



September 20, 2023

Canadian Investment Regulatory Organization
ATTN: Sherry Tabesh-Ndreka
Acting Sr. Director, Registration
VIA EMAIL: stabesh@iiroc.ca

RE: Proposed Proficiency Model - Request for Comments

Dear Ms. Tabesh-Ndreka,,

ATB Securities Inc. (ATBSI) appreciates the opportunity to comment on behalf of both our firm and the industry-at-large with respect to the subject Consultation Paper relating to proposed improvements to educating, registering and licensing individuals seeking to work for a dealer member regulated by the Canadian Investment Regulatory Organization (CIRO).

As a general overarching commentary, ATBSI fully supports the spirit and principles behind the proposed amendments which should have a “quadruple win” effect by:

- Improving clarity for non-registrants and new entrants to the industry on the steps required to obtain and maintain registration;
- Requiring additional and vital education and experience prior to conducting and being compensated for registrable activities;
- Affording member dealers additional autonomy (with commensurate accountability) to provide internal education that is targeted and relevant to the size and scope of their firm, product shelf and service offerings; and,
- Ensuring investor protection in the form of a succinct and consistent approach to requisite proficiencies for anyone advising clients or supervising those registrants

With respect to the more specific elements of the proposal for which CIRO is seeking member comment, please see our responses below:

The need and/or utility of a general exam requirement

ATBSI supports this proposal on the assumption that the volume and content of the general exam requirement will be at least as material and relevant as the existing Canadian Securities Course.

ATBSI Compliance Department | [September 20, 2023](#)

ATB Wealth consists of a range of financial services provided by ATB Financial and certain of its subsidiaries. ATB Investment Management Inc. and ATB Securities Inc. are individually licensed users of the registered trade name ATB Wealth.
ATB Securities Inc. is a member of the Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada.

While it was not immediately evident in the consultation paper, we would encourage CIRO to follow through on guidance in the FAQs and ensure that there will be no impact to current Approved Persons. Any registrant who obtains proper licensing and registration any time before the 2026 launch date of the new regime should be afforded “legacy status” regardless of whether or not their education or proficiencies met the new requirements, but having met the previous requirements. Any additional exams required by pre-existing registrants should be limited to those required of all registrants as part of ongoing CE in the new model.

The feasibility and implications of requiring firm sponsorship prior to enrolling in an Approved Person exam

We view this component as presenting some challenges. Under the current regime, any individual interested in making their future as an Approved Person in the investment industry regulated by CIRO can purchase and pass their Canadian Securities Course and Conduct & Practices Handbook exams as their “table stakes” for admission, as well as take any other relevant courses such as the Investment Dealer Supervisor Course, Trader Training Course, Chief Compliance Officers Qualifying Exam, etc. depending on their interests. This then allows that individual to shop their new credentials around to a firm and jurisdiction that makes the most sense for them to obtain success in their career considering elements like salary, firm culture, logistics and location.

Requiring firm sponsorship as a prerequisite to enrolling in any of the nine proposed Approved Person exams could have a limiting effect on new entrants to the industry, as some member firms may not wish to provide a conditional offer of employment or letter of intent. Depending on where the individual resides and the number of dealer members (or lack thereof) in that particular jurisdiction, that could mean a potentially very successful or valuable future member of our industry is left on the sidelines or forced to relocate to a jurisdiction with larger head offices and/or more competition for talent. As such, we would support this proposal so long as any sponsorship requirement was non-binding and with no financial implications on either the member firm or the applicant, to ensure the applicant could successfully obtain their Approved Person status while either party was then free to walk away from the relationship.

The value, impact and utility of requiring a baseline education or relevant experience for RRs in both retail and institutional

ATBSI supports the baseline education proposals for both RRs and Executives and agrees that all Executives should have at least the same industry experience as is required of the registered Supervisors to whom responsibilities are delegated.

While it is not clear from the consultation paper, we feel the term “Executive” should be better defined in the proposal to target those Executives specifically involved in the day to day mind



and management of the firm (i.e. VP Advisory Services, CFO, etc.) versus the Executives who may serve on the Board of Directors, either internally or externally. Requiring the same proficiency and/or experience requirements for an external director may limit the ability of a dealer member to ensure 100% compliance on their Board structure, as well as significantly impair the ability to attract a strong leadership candidate that might otherwise be very effective at guiding the finances, strategic direction, ethics and culture of a dealer member even without 2-5 years of specific experience working in the investment industry.

The elimination of mandatory courses tied to exams

ATBSI supports this proposal, assuming that the RFP process will create efficiencies and opportunities for relevant education that may not currently exist in the current monopoly environment. CIRO (IIROC) Business Conduct Compliance reviews have routinely uncovered gaps or shortcomings in dealer member internal education programs and we feel that without the current heavy reliance on a single third party provider to educate all of a firm's registrants, member dealers will be forced to upgrade and enhance their internal offerings to ensure timeliness, thoroughness and relevance of training depending on their clientele, product shelf and business structure.

A consolidated derivatives exam, based on published competencies, to ensure all Approved Persons who trade or supervise derivatives understand the mechanics and risks associated with these products

ATBSI supports this proposal. As trading and settlement continue to get faster and more automated, and as the industry continues to find unique ways to wrap and sell collateralized vehicles and other hedge products, it is prudent to ensure that those trading in or supervising these products have a comprehensive understanding of them that the average investor likely would not.

Thank you again for the opportunity to provide comments on this encouraging initiative. We are confident that, done correctly, including any harmonization opportunities with the Canadian Securities Administrators and with provinces that have introduced specific credential requirements for advisors, it will boost the proficiencies of all Approved Persons who work for a CIRO regulated firm, and ultimately enhance the integrity of the industry.

Brian Pynn

Chief Compliance Officer

ATB Securities Inc.

Mobile 587-999-2963

bpynn@atb.com