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Re: CIRO Bulletin 26-0089 — *Rule Amendments — Request for Comments — Proposal to Harmonize CIRO Continuing Education Programs — Phase 2* (the "Consultation")

The Canadian Advocacy Council of CFA Societies Canada (the "CAC")[1] appreciates the opportunity to provide the following general comments and responses to the specific proposals set out in the Consultation.

General Comments

We commend the Canadian Investment Regulatory Organization ("CIRO") for its continued commitment to harmonising the continuing education ("CE") programs under the Investment Dealer and Partially Consolidated ("IDPC") Rules and the Mutual Fund Dealer ("MFD") Rules. The coordination of Phase 2 with the Rules Consolidation Project, and CIRO's constructive engagement with l'Autorité des marchés financiers and the Chambre de l'assurance on the Québec transition, reflect a genuine commitment to a coherent national framework.

We are broadly supportive of the Phase 2 proposals. The majority of the proposed amendments, including calendar-year cycle alignment, proration, the express carry-forward prohibition, harmonised definitions, extended reporting timelines, and the vocabulary change from "credits" to "hours," represent structural improvements that we endorsed in principle during

[1] The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 21,000 Canadian CFA charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC. As the global association of investment professionals, CFA Institute sets the standard for professional excellence and credentials. The organisation is a champion of ethical behaviour in investment markets and serves as the leading source of learning and research for the investment industry. CFA Institute believes in fostering an environment where investors' interests come first, markets function at their best, and economies grow. With more than 200,000 charterholders worldwide across 160 markets, CFA Institute has ten offices and 160 local societies. Find us at www.cfainstitute.org or follow us on LinkedIn and X at @CFAInstitute.

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Phase 1 or that follow logically from those positions.[2] Better aligning Canada's CE framework for securities registrants with more rigorous international examples is a long-standing policy position for us, and we believe this is a step forward.

We are concerned, however, that the policy effort on-balance has been designed inordinately around burden reduction rather than with a central focus on quality of education and reinforcing proficiency. The legacy infrastructure being dismantled across both rulebooks, including mandatory accreditation, Part H assessments, prescribed topic lists, the prescriptive exemption process, and the compliance manual training credit, was acknowledged as collectively ineffective, and we do not advocate for its preservation. Our concern is with what replaces it. Each of these provisions is being succeeded by a principles-based or simplified provision that is conspicuously silent on controls for quality assurance and a focus on improving and reinforcing proficiency, with the result that the harmonised framework is simpler and more flexible than before but no stronger in delivery on the foundational policy goals of a CE program. The opportunity to redesign the CE program with novel policy tools in pursuit of quality content and cumulative gains in proficiency as the explicit objectives has not been taken to our satisfaction, and should be pursued in our view. The most visible symptom is on the MFD side, where Phase 1 eliminated mandatory accreditation and Phase 2 now proposes to repeal the audit mechanism that supported it, but the same pattern runs through the IDPC-side changes in aggregate. We develop this concern, and the three constructive recommendations we propose to address it, in the section that follows.

Our comments below address this concern in detail, together with recommendations on firm accountability, CE departure reporting, the expanded scope of CE to senior executives, the broader harmonisation context, and our responses to the specific Phase 2 proposals.

Quality Assurance in a Principles-Based CE Framework

We support the principles-based direction of the harmonised CE framework, and we accept that the legacy quality assurance policy infrastructure being removed across both rulebooks was ineffective. In our view, the mandatory accreditation regime under the MFD Rules channelled dealers toward accredited content without ensuring substantive rigour or fitness for purpose for the relevant individuals, while imposing aggregate compliance costs that were not justified in their delivery of policy effects, and which fell disproportionately on smaller firms. The optional accreditation framework that has applied to the IDPC Rules since 2022 did not itself constitute an effective quality assurance mechanism either. The prescribed topic lists, the prescriptive exemption process, and the compliance manual training credit being eliminated under Phase 2 each carry similar limitations. Our January 2025 submission accepted the principle of harmonising the MFD requirements with the IDPC approach.

Our concern is with the scarcity of effective new measures replacing these previous controls for quality. Each legacy provision is being succeeded by a principles-based or simplified provision

[2] Canadian Advocacy Council of CFA Societies Canada, comment letter on CIRO Bulletin 24-0356, *Proposal to Harmonize CIRO Continuing Education (CE) Programs* (Phase 1) (January 31, 2025). See https://cfacanada.org/wp-content/uploads/2025/02/CIRO-Continuing-Education-CE-Programs.pdf.

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that is uncomfortably silent on quality-driving controls and incentives, and we see the cumulative effect is to remove infrastructure in pursuit of policy goals underlying the program across the rulebooks, without building anything in its place. The most visible example is on the MFD side. Phase 1, approved by the Recognizing Regulators in December 2025, eliminated mandatory accreditation; Phase 2 now proposes to repeal Part H of the MFD Rules, the audit and review mechanism that supported the accreditation framework. Phase 1 removed the requirement to accredit, and Phase 2 removes the structured power to audit. With both gone and moved to Part E as part of oversight of the administration of the CE program only, there is no direct mechanism in the rules through which CIRO can examine the substantive quality of CE activities and act on what it finds, rather seemingly only that an assessment and the administration occurred. We believe this gap should be corrected. The mandated annual content proposed under Section 3.2.2, which we support, will set a content floor for a small and prescribed portion of the program, but it does not restore a means of examining or directing CE quality across the program as a whole. The same pattern, in less pronounced form, runs through the IDPC-side changes being made in parallel. Every individual change has merit. Taken together, however, they leave the harmonised framework more principles-based and less burdensome on the dealer community, without a counterweight towards quality, and results in our view in a CE program that mandates hours without effectively assuring learning serves the spirit and purpose of the proficiency principle it is designed to reinforce.

We use international evidence and a comparative lens to reinforce this concern. Each of the comparable regimes we examined that maintains a structured CE framework with mandated hours and firm-based approval pairs it with what we see as at least one policy-driven compensating quality safeguard (see Appendix A). In the United States, FINRA backstops its firm-discretion Firm Element with a centrally developed Regulatory Element that includes embedded knowledge assessments.[3] In the European Union, the European Securities and Markets Authority's Guidelines on the Assessment of Knowledge and Competence require firms to assess and maintain the knowledge and competence of advisers, and the agreed Retail Investment Strategy would strengthen this by introducing a statutory minimum of fifteen hours of professional training each year together with verification of acquired knowledge, although that reform is not yet in force.[4] In the United Kingdom, the Financial Conduct Authority requires accredited professional bodies to verify advisers' CE records on a regular basis as a condition of accreditation.[5] In Australia, the Australian Securities and Investments Commission prescribes

[3] FINRA Rule 1240, Continuing Education Requirements. See https://www.finra.org/rules-guidance/rulebooks/finra-rules/1240.

[4] ESMA Guidelines on the Assessment of Knowledge and Competence (ESMA/2015/1886), pursuant to Article 25(9) of MiFID II, Guidelines 19-20 (organisational requirements for the assessment, maintenance and updating of knowledge and competence). See https://www.esma.europa.eu/document/guidelines-assessment-knowledge-and-competence. The statutory minimum of fifteen hours of annual professional training and the verification of acquired knowledge are introduced by the EU Retail Investment Strategy, amending Directive 2014/65/EU (MiFID II), Article 24d and new Annex V (originating in European Commission proposal COM(2023) 279 final, 24 May 2023). The Council and European Parliament reached provisional political agreement on 18 December 2025; as of mid-2026 the measure is agreed but not yet adopted, published in the Official Journal, in force, or transposed by Member States.

[5] FCA Training and Competence sourcebook. TC 2.1 establishes the requirement that retail investment advisers hold a Statement of Professional Standing issued by an accredited body (TC 2.1.27R-2.1.28R). TC Appendix 6.1 sets out the requirements for accredited bodies, including the obligation to carry out a random sample check of at least 10% of members' CPD records annually.

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a content framework of five categories, four of which carry minimum hours, and mandates that at least 70% of CPD hours be in activities approved by the licensee.[6]

We commended the Phase 1 consultation in our January 2025 submission for its presentation of CIRO's cross-jurisdictional research.[7] We would encourage the inclusion of comparative international data in future CE-related consultations on substantive matters, and we offer our own findings in Appendix A in that spirit.

The constructive question we believe CIRO has not yet answered is this: in a harmonised principles-based framework, with the legacy quality control mechanisms removed, what is the design objective for quality, and what mechanisms will deliver it? We do not believe the answer is a return to mandatory accreditation or to the Part H audit process. We are not proposing a reintroduction of prescriptive gatekeeping in another form. The mechanisms we recommend below are outcome-oriented and compatible with the principles-based direction: they address the substance and verification of CE without dictating in advance which courses or providers qualify, which was the feature of mandatory accreditation that proved both burdensome and ineffective. We do believe the answer requires more than the principles-based provisions on the table. The harmonised framework needs a deliberately designed quality complement: a mechanism that sets a floor for content, aligns firm and provider incentives toward genuine professional development, and can be adapted as CE practices and delivery methods evolve. The three recommendations that follow are our proposed starting point.

First, we strongly endorse CIRO's proposal to develop and prescribe mandated annual CE content on priority topics (Section 3.2.2). This is the single most important quality anchor among the Phase 2 proposals, and we would encourage CIRO to develop it into a recurring, substantive delivery mechanism for evolving industry practices, regulatory conduct expectations, and emerging risks, analogous to FINRA's Regulatory Element but taken further. We recognise, however, that mandated content reaches only a small share of total CE hours. The large majority of the program, selected by registrants and approved at firm discretion, would remain without any substantive quality floor, which is why we pair our support for this proposal with the two recommendations that follow. We also note the related proposal under Section 3.8.8 to restrict the use of Mandatory Conduct Training ("MCT") to Compliance hours only after the transition period. We support that restriction, which is consistent with the principle that successive repeats of the same training should not serve as a permanent shortcut to CE compliance. We would, however, encourage CIRO to consider developing a recurring MCT-follow-up module for all registrants for each cycle, serving as a delivery mechanism for evolving conduct and regulatory expectations. The MCT infrastructure and norms will already exist, and

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See https://handbook.fca.org.uk/handbook/TC/2/1.html and https://handbook.fca.org.uk/handbook/TC/App/6/1.html. See also FCA, "Professional Standards for Advisers," https://www.fca.org.uk/firms/professional-standards-advisers.

[6] Corporations (Relevant Providers — Continuing Professional Development Standard) Determination 2018 (Australia). See https://www.asic.gov.au/regulatory-resources/financial-services/financial-advice/professional-standards/continuing-professional-development-cpd/.

[7] CAC Phase 1 CE submission, supra (commending CIRO's presentation of cross-jurisdictional research). See https://cfacanada.org/wp-content/uploads/2025/02/CIRO-Continuing-Education-CE-Programs.pdf.

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CIRO already develops and will maintain the content, and the delivery mechanism is in our view highly effective. Extending it to a recurring component would turn it into an additional permanent source of current, regulator-developed content.

Second, we recommend that CIRO develop and maintain guidance, updated periodically, identifying content areas appropriate for CE across different registration categories, with references to effective delivery formats and modality. This would follow the approach taken in Australia under the ASIC CPD Standard, adapted to a principles-based context. Without substantive guidance on what constitutes meaningful CE for different individuals' profiles, we are concerned that the path of least resistance, rather than genuine professional development, will define the CE experience for a significant segment of the market. We believe such guidance would also serve a progressive function: as CIRO updates it to reflect emerging risks and industry developments, the standard of acceptable CE could rise accordingly through this guidance.

Third, we recommend that CE activities include a mechanism for participants to demonstrate understanding of the material, rather than relying solely on attendance or completion. A short post-activity knowledge check, for example, need not be onerous but would confirm that the participant engaged substantively with the content. We do not prescribe a single method, but we would encourage CIRO to develop a menu of acceptable verification approaches, which could include knowledge checks, structured reflection exercises, or case-study responses, while leaving room for novel proposals from CE providers and firms. This reflects the approach in the ESMA framework, the lightest-touch of these safeguards, closing the gap between seat time and demonstrated learning.

We recognise that the measures we propose carry some incremental obligation, and we do not advocate burden for its own sake. Quality and proportionate burden are not opposed, and the mechanisms we recommend are intended to deliver quality at modest and well-targeted costs. We encourage CIRO (and regulators generally) to pursue smarter regulation rather than simply less of it. These three mechanisms, operating together, could be made to ensure that the harmonised CE program progressively raises proficiency standards over time. The 2025 Proficiency Model raised baseline standards for Approved Persons. The harmonised CE framework should be the mechanism that continues to raise those standards, and we would encourage CIRO to think of and frame the CE program as a dynamic instrument of ongoing proficiency improvement.

We would also encourage CIRO to commit to periodic review of CE program quality outcomes once the harmonised program is in operation. Our observation has been that CE requirements are rarely revisited from a policy perspective once established. Publishing periodic findings on completion patterns, activity quality observations (and related concerns), and firm compliance rates would provide the data needed to evaluate whether the program is achieving its proficiency objectives and to make informed adjustments over time. We believe this evidence base is essential to ensuring the effectiveness of the improvements we advocate.

Firm Accountability and Enforcement Architecture

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We support the proposal to extend automatic suspension for CE non-compliance to the MFD Rules (Section 3.6) and agree that the same consequences should apply equally across both types of CIRO dealers. We also support the proposal to remove the prescribed timeline for suspension in the IDPC Rules, providing CIRO with greater discretion.

We are concerned, however, that the enforcement architecture does not adequately address cases in which CE non-compliance is somehow systemic and/or attributable to the firm rather than the individual. Phase 2 grants firms significantly more discretion over CE approval in a principles-based framework while providing no obvious or expanded enforcement mechanism for systemic firm failures. Automatic individual suspension remains the sole consequence, regardless of causation. We recognise that CIRO's existing supervisory rules and compliance examination framework address some dimensions of firm oversight, but we believe that the CE-specific nature of the obligations introduced by Phase 2, and the significantly increased firm discretion they entail, warrant CE-specific enforcement provisions that make the consequences commensurate with the responsibility.

We believe this creates a proportionality concern. When CE non-compliance results from the firm's failure to provide adequate time, resources, or infrastructure for CE-related compliance systems and tracking, automatic suspension penalises the Approved Person for a failure within the firm's control. The individual is both harmed and potentially stigmatised with a conduct blemish while there are instances conceivable where the firm may be responsible. NI 31-103 imposes an ongoing proficiency obligation on the individual registrant under section 3.4, while requiring the firm to maintain a compliance system reasonably designed to ensure that its registered individuals meet that obligation under section 11.1. We believe CIRO's enforcement architecture should operationalise the firm's side of that responsibility with direct firm-level consequences where appropriate.

To remedy this gap, we recommend that CIRO consider embedding the following in its rules or guidance:

First, the rules should set explicit firm-side CE-related obligations, codifying that firms are responsible for providing adequate time and resources for Approved Persons to complete CE, maintaining CE oversight and tracking systems, approving CE activities that meet quality standards consistent with CIRO guidance, and reporting accurately and on time.

Second, the rules should establish enforcement referral indicators/triggers specifying the circumstances that constitute a potential basis for enforcement investigation (and action if warranted upon investigation) against the firm, including where a disproportionate number of a firm's Approved Persons are suspended in a single cycle, where suspensions recur at the same firm across consecutive cycles, or where the firm's own failure to provide, approve, or report CE activities caused the individual's non-compliance.

Third, the framework should provide for firm-level penalties for systemic failures, which could include monetary penalties, required remediation plans, enhanced supervisory review of the firm's CE systems, and public disclosure. We submit that these should be comparable in form

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and severity to existing penalties for analogous supervisory obligations, with the specifics for CIRO to develop and propose.

We also recommend an escalation mechanism for individual recidivists. Where an individual Approved Person has been suspended for CE non-compliance for multiple different violations or in multiple consecutive cycles, we believe reinstatement should not be automatic on completion, but should require investigation for continued fitness for approval and at least a remedial compliance-focused CE component as a condition of reinstatement.

CE Records and Departure Reporting

We do not support the proposal to eliminate the MFD requirement to file a CE report within 30 days of an individual ceasing to be an Approved Person (Section 3.8.5). This proposal harmonises in the wrong direction. The MFD reporting requirement is the one existing Canadian mechanism that captures CE status at departure; the appropriate response to the inconsistency is to extend it to investment dealers, not to eliminate it.

Currently, Form 33-109F1 (Notice of Termination of Registered Individuals and Permitted Individuals) captures the date and reason for termination, regulatory and disciplinary history, and criminal charges, but it does not capture any CE data. When a receiving firm searches an individual in NRD prior to registration, it sees qualification history and disciplinary records but not CE compliance status. The CERTS system tracks CE completion separately, but this data does not flow back to NRD and is not accessible to receiving firms in any structured format.

Without a departure CE record, a firm that dismissed an individual for chronic CE non-compliance could be invisible to the next employer. The receiving firm and the regulator lose the only available mechanism to verify that the individual was maintaining required competencies at their previous firm.

In the United States, CE records are attached to the individual's permanent CRD number and accessible through the FinPro Gateway when a new firm initiates a Form U4 registration.[8] In Australia, CPD non-compliance is displayed on the individual's entry in the ASIC Financial Advisers Register as a permanent, public record that travels with the individual across firms.[9]

We recommend that CIRO consider a CIRO-specific supplementary addition to Form 33-109F1 capturing CE compliance status at departure, integrated into NRD. This would include: whether the individual was compliant, non-compliant, or in-progress in the current cycle; hours completed; and whether any mandatory CE was outstanding. CE compliance status is a

[8] FINRA Form U5 (Uniform Termination Notice for Securities Industry Registration) and the Central Registration Depository. CE records are associated with the individual's permanent CRD number. Individuals can view their registration, qualification, continuing education, employment, and disclosure histories through FinPro Gateway. See https://www.finra.org/registration-exams-ce/broker-dealers/registration-forms/form-u5, https://www.finra.org/registration-exams-ce/finpro, and https://www.finra.org/registration-exams-ce/classic-crd/faq/general.

[9] ASIC Financial Advisers Register. CPD non-compliance is recorded on the individual's register entry. See https://www.asic.gov.au/regulatory-resources/financial-services/financial-advice/financial-advisers-register/.

dimension of the individual's regulatory profile and belongs alongside general conduct and qualification history in NRD; it should not remain in a siloed administrative system.

Given that CIRO is already reviewing harmonised CE IT systems (Section 1.4 of the Consultation), we believe this is the appropriate moment to build the data architecture to support this integration. We also reaffirm our Phase 1 support for a seven-year recordkeeping requirement for CE records, in alignment with NI 31-103.[10]

Expanding CE Scope to Senior Executives

We support the proposal to expand CE requirements to Executives and Chief Financial Officers under the IDPC Rules (Section 3.4), and extending the same under the CIRO Rules upon harmonisation of Approved Persons categories. Executives set the culture and tone of a firm's compliance environment; that culture drives conduct. We believe ongoing proficiency requirements for senior executives, particularly on matters of conduct and major industry developments, are consistent with the proficiency principle and serve the public interest.

We would note, however, that CE content for executives should be role-appropriate. What constitutes meaningful CE for a Chief Financial Officer differs from what is appropriate for a Dealing Representative. The content area guidance we recommend above (in our discussion of quality assurance) should account for this role differentiation, and we would encourage CIRO to address this explicitly in future guidance.

The Broader Harmonisation Context

We commend CIRO for its leadership on harmonisation and its continued advancement of proficiency standards. We observe, however, that NI 31-103 s.3.4 establishes a general ongoing proficiency obligation for all registrants, yet no prescribed CE mechanism exists for registrants outside CIRO's jurisdiction, including portfolio managers, exempt market dealers, scholarship plan dealers, and investment fund managers registered directly with provincial commissions. For these registrants, the ongoing proficiency obligation is a principle without prescribed content, hours, reporting, or consequences for non-compliance.

We note with increasing urgency that this gap in CSA-level proficiency standards for non-CIRO registrants has persisted for years without substantive action, alongside an (in our view) long overdue review of proficiency requirements for NI 31-103 registrants. We invite the Canadian Securities Administrators to initiate this holistic review at the earliest opportunity, such that proficiency standards are both in the public interest and broadly harmonised. CIRO's advancement of initial proficiency and CE standards for its registrants makes the absence of fit-for-purpose and modern equivalent CSA requirements more conspicuous, and we believe the time for action is overdue.

Responses to Specific Phase 2 Proposals

[10] CAC Phase 1 CE submission, supra (support for a seven-year CE recordkeeping requirement aligned with NI 31-103).

We provide the following responses to the specific proposals set out in the Consultation for ease of reference. Where our position is addressed in the general comments above, we note the cross-reference and provide any additional observations.

Section 3.1 — Overview of the Harmonized CE Program

We support the strategic objective of integrating the two CE programs and the overall design of Phase 2. The vision of a single, coherent CE framework for all CIRO dealers, one that reinforces the ongoing proficiency principle in NI 31-103 s.3.4 while striking a proportionate balance between investor protection and regulatory burden, is consistent with the objectives we endorsed in Phase 1 and with CAC's longstanding advocacy for harmonisation across the former IIROC and MFDA platforms.

We support the following proposals, each of which advances the harmonisation objectives we endorsed in Phase 1 or follows logically from them, and on which we offer the brief observations noted:

- **Compliance-related CE credit requirements (Section 3.2.1).** We support merging the MFD Business Conduct (8) and Compliance (2) credit requirements into a single 10-hour compliance requirement aligned with the IDPC Rules, and removing the prescribed cap on ethics credits per cycle for MFD participating individuals, which provides welcome flexibility.
- **Foreign compliance activities (Section 3.2.4).** We support adding the IDPC provision permitting up to five hours of compliance CE credits from foreign sources, which reflects the practical reality that compliance-relevant developments in foreign jurisdictions are material to registrants whose clients may span multiple jurisdictions, hold foreign assets, or whose firms operate cross-border.
- **Completing CE while ceasing registrable activities (Section 3.2.5).** We support permitting dealers to accept CE activities completed during the applicable cycle even where the individual ceases registration or approval during that period; requiring forfeiture of completed CE upon departure would impose an administrative burden with no corresponding proficiency benefit.
- **CE Statement of Purpose (Section 3.3.1).** We support adding a clear statement to the MFD Rules reinforcing the relationship between CE and baseline proficiencies, which is consistent with the proficiency principle and provides an important policy anchor for the principles-based approach.
- **Specific definitions and terms (Section 3.3.3).** We support harmonising the definitions across both rulebooks, and we consider that the broadened terminology, particularly "activity" in place of "course," appropriately reflects the range of formats through which meaningful CE can be delivered.
- **Post-cycle reporting (Section 3.5.2).** We support extending reporting requirements from 10 business days to 30 days post-cycle, a reasonable accommodation that gives dealers more time to meet reporting obligations without undermining oversight.

- **Proration and leaves of absence (Sections 3.7.1 and 3.7.2).** We support adding proration to the IDPC Rules and applying it to leaves of absence for consistency with the MFD Rules, and we welcome the resulting reduction in discretionary relief applications, including the consequential removal of the six-month IDPC exemption and the MFD 10-business-day deadline for returning individuals. As we noted in our Phase 1 submission, the operational and system impact of such changes should not prohibit proceeding with this initiative.[11]
- **Exemptions (Section 3.7.3).** We support replacing the prescriptive IDPC exemption provision with a principles-based alternative and adopting an exemption provision in the MFD Rules; the flexibility to impose terms and conditions on a per-case basis is a welcome improvement.
- **Rule organisation structure (Section 3.8.1).** We have no substantive comment on the proposed structural reorganisation, which is consistent with the principles-based direction we endorse and supports the clarity objectives of the broader harmonisation.
- **CE activities with an examination (Section 3.8.3).** We support adding the IDPC provision permitting examination completion and preparation to satisfy CE requirements, which provides an additional pathway for registrants to meet CE obligations through demonstrated proficiency.
- **Compliance manual training (Section 3.8.6).** We support eliminating the prescribed CE credit for compliance manual training; in a principles-based framework where dealers approve CE activities based on relevance and quality, a separately prescribed credit is redundant.
- **Legacy exemptions in the ID CE program (Section 3.8.7).** We support removing legacy exemptions, which are inconsistent with the proficiency principle and with the progressive standards direction we advocate.
- **Alignment with the CIRO Rules (Section 4).** We support aligning the Phase 2 proposals with the proposed CIRO Rules under the Rules Consolidation Project, which will ensure the reforms are applied consistently across dealer categories once the CIRO Rules take effect.

On cycles (Section 3.5.1), see our response to the Section 6 consultation question below.

Section 3.2.2 — CIRO developed CE training

We support the proposal to apply the more flexible IDPC approach to the MFD Rules and view this as one of the most important elements of Phase 2. As discussed in our general comments on quality assurance, we would encourage CIRO to develop this into a recurring, substantive delivery mechanism analogous to FINRA's Regulatory Element. We note, however, that mandated content addresses only a limited share of total CE hours, and we therefore see it as one component of the broader set of quality measures we recommend in those comments rather than a complete answer to the quality question on its own.

[11] CAC Phase 1 CE submission, supra (operational and system impact should not prohibit proceeding with proration).

Section 3.2.3 — Topics lists

We support the incorporation of the IDPC principles-based approach and the removal of prescribed topics lists from the MFD Rules. As discussed in our general comments, we recommend that as a substantively improved alternative, CIRO develop and maintain guidance on content areas appropriate for CE, with references to effective delivery formats and modality, to ensure that the principles-based framework does not default to lowest-denominator outcomes.

Section 3.3.2 — Changing vocabulary from "credits" to "hours"

We endorse this proposal. The signal that CE represents a real investment of time in professional development is consistent with international practice. We note that the United Kingdom, Australia, the European Union, Singapore, and Hong Kong all use "hours" in their CE and CPD frameworks. We believe this vocabulary change should be matched by the substantive quality expectations we recommend in our general comments, such that the word change reflects a genuine change in the CE experience.

Section 3.4 — Approved Persons subject to CE requirements

We support the proposal to expand CE requirements to Executives and Chief Financial Officers. See our general comments above on role-appropriate content guidance.

Section 3.6 — Automatic suspension and reinstatement for CE non-compliance

We support extending automatic suspension to the MFD Rules. See our general comments above on firm accountability and enforcement architecture, including our recommendations on escalation mechanisms and firm-level enforcement referral triggers.

Section 3.8.2 — Mandatory Accreditation Assessments

We accept the structural logic of repealing Part H of the MFD Rules. With mandatory accreditation eliminated through Phase 1, the audit framework it provided lacks its operational field of application, and we do not object to the repeal. Our concern, set out in our general comments on quality assurance, is the absence of a suite of substantive quality-positive control measures to replace it, and the three mechanisms we propose there are intended as the starting point for that complement.

Section 3.8.4 — Express prohibition on carry forwards

We support this proposal, consistent with our Phase 1 position.[12] CE addresses point-in-time proficiency needs. Industry changes, evolving professional practices, and the skills necessary to address them are point-in-time considerations that carry-forwards do not help to address. An express rule provides needed clarity.

Section 3.8.5 — CE reporting for terminated individuals

[12] CAC Phase 1 CE submission, supra (support for an express prohibition on carry-forwards).

We do not support the elimination of this requirement. As discussed in our general comments on CE records and departure reporting, we believe the better course is to extend the requirement to all CIRO registrants and integrate CE compliance status into NRD through a CIRO-specific supplementary addition to Form 33-109F1.

Section 3.8.8 — Mandatory Conduct Training used for CE

We support the restriction of MCT to Compliance hours only after the transition period. See our general comments above on quality assurance for our recommendation regarding a recurring MCT-follow-up module.

Response to Section 6 — Consultation Question

We recognise that even with the addition of the proposed 30-day reporting requirement, shifting the CE cycle in the MFD Rules to sync with a calendar year may still be a significant change to MFDs. As a result, we are seeking the following feedback: For any dealer who does not support this proposal, we would like to know whether there are any regulatory burdens beyond what we have described above that make December 1st — November 30th a better approach for all dealers.

We reaffirm our Phase 1 support for shifting the MFD CE cycle to align with a standard calendar year beginning January 1.[13]

We do not identify any regulatory burdens beyond those CIRO has described that would make December 1 to November 30 a better approach for all dealers. The addition of one transition month in the first cycle is a reasonable accommodation. We note that annual CE cycles are the international norm: FINRA, NASAA, ESMA, the Monetary Authority of Singapore, and the Securities and Futures Commission of Hong Kong all use annual calendar-year cycles, and the Australian Securities and Investments Commission requires annual CPD cycles (with the specific cycle dates determined by each licensee).

Concluding Remarks

The harmonisation of CIRO's CE programs is a logical and important reform following on the creation of CIRO. The legacy infrastructure being removed across Phase 1 and Phase 2 was ineffective, and its removal is appropriate. The question that remains is whether the reform will be redesigned with quality as an explicit objective, or whether burden reduction will be allowed to define the harmonised framework on its own. We urge CIRO to take the opportunity now to build the quality complement that the principles-based provisions currently lack in our view: compensating quality mechanisms to replace the dismantled accreditation and audit infrastructure, firm-level accountability embedded in the enforcement architecture, and CE compliance records preserved and integrated into NRD rather than eliminated. A CE program that holds both firms and individuals accountable, that gives CIRO the opportunity to

[13] CAC Phase 1 CE submission, supra (support for aligning the MFD CE cycle to a standard calendar year).

progressively raise proficiency standards, and that ensures CE compliance records follow individuals across their careers, will serve the investing public well.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at cac@cfacanada.org on this or any other issue in the future.

(Signed) The Canadian Advocacy Council of
CFA Societies Canada

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Appendix A — Comparative Summary of CE Quality Assurance Mechanisms

Jurisdiction	CE Model	Quality Assurance Mechanism
United States (FINRA)	Dual-track: Regulatory Element (regulator-developed, assessment-embedded) + Firm Element (firm discretion)	Regulatory Element provides a regulator-controlled quality floor with embedded knowledge assessments; Firm Element has no mandated quality mechanism but is backstopped by the Regulatory Element[14]
United States (NASAA)	Authorized-provider model (12 credits per 12-month period: 6 ethics and professional responsibility, 6 products and practice)	NASAA authorizes CE providers and separately approves CE content[15]
European Union (ESMA/MiFID II)	Firm-based with regulatory oversight	Guidelines require firms to assess and maintain advisers' knowledge and competence; the agreed Retail Investment Strategy (not yet in force) adds a 15 hours/year minimum and verification of acquired knowledge[16]
United Kingdom (FCA)	Accredited body model (35 hours/year, 21 structured)	Accredited professional bodies (CII, CISI, LIBF) issue Statements of Professional Standing and verify advisers'

[14] FINRA Rule 1240, Continuing Education Requirements (Regulatory Element and Firm Element). See https://www.finra.org/rules-guidance/rulebooks/finra-rules/1240.

[15] NASAA Model Rule on Investment Adviser Representative Continuing Education (2020), §§ (1), (10)(B)–(C) (NASAA or its designee authorises CE providers and separately approves CE content). See https://www.nasaa.org/wp-content/uploads/2020/10/NASAA-IAR-CE-Model-Rule.pdf.

[16] ESMA Guidelines on the Assessment of Knowledge and Competence (ESMA/2015/1886), Guidelines 19-20. The fifteen-hour minimum and verification of acquired knowledge derive from the EU Retail Investment Strategy (amending Directive 2014/65/EU, Article 24d and new Annex V), agreed 18 December 2025 but not yet in force. See https://www.esma.europa.eu/document/guidelines-assessment-knowledge-and-competence.

Jurisdiction	CE Model	Quality Assurance Mechanism
		CE records on a regular basis[17]
Singapore (MAS)	Hybrid with regulatory oversight (9–16 hours/year by licence type)	Mandatory Core CPD (ethics and rules) must be earned through IBF-accredited courses[18]
Hong Kong (SFC)	Approved provider model (10–12 hours/year: 10 for representatives, 12 for responsible officers)	The SFC's Academic and Accreditation Advisory Committee recognises CPT providers; the SFC publishes the approved-provider list[19]
Australia (ASIC)	Licensee-approval model (40 hours/year)	Five content categories, four carrying minimum hours; at least 70% of hours must be in activities approved by the licensee[20]
Switzerland (SAQ)	SAQ-accredited training (24 hours per 3-year cycle)	Only SAQ-recognised courses count toward recertification; an ISO/IEC 17024–accredited industry scheme aligned to FinSA conduct rules, not a FINMA mandate[21]

[17] FCA Training and Competence sourcebook, TC Appendix 6.1 (accredited bodies must verify advisers' CPD records, including a random sample check of at least 10% of members annually, as a condition of accreditation). See https://handbook.fca.org.uk/handbook/TC/App/6/1.html.

[18] Monetary Authority of Singapore, Notice SFA 04-N22 (representatives of capital markets services licence holders) and Notice FAA-N26 (representatives of financial advisers), both effective 1 April 2024. Mandatory Core CPD hours (ethics and rules and regulations) must be earned through IBF-accredited courses. See https://www.mas.gov.sg/regulation/notices/notice-sfa-04-n22 and https://www.mas.gov.sg/regulation/notices/notice-faa-n26.

[19] SFC Guidelines on Continuous Professional Training (January 2022) (10 CPT hours per year for licensed representatives, 12 for responsible officers, including a minimum on ethics or compliance). See https://www.sfc.hk/en/rules-and-standards/codes-and-guidelines/guidelines/guidelines-on-continuous-professional-training.

[20] Corporations (Relevant Providers — Continuing Professional Development Standard) Determination 2018 (Australia). See https://www.asic.gov.au/regulatory-resources/financial-services/financial-advice/professional-standards/continuing-professional-development-cpd/.

[21] SAQ Swiss Association for Quality, Client Advisor Bank certification (recertification requires 24 hours of recognised training over a three-year cycle). The scheme is accredited to ISO/IEC 17024 by the Swiss Accreditation Service and its conduct component tracks the Swiss Financial Services Act (FinSA); it is industry-adopted rather than a FINMA mandate. See https://saq.ch/en/certifications/customer-advisor-bank/recertification/.