliminate mandatory accreditation from the MFD Rules to harmonize with the IDPC Rules approach, which includes optional accreditation by CISO, we are reviewing the best approach for allowing accreditation under both programs through a single CISO accreditation process; this includes a review of our fees and how they will be applied to the single accreditation service. Our goal will be to ensure fairness and to remove duplication, where possible, and create a simple streamlined accreditation process.

4.3. CE course approvals

The IDPC Rule CE requirements are based on a policy objective that "CE should be relevant, with its parameters determined using a broad and principles-based approach".²³ The outcome is that Approved Persons subject to the IDPC Rules can earn CE credits from a broader set of CE courses and activities than those Approved Persons subject to the MFD Rules.

²² [Bulletin 21-0196, Continuing Education Course Accreditation by IIROC](#) (October 25, 2021).

²³ Guidance on IIROC's Continuing Education Program

By comparison, current MFD Rule 900.8.2 imposes several parameters around what types of activities can be used for CE and they do not include:

- participation in CISO working groups or committees, or
- completing preparatory courses towards an industry designation or qualification.

The MFD Rules prohibit Approved Persons to earn CE credit with these activities even where they may deal with relevant topics such as mutual funds, financial markets, and investing because they have “limited structured educational value, i.e. no set learning objectives and training plan”.

The CE activity or course must also be accredited under the standard evaluation procedures criteria established in MFD Rule 900.9.3 to be eligible for CE credit.

We propose the following amendments to harmonize the IDPC and MFD Rules:

- eliminate the requirement for a CE course or activity to qualify as a “structured activity” in order to harmonize with the principles-based approach in the IDPC Rules, and
- eliminate the mandatory accreditation requirement in the MFD Rules (as proposed in section 4.2 above) in order to harmonize with the IDPC Rules approach.

We believe that a specific rule which permits some CISO firms to apply a principles-based approach to approving a CE course or activity, while other CISO firms are prohibited from applying the same approach, creates unfair treatment between firms. The proposed MFD rule amendment is also intended to remove prescriptive requirements that may create unnecessary compliance costs and limit flexibility in how firms meet their compliance obligations in a securities regulatory regime supported by a principles-based rules framework and their overall supervisory responsibilities.

4.3.1. Use of other prescribed training requirements for CE

We would like to remind firms that they may rely on their current training requirements in the MFD and IDPC Rules to use towards satisfying Approved Persons’ CE obligations.

Currently, MFD Rule 1.2.4 requires that:

A Member must provide training to its Approved Persons on compliance with Corporation requirements, securities legislation and applicable laws including, without limitation, requirements under Rules 2.2.1 (Know-Your-Client), 2.2.5 (Know-Your Product), 2.2.6 (Suitability), and 2.1.4 (Identifying, Addressing, and Disclosing Material Conflicts of Interest).

IDPC Rule 1407 includes the same requirement. We accept compliance with these prescribed training requirements as being acceptable for CE, and to be consistent with a firm’s responsibility to ensure their Approved Persons are proficient at all times under the proficiency principle.

However, firms must ensure that delivery of their prescribed training programs meet the applicable compliance obligations for CE. We believe that there is a benefit to firms to leverage prescribed training for CE to reduce any unnecessary regulatory burden of duplication without negatively impacting investor protections.

4.4. Course repeats

MFD Rules do not currently restrict firms from accepting the same CE course or activity more than once, provided it is not completed within the same cycle. By contrast, IDPC Rule 2703(6) prohibits Approved Persons from taking the same CE course or activity twice in any given cycle unless it has been updated to contain new course content.²⁴ When considered from the perspective of a firm's responsibility to approve CE courses or activities, the rule does not allow firms to approve course repeats where relevant and appropriate. This approach has created the unintended effect of being inconsistent with the approach that "CE should be relevant, with its parameters determined using a broad and principles-based approach".²⁵

As a result, we propose to remove the restriction from the IDPC Rules. In this regard, the proposed amendment will serve to harmonize the IDPC Rule with the MFD Rule to ensure that we do not inadvertently subject firms under the IDPC Rules to a stricter requirement than firms that are subject to the MFD Rules.

We also wish to emphasize that in adopting a more principle-based approach, we expect firms to have in place certain administrative requirements which will help them in meeting their CE obligations, which includes:

- designating an individual responsible for supervising training and approving a CE course or activity for CE credit,
- verifying completion of an approved CE course or activity, and
- ensuring that a CE course or activity complies with all applicable CE requirements.²⁶

4.5. Carry forwards

Both CE programs permit carry forwards of a certain amount of credits completed in one CE cycle to be applied to the subsequent cycle. Current MFD Rule 11.3 permits Approved Persons to carry forward up to five PD credits into the next CE cycle. IDPC Rule 2716(1) permits Approved Persons to carry forward 10hrs of a 20hr PD course.²⁷

We have already proposed to address this matter under the Proposed Proficiency Model — Approved Persons under the IDPC Rules (Proposed Proficiency Model) by proposing to eliminate carry forwards to ensure CE is timely, current and includes mandatory CE by CIRO on an annual basis²⁸.

We propose to eliminate carry forwards in the MFD Rules to ensure further harmonization between MFD and IDPC Rules of the same purpose and intent. Eliminating the carry forward provision in the MFD Rules will harmonize them with the proposed proficiency model IDPC Rule amendments of the same purpose and intent.

We also propose to count CE credits for any course with an exam, that begins and ends in different CE cycles, to be applied only in the cycle where the exam is successfully completed. This will allow Approved Persons who take professional certification courses, for example, to count them as CE in the CE cycle that they receive a successful exam result and will allow CIRO to

²⁴ Commonly referred to as the "One and Done" rule.

²⁵ Guidance on IIROC's Continuing Education Program

²⁶ IDPC 2717(1).

²⁷ IDPC Rule 2716(1) further specifies that the carry forward only applies to PD courses completed in the last six months of a prescribed CE cycle.

²⁸ See section 4.5 Mandatory CE of [Proposed Proficiency Model — Approved Persons under the Investment Dealer and Partially Consolidated Rules](#)

avoid counting an unsuccessful result as CE. Approved Persons will still need to meet the minimum CE requirements in the CE cycle where they have not successfully completed an exam but may apply those hours in the CE cycle that they finally do. We believe that this approach to defer CE credits to the CE cycle where a professional certification exam is successfully completed addresses any concern about how to apply CE credits for these types of longer courses with exams that begin and end in different CE cycles. This proposal is intended to harmonize the approach taken in both the MFD and IDPC Rules.

Overall, we propose these amendments to clarify that CE credit requirements per cycle are only a minimum standard requirement, which establishes a baseline that supports a broader proficiency principle requirement. We anticipate that the proposal to eliminate carry forwards from all CRO requirements will refocus the application of CE towards reinforcing the proficiency principle in MFD Rule 1.2.3, IDPC Rule 2602(1), as well as NI 31-103CP, which emphasizes the need for a program of continuous updates to knowledge and training that keeps pace with new securities, services and developments in the industry to be an essential component to investor protection.

4.6. Voluntary Participation Program (VPP)

Current IDPC Rule 2726 establishes a Voluntary Participation Program (VPP), which extends the validity period of the baseline proficiency Canadian Securities Course (CSC) for one CE cycle. The extension is valid until the end of the sixth month of the next CE cycle. Each cycle, CRO publishes an approved list of courses that qualify for the VPP. Former Approved Persons are eligible to participate in the VPP by completing at least one approved VPP course, to extend the validity period of the CSC in the CE cycle in which it expired.

We have already proposed to eliminate the CSC in the IDPC Rules as part of proposed changes to our proficiency regime under the proposed proficiency model.²⁹ In addition, MFD Rules do not include a similar program or provision to extend any baseline proficiency requirement.

The proposal to eliminate the IDPC VPP is to ensure harmonization between the IDPC and MFD Rules which will not create any undue burden on firms or Approved Persons subject to IDPC Rules.

5. Further harmonization under consideration (Phase 2)

The proposed amendments above are a first step towards harmonizing our CE requirements. However, there are other MFD and IDPC Rules that we intend to harmonize which have:

- greater operational and technology implications for CRO and its firms,
- require more detailed operational analyses, and
- will generally take longer to implement.

The areas under consideration are:

1. Proration in the calculation of CE credits
2. Cycle period dates
3. Cycle length
4. CE IT systems

²⁹ See section 4.5 Mandatory CE of [Proposed Proficiency Model — Approved Persons under the Investment Dealer and Partially Consolidated Rules](#)

Current program requirements applicable to these areas are as follows:

IDPC Rules	MFD Rules
<ul style="list-style-type: none">• No automatic proration	<ul style="list-style-type: none">• Automatic proration
<ul style="list-style-type: none">• 2-year cycle length from January 1st – December 31st	<ul style="list-style-type: none">• 2-year cycle length from December 1st – November 30th

To ensure that we have the appropriate stakeholder feedback before proceeding with proposing more harmonized rules amendments that are fair, practical and meet our regulatory objectives, we are seeking feedback on the following:

- adding proration to the IDPC Rules in alignment with the MFD Rules,
- aligning CE cycle dates to start and end within a standard calendar year, and
- adopting an annual CE cycle.

We propose that the harmonization amendments be proposed for comments and implemented in advance of the following cycle (starting January 1, 2028).

5.1. Proration

Currently, MFD Rules include proration, as a means to deal with:

- leaves of absence,
- staggered start and end dates for new and returning individuals, and
- changes in approval categories mid-cycle.

CIRO has applied proration under the MFD Rules for one cycle and confirm an overall positive response from firms and Approved Persons.

We are considering introducing proration in the IDPC Rules to harmonize the approach in alignment with MFD Rules for proration. Currently, the IDPC Rules do not include proration. We believe that adding proration to the IDPC Rules will reduce the need for discretionary relief applications, and save firms time and cost related to filing for exemption or extension requests as they do today.

In addition, proration will ensure an equal level of administrative fairness between CIRO firms with respect to handling attendance, approval category changes and other applicable events that affect outstanding CE requirements in a given CE cycle.

This approach will benefit Approved Persons, subject to IDPC Rules, who either begin or change approval categories mid-cycle. These individuals must currently complete all the CE requirements that apply to the new category, provided that they enter the cycle before the last six months. We believe this approach will meet our objective of harmonization while also reducing unnecessary regulatory burden on firms and Approved Persons.

Question: We are interested to know your views on the challenges and benefits of prorating the CE requirements, and in particular the operational and system impact of such changes.
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5.2. CE cycle dates to start and end within a standard calendar year

Currently, MFD Rule 1.2(1)(c) sets the MFD CE cycle to run between December 1 and November 30 in synch with the CSF CE cycle to accommodate approximately 6 000 MFD Approved Persons also subject to CSF oversight in Quebec. By comparison, IDPC Rule 2703(2) sets the ID CE cycle to run between January 1 and December 31 consistent with a calendar year. There is currently a one- month gap between the two CE cycles. We propose to align the CE cycle dates within a standard calendar year.

We considered the alternative proposal - to apply a MFD CE cycle to all CIRO firms (i.e., December 1 and November 30) - and decided there was no strong policy rationale to move all investment dealers and approximately 30 000 Approved Persons over to the MFD CE cycle that would overcome the significant impact. With that in mind, we acknowledge that the approach under consideration will impact the approximately 6 000 MFD Approved Persons registered in Québec more directly. However, we also considered the overall benefit to all MFD Approved Persons Across Canada, including the approximately 70 000 MFD Approved Persons who do not operate registrable activities in Québec that will benefit from having an additional month in the first cycle to complete CE as part of the proposed transition, and that we will create a more efficient framework for all CIRO firms and Approved Persons to follow a synchronized cycle.

In addition, many financial services regulators, including domestic insurance regulators and other foreign securities regulators as discussed in section 3, above, currently administer a CE cycle subject to a calendar year.

Finally, reporting requirements in IDPC Rule 2717(1)(viii) provide firms with 10 days after the end of a CE cycle to report CE completions, which would be applied in the MFD Rules as well.

Question(s):

We are interested to know your views on the challenges and benefits of moving the MFD CE cycle to a January 1 – December 31st start and end.

We are also interested to know about any specific impacts this proposal would have on a firm's internal operations and systems.

5.3. Adopt an annual CE cycle

Currently, all CIRO CE cycles run for two years. IDPC 2703(2) and MFD Rule 1.2(1)(c) currently prescribe a biennial (2 year/24-month) cycle.

After conducting comparative research on other securities regulators approach to CE cycles to discover that several jurisdictions operate annual CE cycles, we are considering the benefits and potential challenges of shortening all CIRO CE cycles to one year. We believe that an annualized CE cycle requirement, consistent with the approach by other securities regulators, may lead to consistent updated training, enhance a firm's general regulatory compliance and reduce its overall regulatory risk because of increased frequency and relevance of training.

To support the change, we understand that we would need to propose a proportionate reduction of required CE hours to relieve firms and Approved Persons of any additional administrative burdens associated with tracking and reporting. In addition, we would clarify that CIRO firms will be expressly permitted to apply prescribed training requirements under IDPC Rule 1407 and MFD

Rule 1.2.4, for instance, towards CE in order to minimize the impact of an annual CE cycle on Approved Persons.

Question: We are interested to know the operation and system impact of adopting an annual CE cycle for firms and Approved Persons.

5.4. CE IT Systems

As we move towards a harmonized CE program, we will need to ensure that our IT systems can support any new changes or requirements to the areas listed under consideration above. We currently have two systems in place: CIRO Services for firms that operate under the IDPC Rules, and CERTS for firms that operate under the MFD Rules. We are in the process of reviewing these above noted systems, including the challenges with, benefits of each, and opportunities for improvement.

Question: We are interested to know your views about CIRO services and CERTS, and any particular challenges faced with using these systems.

6. Alternatives considered

We considered harmonizing our CE rules all at once but decided that a phased approach is more appropriate to ensure timely harmonization, where possible, and to ensure that we collect further feedback and information on those CE requirements which have larger operational and system impacts.

7. Impact of other policy projects

We understand that there will be amendments proposed under the Rules Consolidation Project (RCP) that may impact CE requirements.

We will assess these as the RCP moves forward. Any proposed changes that impact CE will be reviewed and incorporated in the rules with further amendments as necessary, to ensure appropriate application of CE requirements to those impacted categories and timely implementation of the applicable CE requirements.

8. Policy Development Process

8.1. Regulatory Purpose

We took the CRO public interest guidelines into consideration when developing proposed rule amendments for CE harmonization. We believe the proposals achieve the objectives intended under our set structure, which include to:

- Reinforce the ongoing proficiency principle in NI 31-103 and applicable CRO requirements, and
- Strike an appropriate balance between providing an effective, fair CE program for firms, Approved Persons while keeping in mind our objectives of protecting investors without unnecessary regulatory burden on firms.

8.2. Regulatory Process

The Board of Directors of CRO (Board) has determined the Proposed Amendments to be in the public interest and approved them for public comment on November 20, 2024.

We consulted with CRO advisory committees as described in section 8.3 below.

We took the public interest into account when developing the proposed rule amendments through these consultations. After we consider the comments received in response to this request for comments, together with any comments of the Recognizing Regulators, CRO staff may recommend revisions to the proposed rule amendments.

If the revisions and comments received are not material in nature, the Board has authorized the President to approve the revisions on CRO's behalf and the revised proposed rule amendments will be subject to approval by the Recognizing Regulators.

If the revisions or comments are material, CRO staff will submit the proposed rule amendments, including any revisions, to the Board for approval for republication or implementation, as applicable and subject to the approval of the Recognizing Regulators.

8.3. CRO advisory committee and CE working group feedback

We have been in the process of reviewing our CE programs since CRO's inception and have received critical feedback from various stakeholders. We have focused on this stakeholder feedback within the context of our regulatory mandate of investor protection, while recognizing that we needed to propose a practical approach that would meet our regulatory needs, while remaining mindful of not adding unnecessary burden on our firms.

We consulted with CRO advisory committees and established a CE subject matter expert working group to provide us with feedback based on their experiences with the current mutual fund dealer and investment dealer CE programs. The CE working group was specifically comprised of a mix of large, medium and small firms subject to either or both the MFD or IDPC Rules.

The following advisory committees and working groups considered this matter:

- Proficiency Committee,
- CCLS OEO Subcommittee,
- CCLS Retail Subcommittee,

- CE Working Group representing various regions and dealer types
- Investor Advisory Panel

We have received overall positive feedback regarding the proposed rule amendments. The CE working group, in particular, was generally satisfied with the proposal to phase in harmonization to limit the operational impact of those rules we have identified to have significant IT and operational complexities. We did receive one comment to consider a full harmonization, rather than a phased approach. However, after completing our analysis of the downstream impact of the proposed rule amendments on existing operations and IT systems, we believe that a phased approach to harmonizing CE rules is most appropriate in order to ensure:

1. timely harmonization of material differences between CE programs, where possible, and
2. adequate collection and analysis of feedback and information on rules that have a more significant impact on current complex operational and IT systems.

Other specific reservations held by mutual fund dealers that rely on CERTS as their central record-keeping hub for CE documentation were about how the rules will impact their current CE administration using CERTS. There were also some firms that expressed concern about being responsible for the increased oversight proposed in the MFD Rules. As discussed above, we propose that the record keeping and reporting are primarily a firm responsibility. We also proposed further amendments for reporting through CERTS in section 4.1.1 to ease administrative burden.

9. Impact of the Proposal

9.1 Regional impacts

Currently, mutual fund dealer dealing representatives registered in Québec are not subject to CIRO requirements as they relate to activities carried out in Québec. For such activities, the responsibility for CE oversight is held by the CSF. For phase 1, the same framework will continue to apply under these proposed rules, with no jurisdictional impact on the CSF's rules and oversight. Similar to the current CE program, the MFD Rules do not apply to those subject to the CSF. For future phases of the proposal, CIRO will consider the transition plan for MFDs and representatives registered in Québec and the CSF's related responsibility for CE oversight in Québec.³⁰ We have identified no other regional impacts associated with this proposal.

9.2 Technology and operation impact

As discussed in this Bulletin, there are no substantive technology and operation impacts on firms in the phase 1 proposal and related rule amendments, which includes no direct impact on MFD dealing representatives registered in Québec and in another jurisdiction, who may continue to take courses accredited by the CSF. Firms will not be required to update their systems in phase 1. Accordingly, CIRO will make some changes to CERTS to better streamline and ease the burden on firms to reflect the discussions set out in section 4. However, there will be significant operational and system changes anticipated for those considerations for further harmonization in phase 2. These changes will be discussed in a future publication once we are ready to propose further rule amendments.

³⁰ [Mutual Fund Dealers – Québec | Canadian Investment Regulatory Organization](#)

10. Next Steps

Following the closing of the comment period on **March 18, 2025**, we will review and consider the comments. The comment letters will be posted on our website.

We aim to publish the final rules for implementation before the second half of 2025 to ensure implementation by January 1, 2026. We plan to publish further amendments relating to the phase 2 discussed above.

11. Applicable Rules

MFD Rule 1.2.6 - Continuing Education (CE)

MFD Rule 1.4 - Reporting Requirements

MFD Rule 5 - Books, Records and Reporting

MFD Rule 900 - Continuing Education (“CE”) Requirements

IDPC Rule 2700 - Continuing Education Requirements for Approved Persons

12. Appendices

[Appendix 1](#) - Proposed CE amendments – Mutual Fund Dealer Rules (clean)

[Appendix 2](#) - Proposed CE amendments – Mutual Fund Dealer Rules (blackline)

[Appendix 3](#) - Proposed CE amendments - Investment Dealer and Partially Consolidated Rules (clean)

[Appendix 4](#) - Proposed CE amendments - Investment Dealer and Partially Consolidated Rules (blackline including proposed proficiency model amendments)

[Appendix 5](#) - Proposed CE amendments - Investment Dealer and Partially Consolidated Rules (blackline to current IDPC Rule 2700)