



Independent Financial Brokers of Canada
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Submitted by email only.

Re: Continuing Education Rules – proposed amendments

Independent Financial Brokers of Canada (IFB) is writing in response to IIROC's request for comment on the proposed amendments to IIROC Rule 2650 – Continuing Education Requirements for Approved Persons (the CE Rules).

IFB is a national, not-for-profit professional association with approximately 3,500 individual members. IFB members are licensed financial advisors, most of whom are life insurance licensed and/or approved persons of an MFDA or IIROC dealer firm.

IFB advocates on behalf of members through our government relations work, engages regularly with insurance and securities regulators, and provides compliance support and regulatory updates for members. The insurance, investment, financial and estate planning advice and services IFB members provide are important contributors to the financial stability of individuals and families in communities across Canada.

IFB has supported the ongoing professional needs of its members, and the financial services industry more broadly, for over 30 years. IFB is a respected provider of high-quality educational programs delivered in person and online through IFB events, workshops, and IFB Academy - our online education portal (ifb.smartdirect.ca). While IFB has offered financial education to advisors for over 30 years, we are limited in our ability to offer IIROC approved CE courses due to the cost of accreditation. The high cost of getting courses approved through CECAP is prohibitive to smaller, not-for-profit organizations such as ours.

IFB would welcome an IROC review of its CE accreditation regime. A competitive CE market leads to better quality education, more choice for participants, and reduced prices – all of which encourages participants to value the time they spend in earning their CE.

Our comments on the proposed CE rule amendments will focus on the revisions to sub-section 2662(1) which, as drafted, provide that a CE participant will have their IROC approval suspended if they or the Dealer fail to report the participant's CE on time. We have used the term participant and advisor interchangeably.

In particular, we find the proposal to impose an automatic suspension on IROC advisors who have completed their CE on time to be troubling, even though IROC itself acknowledges in the Notice that this may be through no fault of the advisor:

While the CE participant may have completed their CE requirements on time, if the Dealer Member fails to report this to us, we will not know whether the CE participant has met their obligations under the CE Rules.

And...

Therefore, where the Dealer fails to notify us as required under 2657(1)(vi), on the last business day of January, the fine ceases and the CE participant's suspension begins.

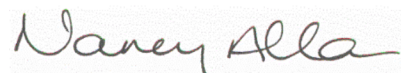
Under the proposal, therefore, an advisor who has duly completed the CE requirements in a timely fashion, and whose Dealer has not updated his/her records, would be penalized, and, indeed, be subject to the same consequences as one who failed to complete his/her CE at all.

If, as the rationale suggests, some dealers are not reporting CE in a timely fashion, then - and as proposed - *dealers* should be subject to disciplinary action. No doubt the severity of the fine will serve as a deterrent. However, dealers may look to the advisor for reimbursement.

IFB does not agree that the advisor should bear the dealer's cost, or face automatic suspension as a result of dealer negligence, oversight, or error. Suspension is a hefty penalty for the advisor and also for his/her clients. The advisor would not be permitted to engage with or otherwise provide financial advice to clients, subjecting these clients to inconvenience and confusion, while exposing the advisor to great reputational risk and economic loss. IFB believes this is unduly punitive to the advisor given the type of infraction, risk to clients, and inability to control the outcome in this particular set of circumstances.

If you have questions on any of our remarks, please contact me directly or Susan Allemang, Director, Policy & Regulatory Affairs (email: sallemang@ifbc.ca).

Yours truly,



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