

Sussex Centre, Suite 902
90 Burnhamthorpe Road West
Mississauga, Ontario, L5B 3C3
905-306-8600
www.edwardjones.com

®
Edward Jones

direct line: (905)306-8507
fax: 844-857-4156
email: marylou.olton@edwardjones.com

September 13, 2024

VIA EMAIL

Canadian Investment Regulatory Organization
Suite 2600
40 Temperance Street
Toronto, Ontario M5H 0B4

Attention:

Registration, Proficiency
proficiency@ciro.ca

Dear Sirs / Mesdames:

RE: Proposed Rule Amendments – Proposed Proficiency Model- Approved Persons under the Investment Dealer and Partially Consolidated Rules

Introduction

We are writing to provide our comments on the Canadian Investment Regulatory Organization's Proposed Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules (the proposed amendments). Thank you for the opportunity to submit comments.

Edward Jones is a full-service investment dealer with more than 850 financial advisors across Canada managing more than \$60 billion of assets under care. We do money differently™ at Edward Jones by building deep, trusted relationships with our clients to understand what's most important to them. We provide comprehensive planning and advice to help them achieve their short- and long-term financial goals, and we partner with them throughout life, making adjustments to their plan as needed. Edward Jones has ranked #1 nine times in the last 11 years in the J.D. Power Canada Full-Service Investor Satisfaction Study.

A member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund, the firm is also a participating organization in the Toronto Stock Exchange. Our advisors are CIRO registrants, and they develop and present suitable investment recommendations in the best interest of our clients. Edward Jones is a limited partnership in Canada and is a wholly owned subsidiary of Edward D. Jones & Co., L.P., a Missouri limited partnership. Edward D. Jones & Co., L.P. is a wholly owned subsidiary of The Jones Financial Companies, L.L.L.P., a Missouri limited liability limited partnership.

General Comments

We were involved in discussions on and had previously submitted our comments to the Investment Industry Association of Canada's Consultation Paper and continue to generally support the views articulated therein.

Additionally, we offer below our own general commentary and responses to the specific requests for feedback on the topics outlined in part 11 of the proposed amendments.

Specific Request for Feedback

The following are our comments on the specific topics outlined in section 11 of the proposed amendments.

The practicality of the transition provisions

5.1 Grandfathering in existing Approved Persons

We recognize that the 90 day period has been the traditional approach to rule changes, consistent with NI 31-103, which prescribes that an individual may continue in their roles for up to 90 days before being required to requalify. Given the proposed proficiency model would result in a significant change to the existing rules, it is incumbent upon CIRO to determine the interconnectivity to the national instrument. This approach would not be in misalignment with this framework's spirit to raise the current proficiency standards. We would encourage CIRO and the CSAs to review this interconnectivity.

We note that other regulatory bodies within the financial industry, including FINRA and most provincial insurance councils, permit a lapse in registration of no more than two years without the need to rewrite the required examination(s).

In addition, other industries permit licensees who remain in good standing and have completed the requisite continuing education to retain their license(s) without the need to rewrite the qualifying examination(s).

We recommend that CIRO consider allowing a time frame of no more than one year. We further recommend that individuals who were previously registered for a period of at least four years in good standing should not be required to requalify for reinstatement of registration. ,

Time needed to update RR and IR in-house training programs

Edward Jones requires one year from the date of rule implementation to update our training program in support of the new proficiency model. Our in-house training program will be informed by CIRO's guidance notes, and we encourage those to be shared as early as possible. Please clarify if there are interim measures or a transition period as an alternative to the timely publication of those guidance notes.

Active role in training of new hires

We believe in fully supporting our financial advisors and other associates throughout the lifetime of their career at Edward Jones, beginning with intensive training when they are onboarding and continuing on an ongoing basis thereafter. Whether mandated by regulation or not, we continue to provide training to new hires as part of their onboarding process. Currently, that is done in preparation for registration and continues annually throughout the Approved Person's tenure. Additionally, Edward Jones supports and encourages the completion of professional designations to augment the acumen of our professionals as they continue to serve our clients.

Relevant experience

We appreciate CIRO's efforts to enhance the proficiency standards however, we seek further clarification on several key aspects related to the "Relevant Experience" component of the proposed model.

1. Equivalency of Education Degrees: It remains unclear whether educational degrees obtained outside of Canada or through non-traditional educational pathways must undergo an equivalency/accreditation

process before being considered “relevant”. We look for CIRO to clarify whether a foreign educational degree can be relied on or whether the individual would have to complete any Canadian equivalency processes.

2. **Definition of Relevant Education Streams:** While the proposal references relevant education, it does not specify which streams or disciplines will be recognized as relevant. We suggest that CIRO provide a clear definition or list of acceptable streams that align with the knowledge and skills necessary for roles under the CIRO framework. For example, disciplines such as finance, economics, law and business administration may be considered relevant.
3. **Clarification of Industry Experience:** We request CIRO to offer more detailed guidance on what constitutes industry experience. Specifically, we look for examples of what constitutes industry experience, is it a requirement to be employed in any capacity in the industry or employed in specific roles?
4. **Proof of Experience:** The proposal does not specify how individuals are to demonstrate their years of experience. Will this be within the 33-109F4 document, a required resume or another method of proof?
5. **Full-time Employment Requirement:** Lastly, we seek clarification on whether the requirement for four years of industry experience necessitates full-time employment.

Conclusion

We appreciate the opportunity to provide our comments. We would be pleased to discuss our responses in greater detail at your convenience. Thank you for the opportunity to comment on this important matter.

Yours truly,



Mary Lou Olton
Compliance Dept., Edward Jones

- c. David Gunn, UDP, Edward Jones
Nawaz Meghji, General Counsel (Canada), Edward Jones