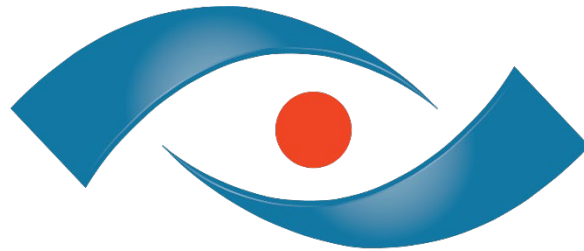


SEPTEMBER 12, 2023

Comment Letter
Response to Specific Requests for
Feedback on CIRO Consultation Paper



SeeWhy Learning

Attn: Sherry Tabesh-Ndreka
Canadian Investment Regulatory Organization (CIRO)

Dear Ms. Tabesh-Ndreka:

I am writing to express our sincere appreciation for the opportunity to provide feedback on the proficiency model proposed by the Canadian Investment Regulatory Organization (CIRO). SeeWhy Financial Learning, Inc., established in 2008, commends CIRO for its proactive efforts to refine the proficiency regime, thereby enhancing investor protection, industry integrity, and professional excellence.

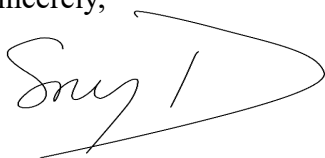
While there are many different stakeholders in this initiative, our commentary has the end client in mind; that is, investors who will entrust their financial future to an advisor. SeeWhy Learning has long held the position that a candidate who possesses the knowledge to advise clients adequately should be given the opportunity to challenge the applicable licensing exam without incurring a substantial course fee. This change does not deviate significantly from the current model, where students can book an exam sitting without the requirement to demonstrate completion of any readings or other milestone activities beforehand. However, we acknowledge that a significant benefit of the current model is that it provides a standardized source of information.

It is critical to keep in mind that under an assessment-centric model, a successful student could potentially harm a client if he or she is exposed to inaccurate information in the learning journey. This is more likely to occur in the absence of approved resource materials. However, we also believe that an assessment-centric model can be effective, with foreseeable risks addressed by putting in place appropriate guardrails, which we outline in our commentary. These guardrails should be designed to prevent industry participants from being able to "teach to the exam" as opposed to the desired approach of teaching students the broad syllabus.

Enclosed please find our detailed responses to the specific aspects of the proposed proficiency model, focusing on the importance of an adequately detailed syllabus, CIRO-accredited training providers, and a substantial bank of exam questions. We believe that these integrated elements will contribute significantly to the success of the proposed proficiency model, supporting CIRO's mission of fostering excellence within the investment industry.

Once again, we express our gratitude for the opportunity to contribute to this initiative. We look forward to witnessing the positive impact of these enhancements on the Canadian investment industry and stand ready to provide any further insights or assistance as required.

Sincerely,



Cory Snyder, CFP, CIM, FCSI, FMA
Director, SeeWhy Learning

Introduction: Enhancing the Proficiency Model through a Specific Syllabus, Approved Training Companies, and Robust Question Banks

In response to the proposed proficiency model, we commend the Canadian Investment Regulatory Organization (CIRO) for its commitment to enhancing the proficiency standards to safeguard investors, uphold industry integrity, and promote professional excellence. This commentary centers on the end clients, particularly the investors who will place their financial future in the hands of advisors. The feedback provided will underscore the vital importance of three interrelated components: a precise and comprehensive syllabus, the accreditation of training organizations by CIRO, and the creation of a comprehensive bank of examination questions.

Each of these elements is integral to the success of the proposed assessment-centric model.

- I. A precise and comprehensive detailed syllabus ensures clear guidance for training providers, promoting a deep and comprehensive understanding of required competencies.
- II. The accreditation of training companies by CIRO, which should not be unreasonably withheld in order to foster healthy competition, ensures the alignment of education with regulatory expectations that promote consistent, high-quality, and up-to-date training experiences.
- III. A substantial question bank supports the fairness, accuracy, and relevance of the examination process, safeguarding the integrity of the overall proficiency framework.

This feedback delves into the importance of these elements, offering insights into how they collectively contribute to a robust proficiency regime that serves both industry professionals and the investing public. Through a harmonious integration of specific syllabi, accredited training providers, and expansive question banks, CIRO can establish a model that truly reflects its commitment to excellence in the investment industry.

1. Ensuring Broad Understanding and Competence with a Precise Syllabus.

One significant advantage of the current course-centric model is that textbooks produced by a single-source course provider offer standardized information for both learners and institutions responsible for teaching the associated concepts. This clarity in coverage and interpretation not only benefits learners but also plays a crucial role in aligning training with the published competency profiles.

In the absence of single-source textbooks, the syllabus for the general exam and all subsequent Approved Person exams should be carefully designed to reflect the competencies outlined in the published competency profiles for all Approved Person categories. Each competency area should be covered in sufficient detail to assess candidates' comprehension. A clear breakdown of the syllabus will help candidates prepare effectively and ensure that the examination process aligns with CIRO's goals of raising the proficiency bar.

By prioritizing a precise and comprehensive syllabus, CIRO can foster a harmonious relationship between education providers and regulatory exams. This approach can help avoid or reduce the challenges faced by the insurance industry during the transition to the LLQP, as discussed in section 1(b), and better prepare candidates for exams that truly reflect their training. Ultimately this enhances the proficiency regime, aligns educational efforts, and supports CIRO's overarching goals of investor protection and market integrity.

1(a). Specific syllabus for comprehensive coverage.

A pivotal step in aligning the general exam and all subsequent exams with the desired competencies is the development of a specific syllabus, particularly in the absence of a single course provider. This syllabus should provide comprehensive guidance on the breadth and depth of coverage required for each concept. A granular syllabus ensures that training companies have a clear road map to follow, covering a wide spectrum of essential topics.

1(b). Preventing a repeat of historical disconnects.

The initial challenges encountered by the insurance industry's first iteration of the LLQP emphasize the need to bridge any gap between training and exam content. These challenges contributed to a temporary reduction in the passing grade to 50% while they were reviewed and resolved. In the second iteration, known as the Harmonized LLQP, a standardized set of textbooks is being used. In the absence of standardized, single-source textbooks, a comprehensive syllabus for both the general and subsequent exams can play a crucial role as a bridge, ensuring alignment between the content taught by reputable industry participants and the topics assessed by the regulator.

1(c). Alignment with industry practices.

A well-defined syllabus provides the framework for training companies to tailor their courses in line with real-world industry practices. This alignment not only equips candidates with relevant knowledge but also prepares them for practical challenges they may face as Approved Persons.

1(d). Reputable training partners.

A specific syllabus encourages reputable training companies to invest time and resources in developing courses that match the exam requirements closely. These training providers become strategic partners in preparing candidates effectively as their offerings align precisely with the outlined competencies.

Training partners should be accredited by CIRO as discussed in the following section.

2. CIRO-Accredited Training Companies.

In the context of the proposed proficiency model, incorporating an accreditation process for training providers is essential to ensure the model's success. Regulator-accredited training

companies enhance the consistency, accuracy, and relevance of education, fostering better-prepared candidates who align with the regulatory expectations.

Ultimately the goal is to create a robust and trustworthy educational framework that supports investor protection, market integrity, and the advancement of the investment industry. Accredited training companies are committed to tailoring their offerings to address the exact skills and knowledge required to excel in the industry. This alignment ensures that candidates are adequately prepared to meet the regulator's expectations and industry demands.

Allowing unaccredited training companies to provide education to industry participants presents significant risks that could undermine the overall effectiveness of the regulatory framework. These risks encompass a range of concerns that impact both the quality of education and the credibility of the examination process.

2(a). Inconsistent and inaccurate education.

Unaccredited training companies often lack oversight and regulatory compliance, posing risks of inconsistent, inaccurate, and outdated education. This jeopardizes candidates' preparation for exams and, more critically, their ability to serve future clients. In the opinion of SeeWhy Learning, assuming that a student passing a licensing exam cannot harm a client is a misconception, especially if the student were exposed to inaccurate information during his or her learning. Such misinformation and misaligned content can create a disconnect between what candidates learn and what is examined, undermining the integrity of the entire proficiency model.

2(b). Misaligned syllabus and competencies.

Unaccredited training companies might not adhere to the specific syllabus and competencies outlined by the regulator. This misalignment can result in candidates being ill-equipped to address the precise knowledge and skills required for their roles. The lack of synchronization between training materials and exam content creates confusion and hinders the success of candidates.

2(c). Risk of misinformation and poor practices.

Training provided by unaccredited sources might inadvertently disseminate misinformation or promote poor practices that contradict regulatory guidelines. Such practices can lead to the propagation of incorrect information throughout the industry, eroding trust and potentially causing financial or reputational harm to investors and stakeholders.

2(d). Erosion of regulatory credibility.

Permitting unapproved training companies to operate without oversight can erode the credibility of the regulatory body and its stakeholders. A perception of inadequate oversight can raise doubts about the regulator's commitment to maintaining a high level of professional standards and investor protection.

3. Large Bank of Exam Questions.

In an assessment-centric model, the integrity of the entire proficiency regime hinges on the presence of a robust and varied bank of exam questions. This ensures that candidates are assessed comprehensively, fairly, and accurately. Ultimately a large question bank plays an indispensable role in upholding the quality and credibility of the assessment process, aligning with the goals of the regulatory body and safeguarding investor protection.

Several key factors underscore the significance of a large question bank within this context.

3(a). Preventing question repetition and mitigating memory-based learning.

A substantial question bank minimizes the likelihood of repeating questions across different exam administrations. This prevents candidates from memorizing specific answers or relying on rote learning, which can compromise the accuracy and fairness of the evaluation process. Instead, candidates must genuinely understand the concepts, encouraging a deeper level of learning and preparation, and they must be tested on their understanding and ability to apply concepts in diverse scenarios.

3(b). Fairness and consistency.

A diverse question bank guarantees that each candidate receives a unique combination of questions. This approach ensures fairness by eliminating any potential for candidates to receive an unfair advantage due to a specific question being disclosed or repeatedly encountered.

3(c). Safeguarding against unscrupulous teaching practices.

One potential pitfall of an assessment-centric model is the risk of unaccredited training providers focusing solely on teaching to the exam rather than imparting a well-rounded understanding of the subject matter.

A large question bank effectively mitigates this risk by discouraging unscrupulous training providers from gradually learning what is covered on the exam(s), sharing that information, and/or teaching to known questions. In the presence of a diverse and extensive set of questions, "teaching to the exam" becomes an impractical approach. Instead, training companies are encouraged to provide a comprehensive education that encompasses the full scope of required competencies.

Conclusion

The proposed proficiency model demonstrates CIRO's commitment to elevating industry standards and investor protection. By emphasizing the importance of a specific syllabus, CIRO-accredited training providers, and a substantial question bank, CIRO can establish a proficiency regime that is effective, credible, and aligned with its overarching objectives. These elements

collectively contribute to a well-rounded educational framework that equips industry participants with the necessary skills to excel in their roles while safeguarding the interests of investors.

We express our gratitude for CIRO's dedication to refining the investment industry's proficiency standards and appreciate the opportunity to provide feedback on this crucial initiative.