



October 23rd, 2020

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

Regulators,

Thank you for the opportunity to comment.

These are admirable measures to address inefficiencies in our industry. There are a lot of them. And not just because there are two self-regulatory organizations (SROs), but also because there are 13 provincial and territorial regulators.

We get it. Modernizing provincial securities legislation is kind of a difficult thing. Not to mention, people's livelihoods are at stake. Plus, change can be scary.

An SRO merger / amalgamation / consolidation / re-build makes a lot of sense. There *are* a lot of overlaps and redundancies that can lead to cost savings. Whatever you land on, please take Scholarship Dealer Plans with you!

IIROC's recently published assessment by Deloitte estimating that an IIROC / MFDA consolidation would save investors \$490 million over 10 years is an impressive number. It should be enough for regulators to move from "if" to "how" on SRO reform. But don't overlook the other inefficiencies that could create even more cost savings than an IIROC / MFDA consolidation.

Advisor proficiency is one of them.

The current regulatory framework has removed the competitive elements from industry proficiency and licensing. In turn, this has allowed IFSE Institute and CSI Global Education to offer education at unjustifiable prices.

There are too many examples to list in this comment letter, but we would like to offer one...

If a licensed mutual fund representative wants to transfer to an IIROC investment dealer, CSI Global Education charges the full price of the Canadian Securities Course (CSC), even if that student had previously purchased CSI's mutual fund licensing course, which overlaps entirely with the CSC curriculum.

This same redundant expense has been happening for the last two years with Alternative Investment Fund proficiency. MFDA licensed advisors are having to purchase the CSC, at full price, just to offer alternative investments to their clients. CSI could at least discount the cost of the CSC for those who have already purchased their mutual fund licensing course. That is the right thing to do.

This is efficiency at its worst. And it has been happening for years because the regulatory framework has allowed for it.

To be fair, efforts are currently underway by IIROC to open the market for alternatives course providers to CSI, but not before 2025. There are people within the SRO that are genuinely working to make this happen, but they have not been given sufficient resources. (IIROC's Proficiency Assurance initiative started more than 10 years ago, when CSI was acquired by Moody's Analytics).

Complaints about CSI have been made for years. And they are best summed up by Abdel Sachs' Google Review:

*"The Monopoly status of CSI renders the organization complacent and satisfied with mediocrity at virtually all levels."*

**Canadian Securities Institute (CSI)**  
200 Wellington St W 15th Floor, Toronto, ON

**2.8** ★★★★★ 82 reviews <sup>?</sup> Sort by: Highest rating ▾

All exams 17 money 9 questions 8 text book 6 +6

**A Abdel Sachs**  
1 review  
★☆☆☆☆ 2 years ago  
The Monopoly status of CSI renders the organization complacent and satisfied with mediocrity at virtually all levels.  
👍 14

**R Rui Barreto**  
1 review  
★★★★★ 5 months ago  
Happy to have successfully completed courses with CSI, great help to my career.  
👍 Like

**Response from the owner** 5 months ago  
Thank you Rui, makes us happy to know that our courses helped you grow faster.

rs the financial services industry training Address: 200 Wellington St W 15th Floor, Toronto, ON M5V :

And while Abdel's comments are in contrast to the more favourable CSI reviews, some of the five-star comments seem a bit suspect.

With every comment letter, it feels as though we have to dig deeper to convey just how problematic proficiency is in our industry. And as long as legacy training companies are protected, our industry will continue to overspend by tens of millions of dollars annually on training that does little to excite or engage professionals



The industry needs to usher in a new generation of professionals. For that, it needs affordable and accessible education. Not expensive and stale dated education.

Expensive education doesn't separate the good from the bad. It segregates the haves from the have nots.

It's time for proficiency reform.

John Waldron, Founder  
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