

April 18, 2026

Canadian Investment Regulatory Organization
121 King Street West, Suite 2000
Toronto, ON M5H 3T9

Re: Rule amendments — Request for comments — Proposal to harmonize CIRO Continuing Education Programs – Phase 2

I am writing to provide comments on CIRO's Phase 2 continuing education harmonization proposals. I am a financial services policy writer with over 15 years of experience in regulatory reform issues, including previous roles at the Ontario Ministry of Finance. My comments are submitted in my personal capacity.

Positive Aspects of the Proposals

CIRO deserves credit for several aspects of the Phase 2 approach. The decision to implement both phases together on a single timeline is sensible and will reduce implementation burdens on firms while ensuring a coherent transition. The elimination of redundant CE rules inherited from two predecessor organizations addresses a structural inefficiency that has persisted since CIRO's formation. The move toward consistent record-keeping requirements and standardized reporting through CERTS will create administrative clarity that benefits both firms and regulators.

The proposals to eliminate carry-forwards of CE credits between cycles and require completion in the cycle of exam completion are well-designed to ensure CE remains timely and current. The principles-based approach to course approval, when properly implemented, can provide appropriate flexibility while maintaining quality standards.

Primary Concern: Misplaced Priorities

My central concern is that CIRO has framed this harmonization exercise around the wrong objectives. Both Phase 1 and Phase 2 are explicitly designed to 'simplify and streamline CE requirements' while avoiding 'unnecessary regulatory burden on dealers.' This language suggests CIRO views continuing education primarily through the lens of compliance efficiency rather than professional development.

This framing is particularly problematic given the current environment. Investment advisors today operate with AI tools embedded in their workflows, navigate increasingly complex product offerings including exempt market securities, and serve clients through digital platforms that barely existed five years ago. The competence required to provide effective advice in 2028 will not be the same as what was adequate in 2018. Continuing

education should be the mechanism through which the regulatory system ensures advisors keep pace with these changes.

CFA Societies Canada has noted in its submissions that current CE programs often emphasize completion over comprehension, with insufficient focus on practical application of learning. This consultation offers CIRO an opportunity to change course and design a regime that prioritizes competence building over administrative convenience.

Recommendations

CIRO should reframe Phase 2 around a fundamental question: what competence should Canadian investors expect and need from their advisors in 2028, and how can harmonized CE requirements deliver that outcome? This reorientation would lead to several specific improvements:

First, establish competence baselines tied to the evolving advisory environment. CE requirements should explicitly address areas where advisor capabilities lag behind technological and market developments, including digital advice delivery, complex product structures, and the integration of AI tools in client service. Given the OSC's drive to permit retail access to exempt market securities, CE programs must include mandatory training on evaluating and explaining illiquid, high-risk investments.

Second, implement mandatory CE hours in core competency areas that directly affect investor protection: applying Client-Focused Reforms in practice, conducting effective risk profiling, maintaining ethical conduct standards, learning from OBSI determinations and complaint handling best practices, and detecting investment fraud and misconduct. These are not theoretical subjects — they are practical skills that advisors use in their daily interactions with clients.

Third, implement quality measures that go beyond hours completed. The harmonized regime should include mechanisms to assess whether CE activities are actually building advisor competence rather than simply satisfying compliance obligations.

Fourth, consider transitional requirements for existing advisors. If the harmonized regime is designed to address competence gaps, those gaps do not magically disappear for advisors licensed under the previous system.

Conclusion

This consultation offers CIRO a genuine opportunity to change course and design CE requirements that serve investor protection rather than administrative convenience. Harmonization for its own sake is an administrative improvement. Harmonization that raises professional standards is a consumer protection improvement. The choice

between these approaches will define whether CISO's CE regime prepares advisors for the challenges Canadian investors face or merely streamlines the paperwork around professional development.

Sincerely,

Harvey S. Naglie

Toronto, Ontario