



OPEN LETTER

July 20, 2021

Canadian Securities Administrators
c/o Mr. Louis Morisset
Chair, Canadian Securities Administrators
President and Chief Executive Officer, Autorité des marchés financiers
Sent via email

Re: Continuing Education Accreditation Reform

Dear Members of the Canadian Securities Administrators:

Educators have become increasingly frustrated with the accreditation framework of continuing education (CE) in Canada's capital markets, and I am writing to bring awareness to the issues, and ask for your help in supporting accreditation reform.

Advisors today have more CE obligations than ever before. They are well-educated, career-driven, and more likely to hold multiple designations and be dual-licensed, for which continuing education is an ongoing requirement. In turn, course providers must obtain accreditation from multiple accreditation bodies in order to meet the education demands of today's advisor.

But the current accreditation framework is outdated, unregulated and absent of a modern standard. It is inefficient, expensive, and filled with material conflicts of interest.

The lack of integration across multiple, overlapping CE obligations is a discouraging factor for advisors to pursue multiple licences and maintain designations in good standing; and the cost burden of accreditation makes creating content more expensive for educators, limiting an advisor's choice of education. These issues impact all course providers, but they disproportionately impact new and low-cost educators, limiting competition and innovation.

The purpose of accreditation is to ensure that course content has rigour and relevance; however, this is not the reality for Canada's financial services industry. Recently, Learnedly paid \$1,800 to have five accreditation bodies review a one-hour course, and not one of them reviewed the actual content.



Additionally, accreditation bodies will not recognize a course's accreditation when dealer firms choose to host the course on their *own* learning management system. Dealer firms must pay the same fees and prepare the same paperwork to have the same course accredited again.

Moreover, any material changes to an accredited course requires it to be re-accredited again - by the course provider, and by any dealer firms hosting the course on their own platform. Accreditation bodies have their own definition of a 'material change', but for at least one accreditation body in our industry, just changing the course *title* requires an entirely new application, and fee.

And because a course's accreditation expires, usually after two years, the accreditation process starts all over again, in a cycle of perpetual burden.

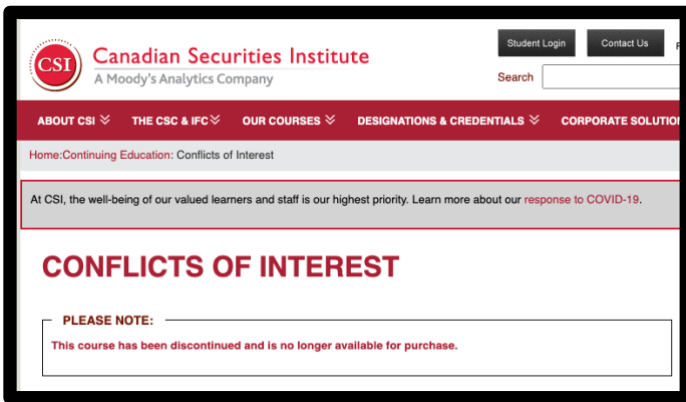
This creates a significant revenue stream for accreditation bodies, regardless of whether they are for-profit or not-for-profit. In our view, this is a material conflict of interest.

One example is CECAP, the exclusive accreditation service provider for IIROC, which is owned and operated by CSI Global Education (CSI), a Moody's Analytics company. At a cost of \$585 to accredit a one-hour course, CECAP is the least affordable accreditation body in our industry. By comparison to FP Canada's fee of \$70 for the same service, CECAP is more expensive by 835%.

Most education companies cannot justify accrediting their full library of eligible courses with CECAP, which is why the largest course providers, by number of courses listed on CECAP, are predominantly investment product manufacturers, not education companies. But, the company with the most courses listed on CECAP, by a wide margin, is CECAP's parent company, CSI. It not only collects CECAP accreditation fees from all other course providers, but CSI also avoids paying CECAP's fees entirely.

This dominant position with CECAP allows CSI to accredit the same content in multiple ways: as individual courses, as course bundles, and even specific content within a course. This would cost any other course provider tens of thousands of dollars.

But a more brazen example of a material conflict of interest is CECAP re-accrediting CSI's decommissioned courses - courses that are no longer offered or maintained. One course, among dozens, is CSI's *Conflicts of Interest*, which has been accredited for IIROC's current CE Cycle, despite the course being discontinued one year prior to the start of CE Cycle 8 (January 1, 2020).

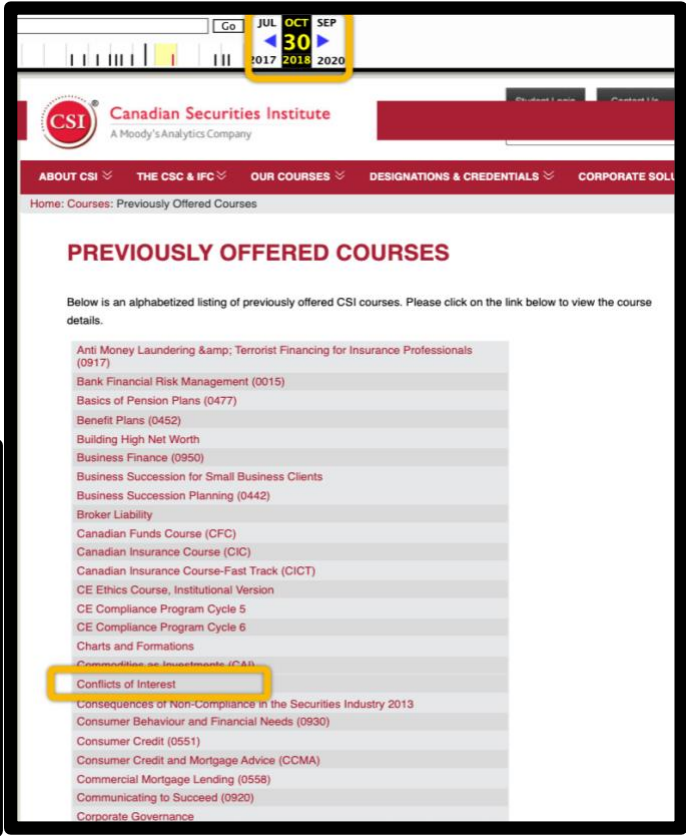
Canadian Securities Institute
A Moody's Analytics Company

Home: Continuing Education: Conflicts of Interest

At CSI, the well-being of our valued learners and staff is our highest priority. Learn more about our response to COVID-19.

CONFLICTS OF INTEREST

PLEASE NOTE:
This course has been discontinued and is no longer available for purchase.



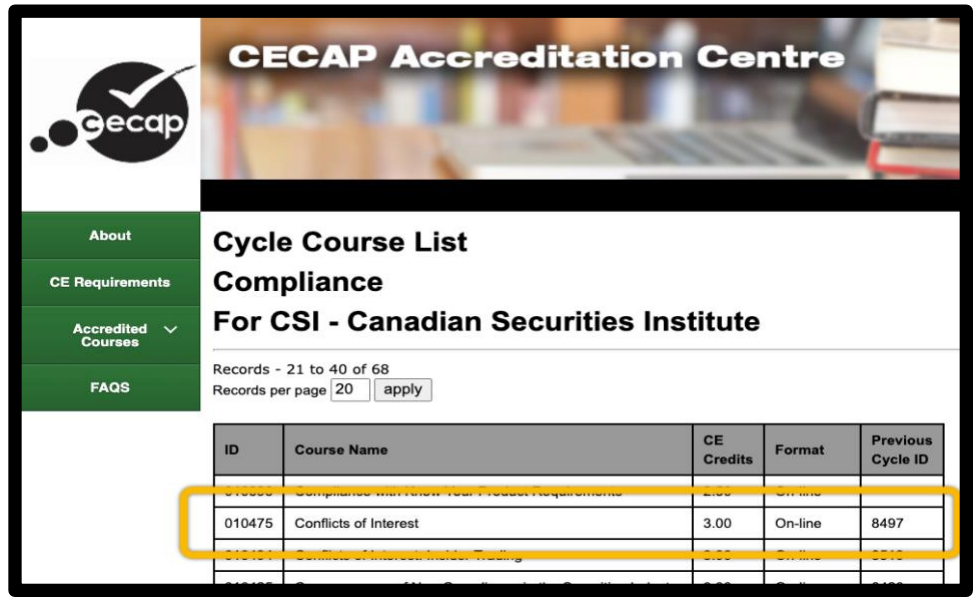
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Home: Courses: Previously Offered Courses

PREVIOUSLY OFFERED COURSES

Below is an alphabetized listing of previously offered CSI courses. Please click on the link below to view the course details.

- Anti Money Laundering & Terrorist Financing for Insurance Professionals (0917)
- Bank Financial Risk Management (0015)
- Basics of Pension Plans (0477)
- Benefit Plans (0452)
- Building High Net Worth
- Business Finance (0950)
- Business Succession for Small Business Clients
- Business Succession Planning (0442)
- Broker Liability
- Canadian Funds Course (CFC)
- Canadian Insurance Course (CIC)
- Canadian Insurance Course-Fast Track (CICT)
- CE Ethics Course, Institutional Version
- CE Compliance Program Cycle 5
- CE Compliance Program Cycle 6
- Charts and Formations
- Commodities as Investments (CAB)
- Conflicts of Interest**
- Consequences of Non-Compliance in the Securities Industry 2013
- Consumer Behaviour and Financial Needs (0930)
- Consumer Credit (0551)
- Consumer Credit and Mortgage Advice (CCMA)
- Commercial Mortgage Lending (0558)
- Communicating to Succeed (0920)
- Corporate Governance



CECAP Accreditation Centre

Cycle Course List Compliance For CSI - Canadian Securities Institute

Records - 21 to 40 of 68
Records per page 20 apply

ID	Course Name	CE Credits	Format	Previous Cycle ID
010000	Compliance with New Year's Resolutions	2.00	On-line	8497
010475	Conflicts of Interest	3.00	On-line	8497
010101	Conflicts of Interest in Real Estate	3.00	On-line	8497

Reference:

- CSI's Conflicts of Interest page, last accessed: July 14, 2021 ([link](#))
- CSI's Previously Offered Courses. Wayback Machine (October 30th, 2018), last accessed: July 14, 2021. ([link](#))
- CECAP's list of CSI Compliance Courses for Cycle 8, last accessed: July 14, 2021 ([link](#))



The material conflicts of interest with CSI and CECAP are just one symptom of a much larger problem with our industry's CE accreditation framework, and why reform is urgently needed. In its current state, accreditation is not reflective of its purpose and importance of supporting the professional needs of today's advisor.

Nor does the current framework benefit investors. In fact, the cost burden of accreditation ultimately falls on the shoulders of investors, but not before striking every branch of our industry on the way down, including advisors, dealer firms and course providers.

Without modernization, the issues with accreditation will compound with the introduction of additional CE obligations, including the MFDA's new requirements later this year - which will represent the single largest increase to industry continuing education obligations in the history of Canada's capital markets.

We see ways in which the accreditation framework can be drastically modernized for the benefit of the entire financial services industry, saving millions of dollars annually and making education more accessible to industry professionals. But it will require collaboration among accreditation bodies. And that will require the help and leadership of the regulators.

We offer our full support and commitment to help modernize continuing education in our industry.

Sincerely,

John Waldron, Founder

Learnedly

john.waldron@learnedly.com