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Delivered by email: stabesh@iiroc.ca

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Acting Senior Director, Registration
Canadian Investment Regulatory Organization

Re: Proposed Proficiency Model for Approved Persons under the Investment Dealer and Partially Consolidated Rules

We are pleased to provide comments on behalf of IG Wealth Management (“IGWM”) in response to the Canadian Investment Regulatory Organization’s (“CIRO”) request for comments on their Proposed Proficiency Model for Approved Persons under the Investment Dealer and Partially Consolidated Rules (the “Model”).

Our Company

IG Wealth Management (“IGWM”) is one of Canada’s largest managers and distributors of investment funds. IGWM carries out its asset management activities through its subsidiary IG Investment Management Ltd. and its distribution activities through its subsidiaries Investors Group Financial Services Inc. and Investors Group Securities Inc., which are both members of CIRO.

General Comments

We are very supportive of ensuring high proficiency standards for registered individuals working in the investment industry and therefore welcome CIRO’s effort to redefine the Investment Dealer proficiency model. We are pleased to see a shift from the current course centric model, to a new, assessment centric model focusing on aligning required exams to published competency profiles. Further, we welcome the introduction of a transparent and competitive procurement process for the selection of a single education service provider to facilitate the exam writing process, while ensuring broad access to a competitive market of training materials. It is from this viewpoint that we provide our feedback on The Model.

We believe that a high standard for proficiencies and education is critical to supporting the integrity of registrants working within the investment industry and to further promote investor protection. Overall, we agree that the industry will be better served with a more streamlined approach to an assessment centric model provided CIRO can ensure proficiency exams are reasonable, with clear transparency to the competitive market to ensure adequate preparatory materials can exist. However, while we are supportive of a general knowledge exam for all Approved Persons in the industry, we strongly encourage CIRO to review the subsequent sponsorship requirement to determine whether the length of the process in its entirety is feasible for proposed Approved Persons and Dealer Members.

We support the view that Approved Person exams (the “Exams”) should be tailored to corresponding Approved Person categories and should be reflective of the published competency profiles. Further, we understand and support, that in certain circumstances individuals will be required to complete more than one exam. We agree with CIRO’s position that in cases where Approved Persons are trading specialized products or strategies, such as derivatives, a consolidated, supplemental exam would be warranted to ensure those Approved Persons have the necessary enhanced knowledge and understanding to meet their regulatory obligations. We also welcome all opportunities to further align Portfolio Management (PM and APM) requirements with those outlined in National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations*, as we believe further alignments will continue to enhance investor protection, while ensuring standardized knowledge and proficiency across the broader industry.

Finally, we are pleased to see CIRO focus on offering digitally delivered content for both the proposed mandatory, continuing education requirement and the proposed ethics training. In our view, it is important that all CIRO mandated training is eligible to satisfy Continuing Education (‘CE’) requirements. We would also suggest that CIRO reviews the proposed ethics training to determine how this could form part of the required 30 or 90-day training (where applicable) to reduce potential redundancy and ensure Dealers have updated guidance on appropriate inclusions in firm created training. We support the proposal of implementing a firm training requirement for the institutional competency profile, and we look forward to reviewing CIRO’s guidance and criteria related to the matter.

General Exam Requirement

As noted above, we are supportive of the proposed requirement for all new Approved Persons to successfully complete a general knowledge exam prior to sponsorship with a Dealer Member or enrolment of further Approved Person exams. We will look for further clarity on CIRO’s involvement in the development and approval of examinations, as well as whether preparatory materials, offered by third party vendors will be reviewed or endorsed by CIRO. Further, insight into expected exam preparation time will be needed for Approved Person candidates to accurately assess the time requirements prior to eligibility for registration.

We note that the Model indicates the General Exam will cover competencies common throughout all profiles, as well as proposes the introduction of new mandatory training for all new Approved Persons. The Model indicates the proposed training will focus on ethics and professional conduct and will include an assessment portion. Without contextual information on the content of the

proposed General Exam, we recommend CIRO reviews to ensure that the General Exam content and the mandatory training are not duplicative. Further, consideration should be given to the scope of the General Exam to ensure that the preparation time expected to successfully complete the exam will not result in an unreasonable timeline prior to a candidate being eligible for sponsorship.

Implications of Firm Sponsorship

As expressed, we are supportive of the idea of all prospective Approved Persons demonstrating a reasonable baseline of industry knowledge. However, as indicated, further context is needed regarding the expected completion timeline of the General Exam, which is required to be successfully completed prior to enrolment in any further Approved Person exams. Given a candidate is required to successfully complete the General Exam prior to being eligible for sponsorship and is then required to enrol and complete their Approved Person exam, there is the potential that this process may result in candidates being placed through a significantly longer recruitment process. It is through this lens that we have concerns about the potential increased and additional impacts that may occur in managing the potential sponsorship, conditional offers or letters of intent, including potential increases in legal, compliance and human resource costs.

We urge CIRO to further consider the implications of the sponsorship requirement as it pertains to independent dealers. Many independent Dealer firms lack a dedicated or segmented function which can be used as a recruitment mechanism to employ and support candidates through the sponsorship period, prior to successful completion of their Approved Person examinations. Without such a mechanism, candidates are unable to earn income while they are in the sponsorship period, which may deter potential Approved Person candidates from joining independent dealers.

As proposed, the sponsorship requirement will result in significant cost, resource, and time impact for both Dealers and potential candidates and will disproportionately impact independent Dealers. We recommend that CIRO remove the sponsorship requirement and consider allowing candidates to enrol in the General Exam and Approved Person examinations simultaneously, to assist in mitigating the factors outlined above.

Baseline Education and Relevant Experience

Overall, we support the recommendation to implement a baseline education or relevant experience requirement for both Registered Representatives and Executives, respectively. We note that the Model indicates that baseline education or experience is qualified to '*relevant*' education (diploma or degree) or experience. Further clarification will be required to explain what CIRO will consider as '*relevant*'. We would recommend that a broad approach be taken, and consideration be given to core transferable skills. Additionally, it will be important to develop and articulate an exemption or request process for a Dealer Member to request consideration of a candidate's relevant education or experience that may not meet the prescribed criteria. We would recommend that CIRO staff are given the ability to review and make decision requests internally, to prevent unnecessary administrative burden on firms and the regulator.



We fully support the recommendation that a Dealer Member's Executives should, at minimum, have the two years of relevant experience required for designated Supervisors, in addition to meeting the requirements outlined IDPC Rule 2503.

Elimination of Mandatory Courses

We agree with the elimination of mandated courses required as prerequisites for exams. In our experience, candidates often leverage the competitive market for study materials to assist in course completion for current proficiency requirements. Removing the mandatory courses will eliminate a significant cost associated with current proficiency requirements and will remove barriers of entry, further enabling new Approved Person opportunities.

Further, we support CIRO's recommendation of allowing preparatory exam materials to be offered by vendors within the competitive marketplace. However, it will be important that changes and updates made to competency profiles or Approved Person exams are clearly articulated and communicated to ensure that materials offered in the competitive market remain current.

Summary

We reiterate our support for the Model. We believe that a high standard for proficiencies and education is vital to supporting the integrity the investment industry and further enhances investor protection.

We appreciate the opportunity to provide you with our comments. Please feel free to contact either Kate Schroeder at Kate.Schroeder@ig.ca or myself, at Danielle.Tetrault@ig.ca if you wish to discuss our feedback further or require additional information.

Yours truly,

IG Wealth Management

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