

13.1.4 IDA – Amendment to Policy 6, Part III

**INVESTMENT DEALERS ASSOCIATION OF CANADA –
AMENDMENT TO POLICY 6, PART III**

I OVERVIEW

A Current Rules

IDA Policy 6, Part III, sets out the IDA's rules and guidelines for the Continuing Education program.

B The Issue(s)

During the course of Cycle 2 of the program, from January 1, 2002 to December 31, 2005, many policy interpretations on the continuing education program were published in Member Regulation Notices and through the Continuing Education Frequently Asked Questions document posted on the IDA's web site.

C Objective(s)

This document proposes that the clarifications and policy interpretations published elsewhere be consolidated and formalized in IDA Policy 6, Part III. The objective of these amendments is to consolidate all policy interpretations and new procedures relating to the IDA's Continuing Education Program into the rule.

D Effect of Proposed Rules

The proposed amendments are for the most part housekeeping in nature and will clarify the requirements of the continuing education program. The consolidation of these items into the rule will provide a single point of reference for member firms and approved persons.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

Policy 6, Part III, was instituted January 1, 2000, in order to implement a mandatory continuing education (CE) programme for Approved Persons who advise retail clients or occupy specified supervisory roles. The program operates in three year cycles.

A first set of amendments was made to the policy effective February 10, 2004 to reflect experience with the program during the first cycle, January 1, 2000 to December 31, 2003. The following amendments are the result of further experience, frequently asked questions and administrative decisions made during the second cycle.

The following housekeeping amendments are proposed:

1. Amendment to Section B, which describes those required to participate in the program, of a brief overview describing Continuing Education requirements.
2. Amendment to Section C.2, which describes a partial exemption for those who have been in the industry for more than 10 years prior to the inception of the program, to include a list of the recognized self-regulatory organizations whose approval during the 10 year period makes the individual eligible for the exemption.
3. A superfluous column has been removed from the chart in Section D which described the point at which a newly Approved Person entered the program.
4. Addition of references to the IDA's course accreditation process in Sections J and K describing course guidelines.
5. The name "Canadian Securities Institute" in Section C.2A of the guidelines for the professional development program was changed to CSI Global Education Inc.

The following changes were previously documented in the Continuing Education Frequently Asked Questions document ("FAQ") posted on the IDA's web site, Member Regulation Notice 323, or contained within decisions enacted by the Continuing Education Sub-Committee of the IDA's Education and Proficiency Committee. These amendments update existing continuing education policies. The new policies are identified below:

Section E - Re-entry of Approved Persons

The CE requirements for individuals returning to the industry have been added as a new section. They were previously published as an FAQ entry as well as in Bulletin 3253.

Section F - Change in Categories within a Cycle

A new requirement will clarify when non-trading officers appointed to a Supervisory position must complete the CE requirements for their new position. This new requirement is similar to other category changes, in that if the change occurs in year one of a cycle, the Participant is required to complete the Compliance requirement for the current cycle; if the category change occurs in year two or three of a cycle, the Participant is not required to complete the Compliance requirement until the following cycle.

Section G - Voluntary Participation in the Program

This section will clarify that the qualifying courses must be completed within the cycle to which they are applied, and will also remind individuals that they are responsible for obtaining exemptions and paying the fees required under securities legislation in their province or territory.

Section H - Record Keeping Requirements

A new section has been added to define document and record retention requirements. It requires that Members obtain documentary proof of completion of any course or seminar. It requires that the records must be kept until the end of the cycle following the cycle to which the course is applied.

This section also contains a new procedure to accommodate individuals who transfer to a new firm with partial or unreported CE credits. The new firm is now allowed to accept a statement of verification from the previous firm regarding completion of both in-house and third party courses and seminars.

Section I - Reporting Requirements

This section requires that course completion reports be made in the manner prescribed by the Association, which is currently through the Online CE Reporting System.

Members must identify, within 10 business days after the end of the Cycle, all individuals who have not completed the Compliance course and who have been placed under supervision as per the penalties delineated in Section M.

Section L - Carry-forward provisions

Item 4 will be updated to include the new Wealth Management Essentials Course, which was launched in July 2006.

Section N - hardship Extension from Completion of Course requirements in a Three-Year Cycle

Individuals on an indefinite leave of absence may be exempted from all CE requirements. Section 3(a)(ii) has been added to require that Members specify in any exemption request that the leave is for an indefinite period.

Schedule 1

Designated Registered Futures Options Principal and Alternate Registered Futures Options will now be listed under the "Other category" on this chart to identify that they require completion of the Compliance requirement only.

The Branch Manager (Non-Retail) category will be added to the section which lists those categories which have no CE requirements.

A footnote to this schedule, describing the grandfathering process will be removed as it repeats the information found in Part C.2

Guidelines for the Continuing Education Program

A sentence has been added to clarify that courses eligible for Voluntary Participation are restricted to those identified by the Association.

Guidelines for the Continuing Education Program - The Compliance Course

A requirement has been added that at least two thirds (8 hours) of the Compliance Course content must be fulfilled through Canadian courses.

A preparatory course must be counted towards the same requirement (Compliance or Professional Development) as the applicable course and must be counted in the same CE Cycle.

The following items have been added as examples of relevant issues:

- (n) Privacy
- (o) Screening for Suitable Clients

Guidelines for the Continuing Education Program - The Professional Development Course

The guideline has been amended to make it clear that a preparatory course must be counted towards the same requirement (Compliance or Professional Development) as the applicable examination and must be counted in the same CE Cycle.

The Course Content guidelines were amended as follows:

Item C.2(a) will clarify that only certain courses and seminars offered by the CSI Global Education Inc. (CSI) automatically qualify for the Professional Development requirement; others do if accredited under our CE Course Accreditation Program. In addition this section will clarify when the new Wealth Management Essentials Course can be applied toward CE.

A new item C.2(b) was added to identify the IDA's official list of accredited courses.

A new Section 5 has been added to Part A - Basic Principles regarding issuer specific / branded product seminars. It permits Members to grant half the time taken on issuer specific/branded product matters provided they fall within the context of a program offering more general education.

The following item C.1(m) was added as an example of relevant course content:

- (m) Screening for Suitable Clients – the quantitative and the qualitative

Guidelines for the Continuing Education Program - Voluntary Participation Course Requirements

A new section has been added to expand upon the course requirements for the voluntary participation program described in section G. This section describes the characteristics of the courses which qualify for Voluntary Participation as follows:

- They must build upon or refresh the course materials of the Canadian Securities Course and Conduct and Practices Handbook for Securities Industry Professionals.
- Each course used must be a minimum of 12 hours if compliance-related and a minimum of 30 hours if related to Professional Development. In other words, they must be single courses rather than collections of shorter seminars.
- They must include a learning evaluation process such as an exam or case study.
- The course provider must provide proof of successful completion.

B Issues and Alternatives Considered

No other alternatives were considered. Most of the proposals were considered and discussed by the Continuing Education Sub-Committee as the issues arose during the second cycle.

C Comparison with Similar Provisions

A comparison with similar regulations in the United Kingdom and the United States was not considered necessary.

D Systems Impact of Rule

It is not believed that there is any system impact on Members or the public by implementing the proposed rule.

E Best Interests of the Capital Markets

The Board has determined that the public interest Rule is not detrimental to the best interests of the capital markets.

F Public Interest Objective

The purposes of the proposal are to improve the competence of members and their Approved Persons by ensuring Continuing Education rules and guidelines are consolidated into one concise document.

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III COMMENTARY

A Filing in Other Jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Quebec and Ontario; and will be filed for information in Manitoba, Newfoundland and Labrador, Nova Scotia and Saskatchewan.

B Effectiveness

The proposed amendments will continue to provide the guidance of the previous Policy 6, Part III, while giving Members more specific direction on the requirements and expectations of the Continuing Education program.

C Process

These revisions have been based on recommendations made by the Continuing Education subcommittee of the IDA's Education and Proficiency Committee as well as on practices formulated by IDA staff.

IV SOURCES

References:

- IDA Policy 6, Part III
- IDA Bulletin 3253
- IDA Member Regulation Notice 323

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying amendment.

The Association has determined that the entry into force of the proposed amendment would be in the public interest. Comments are sought on the proposed amendment. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Wendyanne D'Silva, Director, Registrations, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9, as well as one additional copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Wendyanne D'Silva,
Director, Registrations,
Investment Dealers Association of Canada
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POLICY NO. 6

PROFICIENCY AND EDUCATION:

PART III – THE CONTINUING EDUCATION PROGRAM

INTRODUCTION

This Part III establishes a Continuing Education Program (the Program) for Participants for the duration of their career in the securities industry. The Program operates on three-year cycles, the first commencing in January 1, 2000. The start-to-end date of each cycle is the same for all participants.

A. DEFINITIONS

For the purposes of this Part III,

“Course” – means a single integrated course, or a series of pertinent courses, seminars, presentations or programs that in total meet the minimum time and content requirements of the course guidelines which form part of this Policy 6, Part III.

“Participants” – means certain “approved persons” employed by Members of the Investment Dealers Association of Canada (the Association), and approved by the Association in the registration categories listed in Schedule 1 of this Policy 6, Part III (Schedule 1).

B. PARTICIPATION IN THE PROGRAM

Unless exempted under ~~this Policy 6~~, Part III, Participants must complete continuing education courses based on their categories of approval, as specified in Schedule 1.

In general, individuals who are registered to do retail business and give advice must complete a 12-hour Compliance course and a 30-hour Professional Development course during each three-year cycle. Those who are not registered to do retail business (who deal with institutions only) and those not registered to give advice (such as investment representatives) must complete a 12-hour compliance course only, each cycle.

C. EXEMPTION FROM THE WHOLE OR PART OF THE PROGRAM

1. Partners, Directors and Officers approved in non-trading and non-supervisory categories of registration are exempt from the Program.
2. Participants approved as registered representatives, branch managers, sales managers, and futures principals, who have been continuously approved in a trading capacity for more than 10 years as of January 1, 2000 by a recognized Self Regulatory Organization (such as the IDA, Toronto Stock Exchange, Montreal Exchange, Alberta Stock Exchange or Vancouver Stock Exchange), are ~~exempt grandfathered exempt~~ from the requirement to complete a professional development course. However, such persons shall complete a compliance course in each cycle throughout their career.

D. ENTRY OF RECENTLY APPROVED PERSONS

Recently approved persons shall not participate in the Program during the first three years of registration but shall do so, depending on the year of registration, as follows:

1. If the three years since registration ends in year one of a cycle, then the approved person becomes a participant in that cycle.
2. If the three years since registration ends in year two or three of a cycle, then the approved person becomes a participant in next three-year cycle of the Program.

3. For greater clarification, refer to the Chart below.

<u>An Approved Person first approved in the year: A Registrant approved in the year:</u>	<u>Whose 3 years ends</u>	<u>Starts CE in this Cycle</u>
1997	2000	Cycle 1: 1/Jan/2000 to 31/Dec/2002
1998	2001	Cycle 2: 1/Jan/2003 to 31/Dec/2005
1999	2002	Cycle 2: 1/Jan/2003 to 31/Dec/2005
2000	2003	Cycle 2: 1/Jan/2003 to 31/Dec/2005
2001	2004	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2002	2005	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2003	2006	Cycle 3: 1/Jan/2006 to 31/Dec/2008
2004	2007	Cycle 4: 1/Jan/2009 to 31/Dec/2011
2005	2008	Cycle 4: 1/Jan/2009 to 31/Dec/2011
2006	2009	Cycle 4: 1/Jan/2009 to 31/Dec/2011
<u>2007</u>		<u>Cycle 5: 1/Jan/2012 to 31/Dec/2014</u>
<u>2008</u>		<u>Cycle 5: 1/Jan/2012 to 31/Dec/2014</u>
<u>2009</u>		<u>Cycle 5: 1/Jan/2012 to 31/Dec/2014</u>

E. RE-ENTRY OF APPROVED PERSONS

1. Individuals who were registered more than three years ago and who are returning to the industry will be required to complete their CE requirements in the cycle in which they return.
2. Individuals who are required to re-write the Canadian Securities Course (CSC) and Conduct & Practices Handbook (CPH) in order to re-qualify for registration, may apply these two courses towards the CE requirements for the cycle in which they were re-written. In this circumstance, the CSC can not be carried forward to fulfill the Professional Development requirement in the following cycle.
3. Individuals who have previously been exempted from the Professional Development requirement under Policy 6, Part III, C.2, who become re-registered after a gap of more than three years, will no longer qualify for the exemption from the Professional Development requirement. These individuals will be required to complete the CE requirement as per their registration category. An exception will be made for individuals who were previously exempted from the Professional Development requirement, who voluntarily participate in the IDA's CE program during the gap in registration. These individuals will not be required to re-write the CSC and CPH, and will maintain the exemption from the Professional Development requirement when they become re-registered.

EF. CHANGE IN CATEGORIES WITHIN A CYCLE

1. Any change, in year one of a cycle, from a registration category that requires a compliance course only, to a category requiring both a compliance course and a professional development course, will require completion of the courses for the new category. If the change occurs in year two or three of the cycle, the requirements are those of the previous category. The requirements for the new position will commence in the next cycle.
2. For changes from a category that requires both a compliance course and a professional development course to a category requiring a compliance course only, the requirements are those of the participant's registration category at the end of the cycle.
3. For changes from a Non-Trading officer category to a Supervisory category that requires a compliance course only, the requirements the compliance course as per the new category. If the change occurs in year two or three of the cycle, the requirements are those of the previous category. The requirements for the new position will commence in the next cycle.
34. Any change back to a category requiring both a compliance course and a professional development course made after the change as described in subsection 1 will immediately return the participant to the requirement for completion of both the compliance and the professional development course. Should such a change occur

too close to the end of the cycle to permit completion of the professional development course, the Member firm may apply for ~~ana~~ hardship extension, pursuant to ~~Part~~Section MN.

45. An application for a change of category as described in subsection 3 in the first year of the cycle, following a change as described in subsection 2, must be accompanied by an explanation from the Member sufficient to satisfy the Association that the category changes are not in an effort to avoid completion of the Program's requirements.

FG. VOLUNTARY PARTICIPATION IN THE PROGRAM

1. Persons who terminate their approval after January 1, 1997, may maintain their standing in the Program on a voluntary basis by completing select courses recognized by the Association as meeting the requirements of the Program. The voluntary participation courses must comply with the guidelines that form part of this policy.
2. Persons maintaining voluntary standing in the Program as described in subsection 1 are exempt from the examination rewrite requirements outlined in Policy 6, Part II – Course and Examination Exemptions for the Canadian Securities Course (CSC) and the Conduct and Practices Handbook Exam (CPH). The CSC and/or CPH must have been successfully passed within the 3three years prior to the start of either:
 - (a) the current cycle, or
 - (b) the earliest cycle in which the individual began continuous participation in the Program.
3. Graduates of the CSC and the CPH ~~after January 1, 1997,~~ who have not been approved in any capacity, may join the Program on a voluntary basis by taking courses recognized by the Association as meeting the requirements for the Program. The CSC and/or CPH must have been successfully passed within the 3three years prior to the start of either:
 - (a) the current cycle, or
 - (b) the earliest cycle in which the individual began continuous participation in the Program.
4. Persons joining the Program as described in subsection 3 are exempt from the examination rewrite requirements outlined in Policy No. 6, Part II – Course and Examination Exemptions.
5. Voluntary participants must complete ~~both~~ a professional development course and a compliance course in each cycle to maintain voluntary participation standing and qualify for the exemptions in subsections 2 and 4. Both a Compliance course and Professional Development course must be completed irrespective of which position the individual intends to apply for.
6. The exemptions in subsections 2 and 4 are valid until the end of the first year of the next cycle. As a result, Voluntary participation in CE will keep the CSC and CPH valid until the end of the first year of the next cycle.
7. Both the Compliance and the Professional Development courses used for Voluntary Participation must be completed within the cycle to which they are applied and cannot be carried forward from a previous cycle.
8. Individuals may still be responsible for obtaining exemptions and paying any associated fee required by securities legislation for their province or territory.

H. RECORD KEEPING REQUIREMENTS

1. Evidence of Completion may be in the form of a certificate issued by the provider, attendance sheet or bulk notice of completion.
2. CE credits earned through courses or seminars at a Participant's previous firm in the current cycle, that have not been reported to the IDA, may still be considered valid for the Participant by the Participant's current member firm, at the member firm's discretion. The current member firm may accept a statement of verification issued by a former member firm.
3. Member firms must retain CE certification records and course materials until the end of the cycle following the cycle to which the records relate.

GJ. REPORTING REQUIREMENTS

1. At the end of each Cycle, A-Members must update the Association in the manner prescribed by the Association within ten days after the end of the month in which the Member becomes aware of the names of its Participants that have satisfied all CE course requirements for that the completed Cycle.

HJ. THE COMPLIANCE COURSE

1. The 12-hour compliance course is a mandatory component of the Program for all participants. Participants may choose a compliance course from an external course provider or a suitable training Program offered by their sponsoring Member.
2. Members may have an external course provider develop and deliver the compliance course or may develop and deliver their own internal course.
3. Courses may be accredited for IDA CE credits through the IDA's official accreditation process.
4. The use of a compliance course developed by a Member is subject to the following requirements:
 - (a) The course developed must comply with the guidelines issued by the Education & Proficiency Committee; that form part of this policy.
 - (b) Participants completing a course offered by a Member shall have the Member sign off on their successful completion of that course. The Member shall determine its own method of evaluating Participants' knowledge and understanding of the courses completed.

IK. PROFESSIONAL DEVELOPMENT COURSE

1. Participants may choose a 30-hour Professional Development course from an external course provider or a suitable training Program offered by their sponsoring Member.
2. The course chosen by a Participant, whether from an external provider or one offered by the Member, must be approved by the Member's training supervisor or other responsible person as being relevant to that Participant's role in the investment industry.
3. Courses may be accredited for IDA CE credits through the IDA's official accreditation process.
4. Professional development courses developed and offered by the Member or an external course provider are subject to the following requirements:
 - (a) The courses must comply with the guidelines issued by the Education and Proficiency Committee that form part of this policy.
 - (b) Participants completing courses offered by their sponsoring Member shall have the Member sign off on their successful completion of that course. The Member shall determine its own method of evaluating Participants' knowledge and understanding of the courses completed.

JL. CARRY-FORWARD PROVISIONS

1. No carry forwards are permitted for the compliance course requirement.
2. A maximum of one approved course completed prior to the start of the current cycle that satisfies the minimum 30-hour requirement may be carried forward into the next cycle as a professional development credit. Starting with courses taken in Cycle 2, a course of less than 30 hours may not be carried forward into the next cycle.
3. Where a recently approved person completes a course that qualifies for the professional development requirement during that approved person's first three years of registration, that course can be carried forward to apply to that approved person's first cycle.
4. The Professional Financial Planning Course (PFPC), ~~and the Investment Management Techniques Course (IMT) or Wealth Management Essentials Course (WME)~~ may not be carried forward pursuant to subsection 2 if it was used as to satisfy the requirement of Policy 6, Part 1, A, section 3(c).

5. A Multi-level program completed over a period of more than one year, such as a university degree program or the Chartered Financial Analyst (CFA) program, may satisfy the professional development course requirement for more than one cycle provided each program level meets the guidelines. A level can be carried forward to satisfy the requirement of the next cycle only.

KM. PENALTIES

The following penalties shall be imposed for the failure of a Participant to complete the course requirements within a three-year cycle:

1. At the beginning of year one of the next three-year cycle, a monthly fee in the amount of \$500 shall be imposed against the Participant's sponsoring Member for a maximum of six months, or until the Participant completes the courses required, whichever occurs first.
2. If, at the end of the six-month period referred to in subsection 1, the Participant fails to complete the Program requirements, then the Participant's approval will be suspended automatically until such time as the participant successfully completes the course requirements.
3. If, at the end of the three-year cycle, the Participant fails to complete the compliance portion of the program, then a mandatory condition of close supervision, ~~in accordance with the Association's provisions~~ with reports to be retained at the Member firm, will be imposed on the Participant's registration until such time as course is successfully completed.
4. Any late completion fees paid in error will be refunded provided that the refund is claimed within 120 days of the first day of the month for which the fee was paid.

LN. HARDSHIP EXTENSION FROM COMPLETION OF COURSE REQUIREMENTS IN A THREE-YEAR CYCLE

1. A Participant may be granted ~~an~~ a hardship extension from the requirement to complete the course requirements within a three-year cycle due to, but not limited to, ~~a leave of absence or an illness~~; if
 - (a) A partner, director or officer of the participant's sponsoring Member
 - (i) approves the delay of completion of the course requirements;
 - (ii) advises the Association of the reasons for the delay and
 - (iii) agrees to a new date for the completion of the course requirement; and,
 - (b) The applicable District Council, or its designate, in its discretion determines that the delay is warranted.
2. Despite subsection 1, the granting of such an extension does not permit the Participant to delay the commencement of the next three-year cycle.
3. In the case of an indefinite leave of absence, a Participant unable to complete their requirements for more than one cycle may receive an exemption from the Program provided that
 - (a) A partner, director or officer of the participant's sponsoring Member
 - (i) approves the exemption, and
 - (ii) outlines, in a letter delivered to the Association, the reasons for the exemption and specifying the leave is for an indefinite period; and
 - (b) The applicable District Council or its designate, in its discretion, determines that the exemption is warranted.
 - (c) Upon return to the industry and before engaging in any activity requiring registration
 - (i) after an absence of less than three years, the Participant's ~~proficiency and~~ CE requirements will be determined by the applicable District Council
 - (ii) after an absence of more than three years, the Participant shall successfully complete the required proficiency courses as outlined in Policy 6, Part II.

SCHEDULE 1

Continuing Education / Registration Category Chart		
	Registration Category	Continuing Education Requirement
Retail	Investment Representative	Compliance Program
	Investment Futures Contract Representative Options	
	Investment Representative Options	
	Registered Representative*	Compliance Program and Professional Development Program
	Registered Futures Contract Representative Options*	
	Registered Representative Options*	
	Registered Mutual Fund Representative	
Non-Retail	Portfolio Manager (and Associate)	
	Investment Representative	Compliance Program Only
	Investment Futures Contract Representative Options	
	Investment Representative Options	
	Registered Representative	
	Registered Futures Contract Representative Options	
Supervisory Categories	Registered Representative Options	
	Branch Manager (<u>Retail</u>)	Compliance Program and Professional Development Program
	Sales Manager	
	Assistant Branch Manager	
	Co-Branch Manager	
	Designated Registered Futures Options Principal	
Partners, Directors & Officers (“PDO”)	Alternate Registered Futures Options Principal	
	PDO – Trading (Registered Representative*, Registered Futures Contract Representative*, Registered Representative Options*)	Compliance Program and Professional Development Program
	PDO – Trading (Registered Representative (Non-Retail), Registered Futures Contract Representative (Non-Retail), Registered Representative Options (Non-Retail))	Compliance Program Only

SRO Notices and Disciplinary Proceedings

	PDO – Trading (Investment Representative, Investment Futures Contract Representative, Investment Representative Options)	Compliance Program Only
	PDO – Non-Trading	No Requirement
Other	Ultimate Designated Person	Compliance Program Only
	Alternate Designated Person	
	Designated Registered Options Principal	
	Alternate Registered Options Principal	
	<u>Designated Registered Futures Options Principal</u>	
	<u>Alternate Registered Futures Options Principal</u>	
	Chief Compliance Officer	
	Registered Representative – Restricted	

Participants registered in more than one category, must meet the Continuing Education requirements of the more demanding category. For example, a Participant approved as an Ultimate Designated Person and as a PDO-Trading (RRRegistered Representative) is required to complete the Compliance Program and the Professional Development Program.

~~Those who have been continuously licensed with an SRO member in a trading capacity since 1989 are responsible for the compliance portion of the program only.~~

GUIDELINES FOR THE CONTINUING EDUCATION PROGRAM

INTRODUCTION

This part of Policy 6, Part III sets guidelines for continuing acceptable education course content, length and rigour which each Member must comply with if practicable. The guidelines also recommend a process to aid firms in identifying appropriate suppliers and courses.

Members are not authorized to determine courses eligible for Voluntary Participation, as set out in Part G of this Policy.

The parameters and guidelines should be considered in the context of what is appropriate to the individual, his or her position and responsibilities, and the needs of the firm. This can best be accomplished by each firm allocating responsibility to a single person for defining training needs and appropriate programs to address them. Depending on the firm, some responsibility for approval of an individual's program may be delegated to the appropriate supervisor.

As part of the audit process, the Association will review a firm's continuing education program to ensure that it is properly documented and satisfies the guidelines.

THE COMPLIANCE COURSE

A. BASIC PRINCIPLES

1. The Policy requires that certain approved persons successfully complete the compliance course within each three-year CE cycle. To determine which approved persons are required to take the course, please refer to the Policy itself.
2. A Member can choose to develop and deliver a compliance course, which reflects its own assessment of its current needs and priorities, or it may purchase a compliance course from an external provider. Alternatively, Members may offer a combination of both.
3. Compliance courses completed by branch managers, sales managers and others in a supervisory position should reflect their additional responsibilities.
4. The Member must maintain a record of successful completion of the compliance course.
5. As part of the audit process, the Association will review Member-developed compliance courses to ensure they satisfy the Guidelines.
6. If the compliance course program includes an examination, this examination must be successfully completed in order for the course to be applied towards the individual's Compliance requirement.
7. Seminars that support other courses, or preparatory courses that support a course or examination, do not qualify separately for CE credit. The course or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory course hours may then be included in determining the duration of the total course. The CE credits for the preparatory course must be counted towards the same requirement (Compliance or Professional Development) as the applicable course and must be counted in the same CE Cycle.
8. A Participant who sits on a committee or council of the IDA, or who teaches a financial course may receive CE credits provided the member firm determines that the issues dealt with are relevant. The member firm may determine the amount of time applicable towards CE Compliance credits.
9. Foreign courses that have a compliance portion can satisfy up to 1/3 (4 hours) of the IDA's CE Compliance requirement for a cycle. The remaining 2/3 (8 hours) must be satisfied through Canadian compliance courses.
10. The Compliance requirement for Voluntary Participation is restricted to selected courses. For further information, see Voluntary Participation Courses in this guideline.

B. DELIVERY GUIDELINES

1. The course or courses used to fulfill the compliance requirement must be a minimum of 12 hours in total duration.

2. The Guidelines have been developed to offer some flexibility to Members and their approved persons. The manner in which the topics are reviewed is left to the Member's discretion, provided the minimum 12-hour requirement for every three-year cycle is satisfied.
3. The Member may choose to deliver the compliance course in a number of ways. The following are examples of possible modes of delivery, but is not exhaustive:
 - (a) A Member may hold an 8-hour in-house compliance seminar, with 4 hours of preparatory reading and study. In the first part of the seminar, topic areas 1 - 4, below, could be reviewed. Then the information imparted could be used in the discussion of case studies during the remainder of the seminar, or
 - (b) A Member could offer the compliance course over the three years, by requiring their approved persons to participate in a minimum 4-hour seminar every year. However, the seminar must still cover at least one of the 4 topic areas set out below and must do so in sufficient depth.
4. It is up to the Member to determine what constitutes successful completion of the course by its approved persons. For example, a Member may:
 - (a) require its approved persons to write and pass a firm-developed and delivered exam,
 - (b) require its approved persons to write and pass an external course provider developed and delivered exam, or
 - (c) require a certificate of attendance and participation at a seminar.

The preceding list of examples is not exhaustive.

C. COURSE CONTENT

1. The course content must fall within at least one of the following 4 major topic areas:
 - (a) Review of critical regulations and application
 - (b) Regulatory changes
 - (c) Rules relating to new products, if offered by the firm
 - (d) Ethics
2. Some examples of relevant issues for the 4 topic areas are provided below. Examples are given for both institutional and retail registrants. Certain of the examples will change over time to reflect emerging issues in the industry
 - (a) How the Securities Administrators and Self Regulatory Organizations Regulate Securities Industry Participants
 - (b) Regulatory Developments that Affect Firm Management
 - (c) Disclosure of Information to Clients
 - (d) Registration and Continuing Education
 - (e) Operations and Firm Capital
 - (f) Sales and Trading Conduct – General
 - (g) Sales and Trading – Institutional Markets
 - (h) Current Developments in Bond Market Regulation
 - (i) Suitability and New Products

- (j) Corporate Finance – New Rules
 - (k) Corporate Finance – Proposed New Rules
 - (l) Ethical issues and Case Studies
 - (m) Anti-money laundering laws and regulations and their implementations at the Member.
 - (n) Privacy
 - (o) Screening for Suitable Clients
3. The importance of certain topics may vary by Member, depending on the Member's business and the participants' individual responsibilities.
4. Compliance courses may also be selected from courses accredited through the IDA's official accreditation Program.

THE PROFESSIONAL DEVELOPMENT COURSE

A. BASIC PRINCIPLES

1. In general, the courses should be relevant to the securities industry and financial advisors, management-oriented, or designed to improve client service.
2. The subject matter of an individual's course or courses should reasonably reflect that person's skill requirements or be based on the firm's products and market strategies.
3. The program undertaken should reflect the industry's commitment to high quality client service, advice, and professionalism.
4. The subject matter should be educational and non-promotional in nature. For example, the following would not qualify: corporate events held exclusively to introduce or promote new product or service offerings, networking events, or motivational speakers.
5. Subject matter relating to issuer-specific/branded product qualifies if presented in the context of a larger education course or presentation. The general education portion of a course relating to a product category may be granted full credit for the number of hours it takes and the issuer-specific portion should be credited half credit.
6. The program's provider should be professional, having defined the program's learning outcomes in advance, and be able to certify a student's successful completion. Alternatively, the firm may certify a student's successful completion, and assume responsibility for this function.
67. If the course program includes an examination, this examination must be successfully completed in order for the course to be applied towards the individual's Professional Development requirement.
78. Seminars that support other courses, or preparatory courses that support a course or examination, do not qualify separately for CE credit. The course or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory course hours may then be included in determining the duration of the total course. The CE credits for the preparatory course must be counted towards the same requirement (Compliance or Professional Development) as the applicable course and must be counted in the same CE Cycle.
89. An individual who teaches a relevant course may receive CE credits provided the member firm determines that the issues dealt with are relevant to Professional Development. The member firm may determine the amount of time applicable towards CE Professional Development credits.
10. Foreign courses can be used to satisfy the entire Professional Development requirement provided the course relates to the business the participant is engaged in.
11. The Professional Development requirement for Voluntary Participation is restricted to selected courses. For further information, see Voluntary Participation Courses in this guideline.

B. DELIVERY GUIDELINES

1. The course, or combination of courses, used to fulfill the Professional Development course must be at least 30 hours.
2. The Guidelines have been developed to offer some flexibility to Members and their approved persons. The manner in which the topics are reviewed is left to the Member's discretion, provided the minimum 30-hour requirement for every three-year cycle is satisfied.
3. The determination of delivery should consider both the most appropriate learning tools and the need to ensure that requirements have been met. In different situations, any of the following may prove to be appropriate
 - (a) Self-study materials which may contain an evaluation
 - (b) Material delivered electronically through computer-based technology
 - (c) Seminars and discussions delivered through internal or external providers
4. Material should, where possible, use cases and other application-based learning to develop problem-solving and decision-making skills. Training strategies should focus on product knowledge, regulatory knowledge, business development skills, managerial skills and client communication skills.
5. In some firms, programs have been developed beyond the basic licensing requirements for investment advisors, branch managers, and others. These courses are designed to develop additional skills particular to the position. This type of course would generally meet the criteria for the continuing education program. However, these courses must be of a non-promotional nature, i.e. there must be no specific product incentives attached.

C. COURSE CONTENT

1. Generally, the courses ought to examine ~~products~~product groups, services and investment and financial strategies that the individual may offer to clients or managerial skill for individuals. More specifically, the courses and materials should deal with the following areas:
 - (a) Product category features which should be fully communicated to a client in recommending a product
 - (b) Approaches to valuation of a product category and the product's applicable risk factors
 - (c) Strategies for investing in a product category including the particular client objectives in which it would provide the most suitable results
 - (d) The suitability of the use of leverage for a particular product category and investment strategy
 - (e) The features and applicable cost of a service which the firm offers
 - (f) The regulatory, tax and other features of a product or service which might affect its suitability
 - (g) Methods of evaluating competing products, services and investment strategies
 - (h) The suitability of a product category, service or strategy for clients with different financial, risk and knowledge profiles
 - (i) Managerial skills which would assist managers in meeting strategic and operational objectives
 - (j) Communication skills which would result in improved client service and determinations of client service
 - (k) Practice management skills which would provide tools to assist firm personnel in improving client service
 - (l) Technology used to enhance client service and the provision of advice.
 - (m) Screening for Suitable Clients – the quantitative and the qualitative

2. The following are some examples of external courses that would likely fit the criteria outlined in the framework for an individual's course of study:
 - (a) ~~Courses and seminars offered by the Canadian Securities Institute.~~ Additional licensing courses offered by the CSI Global Education Inc. such as derivatives courses may be used to satisfy the requirement; however, the Professional Financial Planning Course, ~~or~~ Investment Management Techniques Course or Wealth Management Essentials course may be used only if it has not been used to satisfy the requirement of Policy 6, Part I, Section A.3(c).
 - (b) Courses accredited through the IDA's official accreditation Program.
 - (c) Relevant courses offered or endorsed by professional associations that have licensing and continuing education programs such as, CIMA, CFP, CFA, IQPF, CLU, and insurance licensing and CSI designations.
 - (ed) Relevant courses delivered through established post secondary institutions.

D. SUGGESTED PROCESS TO ESTABLISH TRAINING SOLUTIONS FOR MEETING CONTINUOUS EDUCATION REQUIREMENTS

1. Identify Training Needs
 - (a) Identify knowledge and skills, which would impact positively on the firm and individuals.
 - (b) Identify the learning objectives expected from the program or course.
2. Identify the evaluation method(s) to be used.
3. Determine how successful completion is to be ascertained.
4. Identify the delivery mechanism
 - (a) Determine whether external or internal delivery is most appropriate approach.
 - (b) Determine external suppliers or internal experts who are professional and capable of providing delivery of material.
 - (c) Identify programs / courses that would deliver the skills and knowledge which would meet the firm and individual needs.
5. Cross-check outcomes desired against outcomes promised.

VOLUNTARY PARTICIPATION COURSE REQUIREMENTS

1. Courses used for Voluntary Participation are restricted to those identified by the IDA.
2. Courses that qualify for Voluntary Participation have the following characteristics:
 - (a) They build upon or refresh the course materials of the CSC and CPH
 - (b) Each course used must be a minimum of 12 hours if Compliance-Related and a minimum of 30 hours if related to Professional Development
 - (c) They must include a learning evaluation process such as an exam or case study
 - (d) The course provider must provide proof of successful completion