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The comments below are submitted on behalf of Learnedly, an educational organization for Canadian financial professionals.

Re: OSC Notice 11-794 - Statement of Priorities

Dear Members of the OSC,

Thank you for the opportunity to comment on the OSC's Statement of Priorities for 2022. We are encouraged by many of the OSC's priorities, particularly its focus on education, fair competition, and innovation. As an educational organization, we look forward to working with the OSC to enhance industry education and the learning experience for registrants.

Education is essential to the protection of investors and maintaining the high standards of Canada's capital markets. We believe that industry professionals, including the 67,000 registrants in Ontario, play a critically important role as educators to retail investors. Ensuring that registrants have access to modern and current education will support the desired outcomes of protecting and educating investors, while at the same time, enhancing the investor experience.

As such, we encourage the OSC to include *industry proficiency* within its 2022 strategic priorities. More specifically, to:

1. *Foster fair competition among licensing course providers*
2. *Remove regulatory burden from continuing education*

1. Foster fair competition among licensing course providers

A modern regulatory framework that supports industry proficiency and fosters healthy competition among course providers allow educators to innovate and provide the industry with modern and affordable education. This, however, has not been the case in Canada's capital markets.

There is no process or procedure for educational organizations to become recognized licensing course providers, which limits both choice and quality of education. It has been this way for many

learnedly.



years, and as a result, a lack of competition has subdued the desire to innovate and enhance advisor proficiency. We offer several examples:

Mutual fund licensing: Course options are essentially limited to two course providers (IFSE and CSI). Neither mutual fund licensing course has kept pace with the evolution of the investing landscape, nor do they adequately prepare new registrants for modern-day challenges.

Securities licensing: The exclusivity of the Canadian Securities Course (CSC) for securities licensing has created a cost barrier that prevents many from pursuing this licensing category. At \$1,600, for the most inclusive of course options, the CSC is 3.2 times greater than the \$500 annual limit of the Canada Training Credit.

Exempt market dealer: Although there are multiple ways to obtain the proficiency requirements for this category, the least expensive is the Exempt Market Proficiency Course (EMP), offered by IFSE Institute. Registrants often tell us that the EMP textbook is not clear and that the exam questions do not align with the textbook.

Exchange Traded Funds (ETF): In 2017, the MFDA had introduced the most progressive framework for a licensing course, by creating an open curriculum outline and allowing any course provider to develop an ETF proficiency course. It listed three courses on its [website](#) that were available at that time; however, adding additional courses to the MFDA's website, following the approval of its ETF Policy (#8) requires a formal consultation process and MFDA Member approval at its Annual General Meeting. As such, only the original three courses are currently listed, and many registrants and dealer firms view these three courses as the *only* options permitted by the MFDA.

Alternative Investment Funds: Earlier this year, the CSA Members issued a [blanket order](#) to allow only CSI and IFSE to offer alternative investment fund proficiency courses. Other educational organizations had submitted course proposals, including Learnedly ([link](#)), that were not considered in the process, owing to the regulatory burden of reaching a consensus among the CSA Members. And currently, the MFDA has proposed new rules that would codify the blanket order, ensuring that the *only* choice in education for registrants remains limited to just the two incumbent providers.

The individuals behind Learnedly strive to be balanced and objective about the state of industry education in Canada's capital markets. But the reality is, proficiency has been minimized for years, and neglected because of the corresponding burden of the regulatory framework. And for educators, who genuinely want to create a more progressive and accessible learning experience for industry professionals, the single greatest obstacle is the current regulatory framework.



We encourage the OSC to include *proficiency reform* as part of its priorities for 2022.

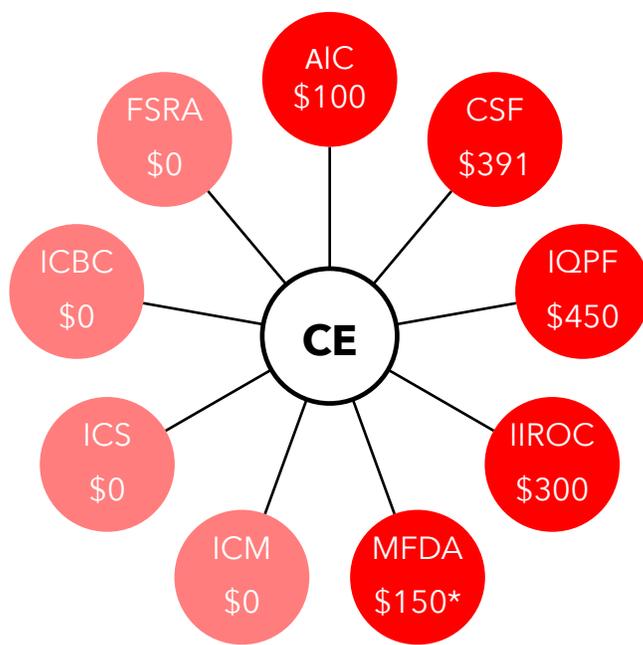
2. Remove regulatory burden from continuing education

In addition to licensing courses, continuing education has also been negatively impacted by the current regulatory framework. More specifically, with duplicative accreditation requirements. Course providers submit multiple applications and pay multiple fees to have the exact same course accredited by multiple regulators and credentialing bodies, every two years.

Because so many Ontario registrants are dual-licensed and hold one or more industry designation, and many registered firms in Ontario sponsor registrants in other provinces and territories, courses must be accredited across multiple jurisdictions and credentialing bodies.

Regulatory Accreditation Requirements Applicable to Ontario Registered Firms	
AIC Alberta Insurance Council IQPF Institut financier de planification financière MFDA Mutual Fund Dealers Association of Canada ICS Insurance Councils of Saskatchewan FSRA Financial Services Regulatory Authority of Ontario	CSF Chambre de la sécurité financière IIROC Investment Industry Regulatory Organization of Canada ICM Insurance Council of Manitoba ICBC Insurance Council of British Columbia

The cost of accrediting a one-hour course every two years: (Regulatory bodies only. Excluding designation / credentialing bodies.)



*Listing fee only. Additional accreditation fee required.



Course accreditation is a substantial cost burden, initially placed on course providers, passed through to registrants, and ultimately shouldered by retail investors. In our observations, there are no offsetting benefits to the cost of accreditation, let alone multiple accreditations. And in all cases, re-accreditation, with fees, is required every two years. For some regulators, this represents a material source of revenue, amounting to millions of dollars per year, collectively.

The cost burden of accreditation for educational organizations, such as Learnedly, has limited the number of courses that can be accredited. As a result, fund manufacturers represent the majority of accredited courses in our industry. More than 50% of the 1,917 courses currently accredited by CECAP, an accreditation service provider owned by Moody's Analytics Global Education (CANADA) Inc. are offered by fund manufacturers.

Fidelity Canada Inc., currently has 231 courses accredited by CECAP, which would have cost in excess of \$135,000 in accreditation fees. To re-accredit those 231 courses again in 2022, Fidelity will need to pay IIROC approximately \$69,300, in addition to any other accreditation body in our industry.

For education providers, this is a huge frustration since it limits the quantity and quality of education made available to the industry. It also limits the ability to make education more inclusive in multiple languages, and for industry professionals with learning disabilities.

We encourage the OSC to include *accreditation reform* as part of its priorities for 2022.

The advantages of modernizing education for registrants:

With much needed attention on the state of industry proficiency, and with an objective of fostering healthy competition among education providers, Canada's capital markets stand to benefit from a modern learning experience in numerous ways:

- More choice in education providers
- Access to more educational content
- A more modern learning experience
- More accessible education:
 - Lower cost barriers
 - Multiple language options
 - Enhanced accessibility features
- Dynamic education resources
- Streamlined continuing education for multiple jurisdictions and credentials
- Enhanced tracking and reporting for registered firms
- Learning that is curiosity-driven, rather than compliance driven



Learnedly, along with other industry education providers, are working to develop a modern solution for accreditation reform. We look forward to the opportunity to work with the OSC, and other regulators, to develop a progressive and inclusive learning experience for industry registrants.

Thank you for the opportunity to comment.

Sincerely,

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