CIRO investment dealer proficiency requirements: What's new and what's next?

September 06, 2024

The Canadian Investment Regulatory Organization (CIRO) recently published proposed amendments to its proficiency rules (the Proposed Amendments), which will determine the qualifications required for Approved Persons to manage, supervise and provide investment advice on behalf of Canadian investment dealers for years to come. The Proposed Amendments will have a significant impact on all investment dealers since a wide range of Approved Persons will be affected – not just Registered Representatives (RRs). It is essential that investment industry stakeholders, especially investment dealers, carefully review the Proposed Amendments to prepare for the impending changes and take advantage of the opportunity to provide feedback to CIRO.

Comments on the Proposed Amendments are due by Sept. 17, 2024. The new rules are expected to be finalized during the second half of 2025 and become effective on Jan. 1, 2026.

The Proposed Amendments follow CIRO's consultation paper on the new proficiency model (the Consultation Paper) published last year. Below we discuss how CIRO's work on revising the proficiency regime has progressed since the Consultation Paper, as well as the items CIRO has indicated it will address going forward. For a general summary of the proposals, see this article from BLG Beyond AUM Law.

What's the same?

The Proposed Amendments introduce some notable changes to the new proficiency model as it was previously envisioned in the Consultation Paper. However, it has retained many of its significant features, including the following:

- **Assessment centric model**: Individuals seeking Approved Person status will no longer be required to complete mandatory courses (which usually require a certain number of hours of study) prior to writing prescribed exams, giving them the flexibility to decide how to prepare.
- **New category-specific exams**: CIRO will create new exams for all categories of Approved Persons based on the published competency profiles (except for the Associate Portfolio Manager (APM) and Portfolio Manager (PM) categories – see below under *What's New?* for more information).

- **Experience requirements for Executives**: All Executives will be required to have a minimum of two years of relevant experience. This is in addition to the existing requirement that 60 per cent of a firm's Executives have at least five years of experience in the financial services industry.

What's new?

CIRO has made changes to the proposed proficiency regime, influenced by comments submitted in response to the Consultation Paper. Some of the more significant changes are listed below.

Key concepts

- **Relevant experience**: CIRO will be taking a flexible approach to determining what constitutes "relevant experience" for the different categories of Approved Persons. This is in contrast to the approach taken in the Consultation Paper, which would have required RRs to have experience working in the financial industry and Executives to have experience equivalent to the existing requirements for Supervisors. While experienced dealers might welcome the shift, smaller dealers and new entrants could struggle with the ambiguity added to the registration process.
- **Experience and education requirements for RRs**: RRs who do not have a diploma or degree from an accredited post-secondary institution will be required to have four – not two – years of relevant experience. Consistent with its approach to relevant experience, CIRO has not prescribed any list or categories of degrees and diplomas, instead opting for a principles-based approach. While this approach could lead to a greater diversity of experience amongst RRs, the onus will be on dealers to assess whether a candidate's diploma or degree demonstrates the baseline level of analytical and communication skills required. Dealers might be hesitant to take a risk on a candidate without a diploma or degree that has an obvious connection to the investment industry.
- **Conduct training for existing Approved Persons**: Existing Approved Persons will be required to complete new mandatory professional conduct training by the end of 2026 or risk suspension.

Items for awareness

- **General exam for some Approved Persons only**: CIRO had previously proposed a general industry exam that would serve to ensure all Approved Persons possessed a "baseline of industry knowledge". Under the Proposed Amendments, only RRs, Investment Representatives (IRs) and certain Supervisors (subject to exceptions) will be required to pass a general exam, which will be called the Canadian Investment Regulatory Exam (CIRE).
- **Firm sponsorship not required to write exams**: Instead of as originally proposed, individuals will not be required to be sponsored by an investment dealer to be eligible to write an Approved Person exam. This change aligns with CIRO's goal of reducing barriers to entry.
- **No new APM and PM exam**: There will not be a new separate exam for APMs/PMs as previously contemplated. Instead, CIRO will continue to align with the proficiency requirements for the Associate Advising Representative and

Advising Representative categories under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

- **Scope of supplementary materials**: CIRO will provide exam blueprints and sample exams, but appears to have softened on its previous proposal to prepare study guides, perhaps because doing so could discourage a competitive market of preparatory courses from developing.
- **Firm training post-approval**: Firm training programs for RRs and IRs (including RRs and IRs who deal with institutional clients) will now be required to be completed within 90 days of approval. This replaces the pre-approval 90-day training program for RRs, and the 30-day training program for IRs, which are currently only required for representatives who deal with retail clients.
- **Exception and transition provisions**:
    - *Exception for existing Approved Persons*: Existing Approved Persons will not be subject to the new proficiency requirements provided they do not cease to be approved in their existing roles for longer than 90 days.
    - *Individuals enrolled in existing courses*: Individuals enrolled in mandatory courses prior to January 1, 2026, will have until December 31, 2026, to complete them. Individuals subject to post licensing requirements (such as the Wealth Management Essentials course) will be able to elect to complete the prior requirement until the end of 2026.

What's next?

In addition to the Proposed Amendments, CIRO flagged several items to look out for:

- Upcoming guidance on what will be considered relevant experience.
- Information about the exam governance structure and policies for the new Approved Person exams will be provided in advance of launch.
- Firm training modules to be considered by investment dealers when developing their own training programs.
- Proposal on continuing education programs will be published later this year as part of the ongoing Rule Consolidation Project.

CIRO has requested input on the following specific topics:

- **Transition provisions**: CIRO is seeking feedback on the practicality of the proposed transition provisions. The length of time an existing Approved Person may cease to be registered before being required to complete the new proficiency requirements (currently set at 90 days) may be of particular interest to some commentators.
- **Time needed to update RR and IR training programs**: Investment dealers will be expected to align firm training with the new competency profiles and create new training for institutional representatives. CIRO is asking for insight on how long firms think this will take.
- **Dealer role in preparations for exams**: CIRO wants to know if dealers intend to take an active role in preparing new hires for the proposed exams. The absence of mandatory courses creates an opportunity for dealers to do more to help candidates meet the requirements.
- **Relevant experience**: CIRO is seeking input on what should be considered relevant experience for the different Approved Person categories. As currently

drafted, the Proposed Amendments require acceptable relevant experience for RRs, Supervisors, Ultimate Designated Persons and Executives.

Your feedback can help shape the final version of the rules, and stakeholders are encouraged to reach out to BLG or BLG Beyond AUM Law for assistance with preparing submissions to CIRO.

By

William Donegan, Julie Mansi, Michael Taylor, Adam Ragusa

Expertise

Investment Management, Securities Disputes, AUM Law

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary
Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa
World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal
1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.