



Canadian Foundation *for*
Advancement *of* Investor Rights
Fondation canadienne *pour* l'avancement
des droits *des* investisseurs

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Paige Ward
General Counsel, Corporate Secretary and Vice-President, Policy
Mutual Fund Dealers Association of Canada
121 King St. West, Suite 1000
Toronto, Ontario M5H 3T9
pward@mfdca.ca

And

Anne Hamilton
Senior Legal Counsel
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia, V7Y1L2
ahamilton@bcsc.bc.ca

Sent via e-mail to: pward@mfdca.ca and ahamilton@bcsc.bc.ca

RE: MFDA – Proposed Continuing Education Requirements

FAIR Canada is pleased to offer comments in response to the MFDA's consultation on proposed MFDA Rules 1.2 (Definitions), 1.26 (Continuing Education), and Proposed MFDA Policy No. 9 – *Continuing Education Requirements*.

FAIR Canada is a national, charitable organization dedicated to putting investors first. As a voice for Canadian investors, FAIR Canada is committed to advocating for stronger investor protections in securities regulation. Visit www.faircanada.ca for more information.

1. Relationship between Continuing Education and Proficiency

- 1.1. While requiring mandatory CE requirements is a positive step in the right direction, we also urge the MFDA to review its initial proficiency requirements. FAIR Canada believes that securities commissions and SROs need to conduct a comprehensive proficiency standard review.
- 1.2. National Instrument 31-103 provides that “[a]n individual must not perform an activity that requires registration unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently.” It is essential that proficiency standards are reviewed in order to meet the needs and expectations of retail investors, both initial proficiency and continuing education are important requirements for registration.

1.3. Many of the CE credits required under the MFDA's CE program appear to overlap with what is already required of financial planners such as Certified Financial Planners or life insurance agents so these obligations are not burdensome for many MFDA Approved Persons, for example those who are dually licensed to sell for life & health insurance and mutual funds.

2. Accreditation

2.1. FAIR Canada believes that the MFDA should accredit CE activity rather than permit third parties or MFDA Members to do so in order to maintain the quality and standard of CE being provided. In the alternative, third parties should only be permitted to accredit CE activity in the absence of any conflicts of interest.

2.2. FAIR Canada supports the requirement to have detailed tracking of each credit obtained by a participant rather than attestation of compliance by the member firm because that will allow for analysis of the types of CE activity taken at the individual, firm and industry level.

3. Courses on Cognitive Decline and Possible Elder Financial Abuse

3.1. FAIR Canada also recommends that the MFDA's CE include competency-based training in the areas of elder abuse, undue influence, mental capacity issues, enduring powers of attorney and ageism. Our consultations for the joint FAIR Canada/Canadian Centre for Elder Law Report on Vulnerable Investors: Elder Abuse, Financial Exploitation, Undue Influence and Diminished Mental Capacity found overwhelming support for mandatory training and education.¹

3.2. We suggest that the MFDA include this as MFDA Compliance Credits (and increase the number of Compliance Credits accordingly) and the MFDA should take the lead in establishing the content and competencies required of dealing representatives, Approved Persons, and legal and compliance personnel at Member firms. Please see the joint Vulnerable Investor Report for further details and discussion.

We thank you for the opportunity to provide our comments and views in this submission. We welcome its public posting and would be pleased to discuss this letter with you at your convenience. Feel free to contact Frank Allen at [647-256-6693](tel:647-256-6693)/frank.allen@faircanada.ca or Marian Passmore at [647-256-6691](tel:647-256-6691)/marian.passmore@faircanada.ca.

Sincerely,



Canadian Foundation for Advancement of Investor Rights

¹ FAIR Canada and the Canadian Centre for Elder Law, "Report on Vulnerable Investors: Elder Abuse, Financial Exploitation, Undue Influence and Diminished Mental Capacity" (November 2017), online: <<http://faircanada.ca/wp-content/uploads/2017/11/171115-Vulnerable-Investor-Paper-FINAL-1.pdf>>.