



March 18th, 2025

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RE: Rule Amendments – Proposal to Harmonize CIRO Continuing Education Programs

PFSL Investments Canada Ltd. (“PFSL”, “we” or “our”) is pleased to respond to the Canadian Investment Regulatory Organization’s (“CIRO”) consultation regarding the proposal to harmonize continuing education (“CE”) programs under the Investment Dealer Partial Consolidated (IDPC) rules and the Mutual Fund Dealer (MFD) rules. Attached at Appendix A is our response to the four questions CIRO specifically requested comments on regarding the DC Rules.

Overview

We support CIRO’s goal to consolidate the Continuing Education Rules for investment dealers and mutual fund dealers into a single set of harmonized rules that will apply to both categories of CIRO Dealer Members. Primerica has carefully reviewed CIRO’s proposal, and we believe that many of the proposed changes aim to simplify or eliminate onerous requirements and adopt clear guidelines for firms.

About Primerica

Primerica Financial Services (Canada) Ltd. is a leading distributor of basic financial savings and protection products to middle-income households throughout Canada, serving the Canadian public since 1986. Our Canadian corporate group includes our mutual fund dealer, PFSL Investment Canada Ltd., and our life insurance company, Primerica Life Insurance Company of Canada (“PLICC”). PLICC is represented by more than 10,000 licensed life insurance agents across the country, and approximately 6,800 of our life insurance agents are dually registered as mutual fund representatives. We insure almost 550,000 lives and operate in every province and territory across Canada.

Primerica Client
Services Inc.

Les Services à la Clientèle
Primerica Inc.

Primerica Life Insurance
Company of Canada

La Compagnie d’Assurance-Vie
Primerica du Canada

PFSL Investments
Canada Ltd.

Les Placements PFSL
du Canada Leta

PFSL Fund
Management Ltd.

Gestion des fonds
PFSL Iee

Our products and personal advice help middle-income Canadians establish long-term financial goals. Our representatives guide their clients at life's critical points, helping them avoid common pitfalls to gaining financial independence: higher cost and lower face value insurance that does not protect adequately, starting to save too late, not saving enough, and neglecting tax-advantaged savings opportunities, to name a few. Our representatives take a holistic approach with their clients and offer our digital FNA (Financial Needs Assessment), which provides them with a snapshot of their financial situation and a road map to achieve their goals. Our goal is to empower Canadians to make informed financial choices through education and help them set and achieve their financial goals.

We pride ourselves on our high customer satisfaction and retention, our collaboration with regulators as we believe in strong consumer protection, and our compliance record. Primerica's people-first philosophy and our commitment to doing what's right for our clients are evident in the millions of families who trust Primerica for their family's financial needs across North America.

General Comments

Firm Record-Keeping and Reporting

CIRO proposes using the Investment Dealer rules for record-keeping, requiring firms to be solely responsible for record-keeping and reporting, with a seven-year record retention period. Currently, CE records are reported on the CERTS system, allowing tracking for firms, and representatives are also responsible for keeping a copy of their CE records. The proposed harmonized rules will require the firm to be exclusively responsible for record-keeping and reporting, which adds another layer of reporting burden.

Onboarding the CERTS system has already been challenging, and we have invested significantly in adopting the system. Currently, the CERTS system works very well. CERTS has removed many regulatory and time-consuming burdens for firms while still maintaining the integrity of Continuing Education programs. We believe that all record-keeping and reporting should remain on CERTS, and internal record-keeping should be as limited as possible. Additionally, dealers retaining the records of CE could be problematic for representatives. Their ability to change firms would be impaired if CE is not retained on a central system, as they would require cooperation from their prior dealer to transfer their records.

Accreditation and Course Approvals

We support the adoption of the Investment Dealer rules for accreditation and course approvals that eliminate mandatory requirements, which will allow flexibility for firms in selecting suitable courses. However, we believe that there may be ambiguity without any course approval and accreditation process from CIRO. We would like CIRO to still allow a process for course providers to present their courses to CIRO and obtain approval. Preserving the accreditation and approval process as an option would maintain continuity with the prior MFD process. This will help provide course providers with certainty that their courses are suitable while still moving forward with a more flexible model. We believe that maintaining regulatory oversight on accreditation will provide a greater level of integrity for the CE program. Course providers should have flexibility with course creation, while CIRO should maintain accreditation and approval for the courses.

Course Repeats

Primerica supports adopting the MFD approach of course repeats. Course repeats are helpful as they reinforce knowledge and/or provide updates on any changes that may have occurred. However, we believe that CIRO should have the ultimate authority and discretion on whether a course can be repeated.

Carry Forwards

We support the simplification of the CE requirement by eliminating carry forwards, particularly if CIRO is considering an annual CE period.

Conclusion

PFSL appreciates the opportunity to provide our comments to the Canadian Investment Regulatory Organization on its CE harmonization project. In finalizing its harmonized rules, we encourage CIRO to ensure that the rules are, to the extent possible, scalable, and proportionate to ensure that the new rules are not overly burdensome and that all firms in the sector have the opportunity to thrive.

Sincerely,

[Original Signed By]

David Grad
EVP, General Counsel, Chief Compliance Officer, and Corporate Secretary

Appendix A: CIRO Proposal to Harmonize Continuing Education Programs Consultation Questions

<p>Question #1 - Proration</p> <p><i>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.</i></p> <p>Primerica supports the introduction of prorating to the harmonized CE rules for IDPCs. Proration for CE requirements is in place for the current MFD CE rules, and we believe that it has been effective and has helped alleviate regulatory burdens.</p>
<p>Question #2 – CE cycle dates to start and end within a standard calendar year</p> <p><i>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.</i></p> <p><i>We are also interested to know about any specific impacts this proposal would have on a firm’s internal operations and systems. /or the anticipated time horizon to hire a CFO candidate at a mutual fund dealer.</i></p> <p>There are some concerns with using the January 1 – December 31 cycle. There may be operational challenges that arise from the CE cycle ending December 31, as the year-end period can be busier for firms.</p> <p>If CIRO does go ahead with moving to an annual cycle, we recommend adjusting the MFD CE cycle to July 1st – June 30th, so it is not overlapping with the licensing renewal cycle as well.</p>
<p>Question #3 – Adopting an annual CE cycle</p> <p><i>We are interested to know the operation and system impact of adopting an annual CE cycle for firms and Approved Persons.</i></p> <p>Adopting an annual CE cycle would provide challenges, as this will shift towards CE verification being annual rather than every two years, adding another layer of requirements. For firms, getting all the verification can be burdensome, and this change will double the work. Additionally, it is not entirely clear what the benefits would be from adopting an annual CE cycle.</p> <p>Moving to an annual CE cycle would be much easier to facilitate if the CERTS system is retained.</p>
<p>Question #4 – CE IT Systems</p> <p><i>We are interested to know your views about CIRO services and CERTS, and any particular challenges faced with using these systems.</i></p> <p>The CERTS system was challenging to onboard. We appreciate that there have been significant improvements to the system in 2023, which have resolved many of the issues. The</p>

changes that have been made to CERTS have been well received, and we strongly believe that the system should remain and be strengthened whenever possible. We believe that there should not be any more changes or new systems introduced, as it has already taken a significant amount of time and resources to get used to CERTS. The CERTS system works incredibly well for firms; it removes significant regulatory and reporting burdens, and following the many improvements, runs smoothly. The system runs smoothly for dealers and agents alike, and shifting to a new system would be burdensome at a time when regulators are looking to reduce burdens.