



September 27, 2010

To: British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Registrar of Securities, Northwest Territories  
Registrar of Securities, Yukon Territory  
Registrar of Securities, Nunavut

John Stevenson  
Secretary, Ontario Securities Commission  
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Anne-Marie Beaudoin  
Directrice du secrétariat  
Autorité des marchés financiers  
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Dear Mr. Stevenson and Mme Beaudoin,

CSI Global Education, Inc welcomes the opportunity to submit the following remarks in response to the CSA's June 25, 2010 request for comments on the National Instrument 31-103 Registration Requirements and proposed Companion Policy 31-103 Registration Requirements.

CSI is the leading provider of accredited financial services proficiency learning solutions in Canada. We have been setting the standard for world-class, life-long education for financial professionals for more than 40 years. Our focus on leading educational and ethical standards means that our graduates and designation holders have met the highest level of proficiency and certification.

Specifically we will focus our comments on:

Part 3.3: Time Limits on Examination Requirements  
Part 3.11: Experience Requirements for Portfolio Manager – Advising Representative  
Part 3.4: Proficiency – Initial and Ongoing  
Parts 3.6; 3.10, 3.13 and 3.14: Dealing with proficiency requirements for CCOs



### 3.3 Time Limits on Examination Requirements

We agree with the 36 month time limit imposed within the rule for completion of courses. We have noted with interest that the Companion Policy provides further clarification that the time limits do not apply to the CFA Charter or the CIM designation. We are assuming that this change was included to ensure that the holders of these designations would not be required to re-take the courses leading to their designations if they have not been registered within 3 years of completion. We are in full agreement that the designation holders should not be put into a position of retaking their courses under the condition that their designation is still “current” with either The CFA Institute, for the CFA designation, or CSI Global Education Inc for the CIM designation.

It is however, imperative that the individuals be in current standing with the organization that has granted the designation. Individuals who are not in current standing may have been suspended or even stripped of their designations due to ethical considerations or non-compliance with other ongoing designation licensing requirements which are dealt with by the overseeing designation granting organizations. We suggest that the companion policy be clarified to state:

*“These time limits do not apply to the CFA charter or the CIM designation when the individual holds the designation “in good standing””.*

Both of the organizations granting the CFA and CIM should have a process in place to provide validation of the individual’s standing.

### 3.11 Portfolio Manager – Advising Representative

We believe this section is not clearly stated with regard to the experience requirements for this registration category. As currently stated, the requirements appear to be different for CFA as compared to the CIM, where we believe it is the intent of the CSA that they be essentially similar.

The CFA Charter requires four years of experience in the investment field (as specified by the CFA Institute) which amounts to 48 months experience. However, NI 31-103 states that individuals holding the CFA Charter have 12 months of relevant investment management experience in the 36-month period before applying for registration. The rule then states that CIM designation holder must have “48 months relevant investment management experience, 12 months of which is to be within the 36 month period before registration.

To ensure the proficiency requirements are clear with regard to the required experience for this category, we suggest that the rule could be reworded as follows to indicate that all portfolio managers hold the same level of experience no matter which designation they have earned:

*“An advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless the following applies:*



*(a) The representative has earned a CFA or CIM designation and remains in good standing and has 48 months investment industry experience, 12 months of which was relevant investment management experience within the 36 month period before applying for registration.”*

The public at large may not be aware of the CFA experience requirements and we submit that this suggested change would serve to alleviate any confusion as to the qualifications of a portfolio manager.

### **Part 3.4 Proficiency – Initial and Ongoing**

We agree with the addition of the amendment to “add an obligation for registered representatives to understand the structure, features and risks of each security they recommend”. A CSI we strive to ensure that individuals who have completed our courses have a full understanding of the products and services that are to be licensed to provide to the public. Our competency studies have provided validation that this is an essential ability if appropriate recommendations are to be made by an investment advisor.

### **Parts 3.6, 3.10, 3.13 and 3.14 – Dealing with proficiency requirements for CCOs**

The CSA has imposed proficiency requirements for Chief Compliance Officers under the various firm categories of registration. Common proficiency requirements for registration are the “Canadian Securities Exam” and “PDO Exam”.

We submit that CSI’s Chief Compliance Officers Course (CCO Course) is also a suitable proficiency standard. This course was created in collaboration with IIROC and many IIROC firm employees have completed this course and examination. If an individual has completed the CCO Course through CSI we would request that this course be recognized should the individual leave IIROC and join an exempt market or investment fund dealer.

In sections 3.13 and 3.14 the requirements for a CCO have been changed to eliminate the requirement to complete the Canadian Securities Course examination for an individual who holds a CFA charter. In the “Summary and Purpose” of the amendments section the CSA states the reason for this change to be “We consider that substantially all matters covered by the CSC are also covered in the CFA Charter”. CSI has completed a review of the content of the courses leading to the CFA Charter and can advise the CSA that the CFA courses do not cover the Canadian specific content found within the Canadian Securities course. While we agree that for the purposes of a CCO who holds a CFA that writing of the Canadian Securities Course Examination may not be appropriate, we do want to ensure that the CSA is aware that for other registration categories, the CFA should not be considered an equivalent for the CSC.



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## **CLOSING COMMENTS**

We would welcome the opportunity to provide further insight into proficiency requirements. Please contact me if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'Marc Flynn', with a stylized flourish at the end.

Marc Flynn  
Vice President  
Regulatory Relations and Academic Standards  
CSI Global Education Inc.

cc: Roberta Wilton, President and CEO, CSI  
Debbie Bell, Director, Regulatory Policy