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March 18, 2025

Re: Proposal to Harmonize CIRO Continuing Education (CE) Programs

Thank you for the opportunity to comment on CIRO's, Proposal to Harmonize CIRO Continuing Education (CE) Programs (the Consultation).

Our Company

At Canada Life, we are focused on improving the financial, physical and mental well-being of Canadians. For more than 175 years, our customers across Canada have trusted us to provide for their financial security needs and to deliver on the promises we have made. Today, Canada Life provides insurance, wealth management, and healthcare benefit products and services, serving more than 13 million customer relationships across Canada, through our network of over 16,000 advisors.

We are one of Canada's preeminent wealth providers. Across our platform, Canada Life has approximately \$100 billion in Canadian independent wealth management assets under administration. In the securities space, we offer a full spectrum of wealth management services and solutions to our clients through our subsidiaries that operate in the mutual fund dealer, investment dealer, investment fund manager, and portfolio manager categories of registration.¹ We are building on our strong foundations to create a leading wealth management platform for independent advisors and their clients in Canada.

¹ Quadrus Investment Services Ltd., LP Financial Planning Services Ltd., and IPC Investment Corporation are registered as mutual fund dealers; IPC Securities Corporation and Canada Life Securities Ltd. are registered as investment dealers; and Canada Life Investment Management Ltd. and Value Partners Investment Inc., are registered as investment fund managers and portfolio managers.

Our Comments

Continuing education is a vital aspect of professionalism and we understand and support the desire for a harmonized approach across Approved Persons and the adoption of a more principles-based approach for a number of rules is welcome. However, we have significant concerns with the proposal. The proposed approach is basically an extension of the existing IDPC rules across both ID and MFD members. To the best of our knowledge, there is no evidence the current IDPC approach is superior to the current MFD approach in terms of ensuring a higher level of professionalism and better outcomes for clients.

Implementing the proposed rule on record-keeping and reporting would be burdensome for mutual fund dealer members. Sole responsibility for record keeping will require the creation of IT systems and the hiring of dedicated staff, or, depending on the size of the firm, potentially entire teams. We are not aware of any evidence that building this infrastructure, and adding the necessary additional staff will result in a higher level of professionalism among Approved Persons or better consumer outcomes. We also note there are many more Approved Persons and firms registered under the former MFDA rules than the former IIROC rules. We fear requiring the greater number of MF dealers and representatives in the industry to adopt ID rules on record-keeping and reporting will be costly and will result in a focus on compliance processes at the expense of genuine improvements in continuing education. We also disagree that these changes would have minimal impact on firms and Approved Persons and could therefore be implemented in the next CE cycle.

The future of the Continuing Education Reporting and Tracking system (CERTs) under the proposal is unclear. The Consultation references firms having to, “track and maintain their records internally” and Approved Persons retaining read only access to CERTS to view information provided by their firm on their behalf. We understand this to mean that CERTs will remain in place, but with only firms having the ability to enter information. While CERTs was not without challenges, CERTs is now working well and greatly simplifies our ability to monitor compliance with continuing education requirements. Given the resources expended creating CERTs and our view that it is working well, abandoning the system and having each dealer replicate what they have already paid to create in CERTs with their own internal systems is costly and unnecessary. We strongly urge a clarification of the role of CERTs and that it continue to play a central role in CE compliance.

In the alternative, we suggest consideration be given to maintaining CERTs and extending the current MFDA rules on tracking and record keeping across MF and ID dealers. This would clearly have a cost. However, at an industry level the cost of each MF dealer member creating its own system and expanding its compliance team would be far greater. We see significant value and utility in CERTs, this could be extended to investment dealer members.

Turning to the questions raised in the Consultation.

- *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.*

We do not have a strong view on proration. We agree that the MF rules have worked well. Any operational challenges would be dwarfed by our bigger concerns outlined above.

- *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 continue to support a two-year cycle as it provides flexibility for Approved Persons to meet their obligations and have no objections to moving to January 1 – December 31.

However, we would advise caution. Representatives have faced numerous regulatory changes over recent years including client-focused reforms and revisions to continuing education in 2023. There is a degree of change management fatigue in the advisor community. Due consideration should be given to a phased implementation.

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

We are of the view that the impacts of the proposal from an operational and systems perspective would be significant. As outlined above, each MF dealer would be required to create an internal system to track and monitor CE. In addition to IT systems build and or purchase, it is likely that staff would need to be hired for these tasks. At larger dealers it is likely that multiple hires would be necessary. As stated above, we see no professionalism or client outcome benefit flowing from these costs.

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

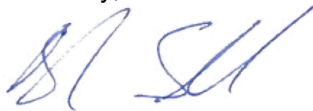
Again, the costs of moving to an annual cycle are far outweighed by the systems and staff implications of exclusive dealer responsibility for record-keeping and accreditation.

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

After some initial growing pains, CERTs works well and greatly simplifies our mutual fund dealers' compliance with CE obligations. As suggested above, we feel CERTs and its functionality has significant value, was built at a cost, and should retain its role and functionality under harmonized rules.

Thank you once again for the opportunity to comment on the proposal. Please do not hesitate to contact us with any questions. We would be pleased to engage with you further on this important topic.

Sincerely,



Blaine Shewchuk
Executive Vice President, Individual Wealth
Canada Life