



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

[www.iiac.ca](http://www.iiac.ca)

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Dear M<sup>e</sup> Jannelle and M<sup>e</sup> Lebel,

**Re: Bourse de Montréal Inc. – Request for comments – Validity period for the training requirements for Approved Persons - Amendments to Articles 3.400 and 3.405 of the Rules of Bourse de Montréal Inc.**

The Investment Industry Association of Canada (the "IIAC") and its members would like to take this opportunity to express their views on the proposed amendments (the "Proposal") to Articles 3.400 and 3.405 of the Rules of the Bourse de Montréal Inc. (the "Bourse") regarding the validity period for the training requirements for Approved Persons as per Circular 099-20 (the "Circular") issued on May 28, 2020.

The IIAC is the national association representing the position of 115 IIROC-regulated dealer member firms on securities regulation, public policy and industry issues. We work to foster a vibrant, prosperous investment industry driven by strong and efficient capital markets.

We remind Bourse de Montréal Inc. that this comment letter, in its entirety, can be published on the Bourse's website.

### **Confusing Wording**

The Proposal states it:

*wishes to modify the Rules of the Bourse (the "Rules") to provide for a time limit within which the training provided by the Bourse for Approved Persons will remain valid.*

We believe the wording above to be confusing. We believe the sentence should read:

*wishes to modify the Rules of the Bourse (the "Rules") to provide for a time limit within which the training provided by the Bourse for Approved Persons will remain valid following an Approved Person's departure from his/her firm.*

We believe that the following sentence should also be amended to provide further clarity:

*While the transfer period of 90 days will remain unchanged, the Division is proposing to provide a time limit of two years during which the Training will remain valid.*

The wording should be changed to:

*While the transfer period of 90 days will remain unchanged, the Division is proposing to provide a time limit of two years during which the Training will remain valid following an Approved Person's departure from his/her firm.*

We further believe that a similar amendment ("following departure") should be made to the sentence below:

*Following comments received by the Division and based on a comparative analysis, the Division is proposing to prescribe a period of two years within which a successfully completed Training remains valid.*

The additional wording makes it clear that an Approved Person would not have to successfully complete the course(s) and exam(s) two years following a successful completion. The validity of the training can therefore extend beyond two years if the Approved Person remains at the same firm. We believe that the Proposal should have made it clear that the two-year validity period only applies to an Approved Person leaving his/her firm.

The wording in the proposed rules (Annex 1) is accurate. However, we believe it could be made clearer if simplified.

### **Approved Persons prior to November 1, 2019 – Consistency Needed**

The circular mentions the following:

*For individuals who were already authorized as an Approved Person prior to November 1, 2019, when the new Training came into effect, to the extent the conditions for a transfer under Article 3.405 are met, the individual will not be required to complete the current Training and exam(s). However, any application filed after the 90 calendar days period will require the individual to successfully complete the Training that came into effect in November 2019, which includes the exam(s).*

When the Bourse implemented the current format, with exam(s), in November 2019, existing Approved Persons were not required to pass the new exam(s). The Bourse believed that the Approved Persons authorized prior to November 1, 2019 maintained the same qualifications as a new Approved Person authorized after November 1, 2019. The IIAC and its members agree with this reasoning.

We would suggest amending the wording to the following:

*For individuals who were already authorized as an Approved Person prior to November 1, 2019, when the new Training came into effect, to the extent the conditions for a transfer under Article 3.405 are met, the individual will not be required to complete the current Training and exam(s) for two years following departure from his/her firm.*

Since Approved Persons did not have to pass the new exam(s) when the new training requirements were implemented, we do not believe that Approved Persons, authorized prior to or after November 1, 2019, should be treated differently after a departure from their respective firms.

We disagree with the inconsistencies included in the circular between Approved Persons based on their approval date.

### **Position of the Industry**

The IIAC and its members generally support the Proposal.

However, we strongly disagree with the proposed inconsistency between persons approved prior to November 1, 2019 and those approved after that date. In the two-year period following the departure from a firm there should not be a requirement to successfully complete the training.

Please note that the IIAC and its members, as always, remain available for further consultations.

Yours sincerely,



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