

IIROC NOTICE

Rules Notice
Notice of Approval/Implementation
CE Rules

Implementation: January 1, 2020

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19-0220

December 19, 2019

Continuing Education Rule Amendments

Executive Summary

The Canadian Securities Administrators (**CSA**) have approved amendments to [Rule 2650](#) – *Continuing Education Requirements for Approved Persons* (the **CE Rules**), which we have attached in Appendix 1 and Appendix 2 of this Notice (the **Amendments**).

In addition, we have updated our Guidance on IIROC's Continuing Education Program ([Notice 18-0023](#)) to reflect the Amendments (the **Revised CE Guidance**). We include a blacklined version and clean version of the Revised CE Guidance in Appendices 4 and 5.

The Amendments and the Revised CE Guidance will be effective on January 1, 2020 (the **Implementation Date**), which coincides with the start of our next continuing education program cycle (**CE cycle**).



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1. Background

We originally published the proposed amendments to the CE Rules for comment in [Notice 18-0019](#) (the **2018 Proposed Amendments**). We re-published the 2018 proposed amendments and proposed additional amendments to the CE Rules for comment in [Notice 19-0117](#) (the **2019 Proposed Amendments**). All relevant background and description of changes is set out in that Notice.

2. Comments Received

We received six comments letters in response to IIROC Notice 19-0117. Appendix 3 provides a summary of the public comments received and our responses.

3. Non-substantive changes

In response to comments received on the 2019 proposed amendments, we made a few non-material changes to the CE Rules, which we discuss below.

3.1 Dealer-delivered continuing education programs

In the 2019 Proposed Amendments we proposed removing clause 2657(1)(v), which requires a Dealer to evaluate CE participants' knowledge and understanding of the course through examination, case work or case study, for a Dealer-delivered course. Based on the comments we received, we have retained the requirement for a Dealer to evaluate CE participants knowledge and understanding of the course, but removed the reference to specific methods of evaluation (i.e. examination, course work or case study) to provide Dealers flexibility to determine a method of evaluation appropriate to the Dealer-delivered course.

3.2 Repeated courses

In the 2019 Proposed Amendments, we specified in the CE Rules that an Approved Person cannot repeat the same CE course unless the course content has been substantially updated (with the exception of ethics courses). Based on the comments we received, we clarified that the CE course must be updated to contain new course content in order for a CE participant to receive CE credits for the same continuing education course.¹

3.3 Other minor changes

We made minor drafting and formatting changes for clarity and consistency to sections 2657 and 2662.

4. Updated Guidance

We made changes to our existing guidance² primarily for consistency with the Amendments, in addition to some drafting changes for clarity and understanding and to eliminate redundant

¹ Rule 2653(6)

² See IIROC Notice 18-0023



information. The Revised CE Guidance is attached, as a blacklined and clean version, in Appendices 4 and 5. The following is a summary of the changes that we made to the Guidance:

- We clarified that courses cannot be repeated from one cycle to another CE cycle unless the course has been updated to contain new course content.
- We updated our discussion of foreign courses that can satisfy five hours of a CE participant's compliance course requirement to include courses offered by a foreign securities dealer or foreign external course provider.
- We updated the parameters of who can voluntarily participate and for how long in the CE program, consistent with the Amendments.
- We updated our discussion of the penalties for late filings and non-completion of CE requirements and we added in more detail about our suspension and reinstatement processes.
- We clarified the Dealer's responsibilities for CE Program administration, including record keeping, methods of evaluation and internally created courses and programs.
- We removed transitional provisions which are no longer applicable, such as the penalties in effect for the January 2016 to December 2018 cycle and carry forward provisions.
- We clarified the CE Course Accreditation Process in Appendix C of the Revised CE Guidance.

5. Implementation

The Amendments³ and the Revised CE Guidance will be effective on January 1, 2020, which coincides with the start of the next CE cycle.

6. Reminder to Dealers

We remind Dealers that the end of the CE cycle is approaching on December 31st, 2019. Under CE Rule 2657(1)(vii) Dealers are required to notify IIROC within 10 business days of the end of the CE cycle all CE participants that have met their CE requirements. If a CE participant has not completed their CE requirements, we expect Dealers to contact those individuals to inform them that if they do not complete their CE requirements and report them to the Dealer, they will face suspension on January 31st, 2020.

7. Where to find the CE Rules

The CE Rules are currently a stand-alone rule, with its own numbering system. On June 1, 2020, the implementation date of the IIROC Rules (formerly known as the Plain Language Rulebook), the CE Rules

³ The late filing fee proposed in the 2019 Amendments has been approved by IIROC's Board of Directors. See Notice 19-0221 - Late Filing Fee for Continuing Education Reporting,



will become part of the IIROC Rules and will be known as IIROC Rule 2700 – *Continuing Education Requirements for Approved Persons*⁴.

8. Appendices

[Appendix 1](#) – CE Rules (blacklined)

[Appendix 2](#) – CE Rules (clean)

[Appendix 3](#) – Response to public comments on Notice 19-0117

[Appendix 4](#) – Guidance on IIROC’s Continuing Education Program (blacklined to [Notice 18-0023](#))

[Appendix 5](#) – Guidance on IIROC’s Continuing Education Program (clean)

⁴ See [Notice 19-0144](#) for more information on the IIROC Rules.