



September 20, 2019

Delivered By Email: kwoodard@mfd.ca

Mr. Ken Woodard
Director, Communications & Membership Services
Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON
M5H 3T9

Dear Mr. Woodard:

RE: MFDA Bulletin #0788-P – Continuing Education (CE) Accreditation Process

The Investment Funds Institute of Canada (**IFIC**) appreciates the opportunity to comment on MFDA Bulletin #0788-P *Continuing Education (CE) Accreditation Process (Proposal)*.

IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations, to foster a strong, stable investment sector where investors can realize their financial goals. IFIC operates on a governance framework that gathers member input through working committees. The recommendations of the working committees are then submitted to the IFIC Board of Directors, or board level committee, for direction or approval. This process results in a submission that reflects the input and direction of IFIC's members.

IFIC and its members are committed to the professional development of Approved Persons. In today's rapidly evolving investment marketplace, mandatory continuing education will help ensure that investors' confidence in their advisors is well placed. We therefore welcome the MFDA's implementation of a mandatory Continuing Education (CE) requirement, and the Proposal relating to the accreditation process for the CE requirement. We encourage the MFDA to continue to work to align its CE requirements as closely as possible with IIROC's CE requirements.

Our comments respond to certain of the questions posed in the Proposal.

Accreditation Process—Accreditors

(1) Should the MFDA directly accredit CE activity or delegate the task in the manner suggested? Why or why not?

The MFDA should delegate accreditation as contemplated in the Proposal while maintaining its responsibility through ongoing reviews and final decision-making authority. We agree that the MFDA will receive a significant number of requests to accredit CE activity, which will require staff resources that can be better utilized in other MFDA activities. Further, it will be important to have a healthy suite of products available as soon as the CE requirements are effective. This can be achieved more quickly and efficiently if there are one or more third-party accreditors, with expertise in the area and sufficient staffing, to ensure CE activities are accredited in a timely manner. We recommend that the MFDA accredit multiple third-party accreditors, which are free from any conflicts of interest, to ensure a robust CE program.

We also encourage the MFDA to ensure that third-party accreditors are timely in their accreditation process, as materials can quickly become dated and will FINAL need to be replaced. We seek clarification as to when a change to materials is a material change, as we agree that immaterial changes to materials should not require the materials to be accredited again.

CE Process Considerations—Accreditation Workflows

(1) Do these workflows seem reasonable?

Proposed section 9.6 states that Members “must maintain evidence of the education activity in sufficient detail so as to evidence their self-accreditation assessment” and “must file a Member self-accreditation report with the Corporation.” Our members look forward to obtaining further details and guidance on the form and content of the required self-accreditation report.

CE Process Considerations—The MFDA CERTS

(2) Should standards be set for Members and Providers to update the MFDA CERTS on a regular basis? Why or why not?

(3) If yes, please advise if you prefer a fixed, regular calendar date or a date relating to the date the activity was taken?

Our members believe they should be afforded the greatest flexibility in reporting CE activity through the MFDA CERTS. Dealer members will operationalize compliance with the CE reporting requirements in different ways; some may wish to allocate resources to update the MFDA CERTS on regularly established dates (ie. quarter end) while others may prefer to provide the update less frequently (ie. annually). Requiring updates using a date related to when the activity was completed (ie. within 30 days of undertaking the activity) will cause operational and compliance challenges given the variety of CE activities that will be available to Approved Persons.

CE Process Considerations—Ongoing Reporting

(4) Do you have any suggestions regarding user reporting?

Our members appreciate the MFDA’s plans to make reporting functionality available to all users of MFDA CERTS. Our members would like the MFDA CERTS to have built-in alert features to alert both Approved Persons and their Members as to the status of the Approved Person’s completion of his/her CE requirements on a regular basis (perhaps quarterly or semi-annually).

CE Process Considerations—Approved Person MFDA CERTS Access

(5) Do you think that Members should be able to control the access of their Participants (Approved Persons) to the MFDA CERTS to be read-only access?

Providing maximum flexibility for Members and Approved Persons with respect to access to the MFDA CERTS is ideal. As the Proposal notes, some Members may wish to restrict their Approved Persons from entering CE activity directly into the MFDA CERTS because the Member will flow the information from their own internal systems. Other Members may wish to vest primary responsibility for reporting with their Approved Persons.

Other—Self-Accreditation Fees

We note that proposed section 9.8 states that Member self-accreditation reports must be accompanied by the applicable fees. However, the Bulletin states that MFDA Members will not be charged fees to self-accredit CE activity or use the MFDA CERTS. We request confirmation that the Bulletin is accurate and Members will not pay any fees for filing self-accreditation reports or for using the MFDA CERTS.

Mr. Ken Woodard

Re: Letter from IFIC to MFDA concerning MFDA Bulletin #0788-P Continuing Education (CE) Accreditation Process
September 20, 2019

Other—Equivalency

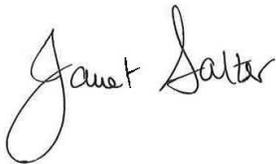
We recommend that the CE requirements also permit Approved Persons to apply for equivalency recognition of courses they must take to satisfy other regulatory or licensing requirements where the ethics or professionalism content is equally applicable to registrants that are required to meet the MFDA CE requirements.

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We would be pleased to provide further information or answer any questions you may have. Please feel free to contact me by email at jsalter@ific.ca or, by phone 416-309-2328.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

A handwritten signature in black ink that reads "Janet Salter". The signature is written in a cursive style with a large, looping initial "J".

By: Janet Salter
Senior Policy Advisor