



Reference Document for:

Retail Registered Representative (RR) and Investment Representative (IR)

Competencies

5.20	5.15
1.62	1.64
3.02	3.06
2.44	2.32
8.45	8.45
11.10	11.20

Refer to Appendix 1 to review the retail RR/IR competency profile



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de réglementation
des investissements



Retail RR and IR Competencies Table of Contents

From a regulatory perspective, the competencies for a highly competent and compliant Retail RR and IR at a minimum include the following:

Initiate Client Relationships		Page 4	Know Your Client		Page 10	
1	Understand and apply the following as applicable:		2	Understand and apply the following as applicable:		
	I.	Overview of general regulatory framework		I.	Collection of required information	
	II.	Prospective client relationships		II.	Analysis and evaluation of Know Your Client (KYC) information	
	III.	Scope of client relationships		III.	Use of KYC information to set financial goals	
	IV.	Required documents and disclosures				
Product and Market Impact			Page 14			
3	Understand and apply the following as applicable:					
	GENERAL FOR ALL:					
	I.	Macroeconomic analysis	III.	Company analysis		
	II.	Industry analysis	IV.	Technical/statistical analysis		
	SECURITIES:		OPTIONS:		FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS:	
	V.	Characteristics and information on equities	X.	Overview of options and similar derivative contracts	XII.	Overview of futures and similar derivative contracts
	VI.	Characteristics and information on fixed income products	XI.	Characteristics and information on dealing in options and similar derivative contracts	XIII.	Characteristics and information on dealing in futures and similar derivative contracts
	VII.	Characteristics and information on managed products				
	VIII.	Characteristics and information on mutual funds				
	IX.	Characteristics and information on other investments				



Suitability **Page 32**

- 4** **Understand and apply the following as applicable:**
- I. Know Your Product (KYP)
 - II. Development of comprehensive investment recommendations
 - III. Investment action recommendations
 - IV. Client account monitoring and performance

Execution and Market Integrity **Page 38**

- 5** **Understand and apply the following as applicable:**
- I. Market integrity, trade execution and settlement
 - II. Gatekeeping responsibilities

Maintain Client Relationships **Page 40**

- 6** **Understand and apply the following as applicable:**
- I. Communication with clients
 - II. Relevant changes and updates
 - III. Documentation requirements and best practices
 - IV. Client complaint handling and reporting

Conflicts and Ethics **Page 43**

- 7** **Understand and apply the following as applicable:**
- I. Conflicts of interest and ethics
 - II. Outside activities
 - III. Personal financial dealings
 - IV. Containment of confidential information



1. Initiate Client Relationships

SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
<p>I. Overview of general regulatory framework</p>	<ul style="list-style-type: none"> • Securities and derivatives regulators, marketplaces/exchanges and Self-Regulatory Organization (SRO), including: <ul style="list-style-type: none"> ○ Canadian Securities Administrators (CSA) and provincial/territorial securities and derivatives regulators, including: <ul style="list-style-type: none"> ▪ Jurisdiction ▪ Mandate and objectives ▪ Governance structure ▪ Legislation ▪ National Instruments (NI), Multilateral Instruments (MI), National policies, Staff notices and Companion Policies (CP) ▪ Distinctions between provincial regulatory frameworks ▪ Enforcement powers ▪ Dealer and individual registration requirements ○ Role and authority of marketplaces in the securities industry, including: <ul style="list-style-type: none"> ▪ Exchanges ▪ Alternative Trading Systems (ATS) ▪ Crypto-Asset Trading Platforms (CTPs) ▪ Foreign Organized Regulated Markets (FORM) ○ Canadian Investment Regulatory Organization (CIRO), including: <ul style="list-style-type: none"> ▪ Jurisdiction ▪ Recognition orders and delegated authorities ▪ Mandate and objectives ▪ Enforcement powers 	<ul style="list-style-type: none"> • Act in accordance with legal requirements that apply to approved role and responsibilities related to the dealer’s business • Keep up to date with knowledge and understanding of all relevant business, industry, legal and regulatory developments • Adhere to CIRO standards of conduct • Use skills in a professional manner • Demonstrate ethical judgement • Develop a business, account or execution plan that complies with all dealer policies and procedures • Record activities appropriately • Establish trust in all professional relationships • Prepare well for all client contact in compliance with relevant dealer policies and procedures • Review, analyze and evaluate all information provided by the client • Apply dealer policies and procedures as applicable



1. Initiate Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> ▪ Dealer registration and individual approval requirements ▪ Corporation Investment Dealer Partially Consolidated Rules (IDPC) ▪ Universal Market Integrity Rules (UMIR) ▪ Role and implications of rules, guidance notes, forms and supporting schedules, including: <ul style="list-style-type: none"> • Standards of conduct • Sales practices • External communications • Other financial services regulators and agencies, including: <ul style="list-style-type: none"> ○ Clearing agencies, including: <ul style="list-style-type: none"> ▪ Canadian Depository for Securities Limited (CDS) ▪ Canadian Derivatives Clearing Corporation (CDCC) ○ Canadian Investor Protection Fund (CIPF), including: <ul style="list-style-type: none"> ▪ Purpose and objective ▪ Funding requirements by dealers ▪ Governance structure ▪ Role of CIPF in a dealer’s bankruptcy/ insolvency, including pooling of customer assets ○ Financial Services Regulatory Authority of Ontario (FSRA) ○ Bank of Canada 	



1. Initiate Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> ○ RCMP Integrated Market Enforcement Teams (IMET) ○ Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) ○ Office of the Superintendent of Financial Institutions (OSFI) ○ Federal and provincial privacy commissioners ○ Ombudsman for Banking Services and Investments (OBSI) ○ US and other foreign securities and derivatives regulators ● Other applicable laws <ul style="list-style-type: none"> ○ Federal statutes, including: <ul style="list-style-type: none"> ▪ Bank Act ▪ Bankruptcy and Insolvency Act, Part XII – Bankruptcy of a Securities Firm ○ Criminal Code and its application to financial crimes, including: <ul style="list-style-type: none"> ▪ Fraud ▪ Theft ▪ Theft by person holding power of attorney ▪ Misappropriation of money under direction ▪ False statement or false pretenses ▪ Obtaining execution of security by fraud ▪ Forgery ▪ Uttering a forged document ▪ False prospectus ▪ Organized crime offences ▪ Illegal insider trading 	



1. Initiate Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> ○ Confidentiality agreements ○ Privacy legislation, including: <ul style="list-style-type: none"> ▪ Personal Information Protection and Electronic Documents Act (PIPEDA) ○ Canadian Anti-Spam Legislation (CASL) ○ Proceeds of Crime (Money Laundering) and Terrorism Financing Act (PCMLTFA) and Regulations (PCMLTF Regulations), including: <ul style="list-style-type: none"> ▪ Compliance program requirements ▪ Anti-money laundering policies and procedures ▪ Client information and due diligence requirements ▪ Enterprise risk assessment and indicators ▪ Employee training ▪ Business relationship record-keeping ○ Rules for public company disclosure and the statutory rights of shareholders 	
II. Prospective client relationships	<ul style="list-style-type: none"> ● Dealer onboarding process for new clients ● All client information that is required to be collected ● Equity, diversity and inclusion considerations ● The process for identifying and documenting the role of third-parties and other professionals in the client’s life, including: <ul style="list-style-type: none"> ○ Powers of attorney ○ Lawyers ○ Accountants ○ Insurance agents 	<ul style="list-style-type: none"> ● Adhere to ethical principles and CIRO standards of conduct ● Explain the onboarding process and the information that is required to be collected ● Review, analyze and evaluate all information provided by the client ● Communicate with clients clearly, directly and transparently using plain language terms ● Probe the client for relevant information on existing accounts and any previous investment experience to



1. Initiate Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> ○ Trusted contact persons 	<ul style="list-style-type: none"> ○ determine their knowledge, experience and decision-making skills ● Record details of all initial meetings and confirm client's understanding
III. Scope of client relationships	<ul style="list-style-type: none"> ● The purpose and content of the Relationship Disclosure including: <ul style="list-style-type: none"> ○ The products, services and account types the client can access at the dealer, including fee-based, leverage and margin accounts ○ The limitations of products, services and account types offered at the dealer, where applicable ○ Fees and guidelines for compensation ○ The way the account will operate (regulatory and dealer-based) ○ Description of the process used to determine suitability, including on an account-level, supplementary household-level, and on a portfolio-level ○ Description of the client account reporting that the dealer will provide to the client ● Account appropriateness obligation ● Difference between account appropriateness and account suitability determination ● Exemptions from certain regulatory obligations ● The use of investment performance benchmarks ● Potential impact of fees, turnover and taxes on the client's investment returns ● The client relationship model ● Systematic approaches to investment management ● Role of costs in product selection 	<ul style="list-style-type: none"> ● Explain the Relationship Disclosure information to set realistic expectations ● Evaluate the level of detail required when explaining processes, regulations and products ● Use language tailored to the client's financial literacy level ● Identify, evaluate and explain whether there is a mutual fit between the Registered Representative and the client that is based on an initial understanding of the client's current financial state, financial literacy level and goals ● Identify, evaluate and explain the frequency and nature of client contact and related processes ● Put the client's interests first ● Determine if the scope of products, services and relationships the client would have access to within the account are appropriate for the client ● Determine on a reasonable basis, that it would be appropriate for the client to become a client of the dealer prior to recommending an account be opened ● Explain the features and associated costs of the different types of accounts that are available at the dealer and recommend the type of account ● Explain all other information that would be important to the client's relationship with the dealer ● Identify any existing or reasonably foreseeable material conflicts of interest with the client and address the conflict in the best interest of the client



1. Initiate Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> Procedures and requirements for working with clients residing in the United States and other foreign jurisdictions as applicable Concepts of trust, agency and fiduciary duty Conflicts of interest 	
IV. Required documents and disclosures	<ul style="list-style-type: none"> Required documents in the Firm Welcome package, including: <ul style="list-style-type: none"> Fee schedule Canadian Investment Regulatory Organization (CIRO) account opening brochure Dealer conflict of interest disclosures complaint handling procedures and brochures Other regulatory or dealer required documentation and disclosures Dealer procedures for filing documentation 	<ul style="list-style-type: none"> Provide all required documents and explain them accurately, consistently and efficiently using plain language terms Follow the dealer process on how to interact with and serve the client Explain and document how suitability will be assessed and determined for multiple accounts Explain the restrictions on a client's ability to liquidate or resell certain types of products if applicable, as well as any ongoing fees the client may incur Explain the limits on any products or services offered by the dealer, including whether the dealer will primarily or exclusively offer proprietary products and whether there will be other limits on the availability of the products or services Explain any benefits the dealer might expect to receive from any outside parties when the client buys or owns investment products through the dealer Explain potential impacts of charges and fees on the client's investment returns, including the impacts of operating charges, transaction charges, investment fund management expense fees, and other ongoing fees the client may directly or indirectly incur



2. Know Your Client		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
<p>I. Collection of required information</p>	<ul style="list-style-type: none"> • Account-related documentation • Know Your Client (KYC) information, including: <ul style="list-style-type: none"> ○ Client’s financial circumstance: income, liquidity needs, financial assets, net worth, and whether the client is borrowing to invest ○ Client’s personal circumstance ○ Client’s investment knowledge ○ Risk profile: risk tolerance and risk capacity ○ Investment objectives and needs, including Investment constraints and restrictions (e.g., equity, diversity and inclusion considerations; environmental, social and governance criteria; other personal preferences) ○ Investment time horizon • The amount and type of information collected may depend on the following: <ul style="list-style-type: none"> ○ Dealer’s business model ○ Relationship with clients ○ Investment products and services offered by the dealer • Conditions for when to collect one set of KYC information for multiple accounts • The need to have full, transparent disclosure of all the client’s information, including their debts, liabilities, future goals and all current cash flow/commitments • Purpose of a trusted contact person and the relevant circumstances for when to reach out to this person 	<ul style="list-style-type: none"> • Explain the account opening process to clients and assist them with completing the relevant documents • Explain to the client the KYC information required and its importance • Explain the importance of maintaining and updating the KYC information and for the client to notify the RR of any significant changes to this information • Take reasonable steps to confirm the accuracy of the KYC information on an ongoing basis • Learn and remain informed of the essential facts, including certain biographical information for each client and account • Collect information to establish the identity of clients and take reasonable steps to confirm the accuracy of the information • Take reasonable steps to establish whether the client is an insider of reporting issuer or any other issuer whose securities are publicly traded • Collect information to assess the reputation and creditworthiness of the client • Communicate clearly, use plain language and tailor language to match the client’s financial literacy level • Use a variety of communication tools, including using an appropriate conversational tone, tangible examples, scenarios and hypothetical situations • Validate client responses using examples and scenarios • Use organization and communication skills to ensure all documents are: <ul style="list-style-type: none"> ○ Completed properly by the client



2. Know Your Client		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
		<ul style="list-style-type: none"> ○ Submitted by the client in a timely fashion ○ Filed at the dealer and updated on a timely basis ● Provide fulsome and timely answers to client questions ● Explain the purpose of having a trusted contact person and obtain written consent to contact this person in certain situations ● Recognize capacity concerns related to vulnerable persons and act accordingly, such as reaching out to the trusted contact person
II. Analysis and evaluation of Know Your Client (KYC) information	<ul style="list-style-type: none"> ● Significance of the KYC obligation and its relationship to recommendations ● Impact of significant changes to a client’s KYC information ● The relationship between investment objectives and needs, risk profile and performance ● Solutions to resolve conflicts between a client’s expectations and risk profile ● Investment constraints and restrictions including: <ul style="list-style-type: none"> ○ Equity, diversity and inclusion considerations ○ Environmental, social and governance criteria ○ Other personal preferences ● Client’s current holdings, rates of return and fees ● Client’s current investment strategies and whether it is sustainable and appropriate ● Client’s current and future sources of income ● Calculation and analysis of the client’s net worth and liquidity needs 	<ul style="list-style-type: none"> ● Approach the KYC with an overall objective to thoroughly understand the client, their motivations, needs and long-term goals ● Assess the reasonableness of client’s objectives ● Assess the client’s risk tolerance and risk capacity based on their financial circumstances, how much of their investments an account or position represents, and their age and life stage ● Assess whether the client’s risk capacity is consistent with their risk profile and address any conflicts between a client’s expectations and their risk profile ● Assess the client’s stated investment knowledge and overall financial literacy level ● Determine whether additional client information is needed (e.g., beyond what is collected in the new account documents and regulatory/legal minimums) to understand the client’s complete financial circumstance sufficient to make a suitability determination ● Discuss forward-looking considerations to determine the client’s relevant time horizon and to explain the financial impact of major life events



2. Know Your Client		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none">• Relevant client financial documents, including tax returns, insurance policies, annuities and debt obligations	<ul style="list-style-type: none">• Review client's KYC information on an ongoing basis but at a minimum as per the intervals prescribed by regulation• Consider the impact of any significant changes to a client's KYC information and take appropriate action, including restricting new purchases in the account until the KYC is updated• Recognize the implication and significance of client responses• Acknowledge client's reservations when concerns are expressed, and probe further to best understand the entire concern



2. Know Your Client		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
III. Use of KYC information to set financial goals	<ul style="list-style-type: none"> • Creation of an investment strategy based on the KYC information • Key features, calculations, advantages and disadvantages of various types of accounts • Cash management planning and savings strategies • Basic tax planning techniques and strategies • Advantages of asset allocation and distinctions between strategic asset allocation and ongoing asset allocation techniques • Distinction between actively and passively managed products • Time value of money calculation • Features of government pension programs 	<ul style="list-style-type: none"> • Consider all information obtained from the client to ensure that any initial recommendations are suitable and put the client's interests first • Determine the best strategies to achieve their client's investment goals, including determination of: <ul style="list-style-type: none"> ○ Account type ○ Fee arrangement ○ Trading strategies • Evaluate and discuss with the client, expectations based on the client's financial circumstances, risk profile, needs and objectives and time horizon • Identify areas that might require action or expert advice relevant to the client's financial circumstance, including: <ul style="list-style-type: none"> ○ Estate planning ○ Mortgages ○ Insurance ○ Tax planning ○ Family law implications ○ Pension experts



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
<div style="background-color: #d9ead3; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">GENERAL FOR ALL</div> <div style="background-color: #d9ead3; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">SECURITIES</div> <div style="background-color: #d9ead3; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">OPTIONS</div> <div style="background-color: #d9ead3; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">FUTURES CONTRACTS FUTURES CONTRACT O</div>	<p>1. Macroeconomic analysis</p> <ul style="list-style-type: none"> The role and function of central banks How the Bank of Canada implements and conducts monetary policy Keynesian, monetarist and supply-side theories of the economy Mechanisms by which governments establish fiscal policy and evaluate the impacts of fiscal policy on the economy The process for achieving market equilibrium Phases of the business cycle, economic indicators used to analyze business conditions and the determinants of long-term economic growth Key indicators of the labour market in Canada and the main types of unemployment Theories of interest rate determination and how interest rates affect the economy Inflation and calculation of the inflation rate using the Consumer Price Index (CPI) Causes and impacts of inflation, disinflation and deflation on an economy International trade, balance of payments and their impacts on the economy Exchange rates, how they are set and their impact on the economy Interest rates, how they are set and their impact on the economy The macroeconomic factors that affect investor expectations and the price of securities Economic principles that have an impact on capital markets and the needs of clients 	<ul style="list-style-type: none"> Analyze closely all relevant documents and sources of information Keep up to date on macroeconomic analysis matters through internal Subject Matter Experts (SMEs) Where available, consult with external SMEs to understand relevant macroeconomic analysis matters



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL SECURITIES OPTIONS FUTURES CONTRACTS FUTURES CONTRACT O	<ul style="list-style-type: none"> The interaction between monetary and fiscal policies Valuation techniques and models Economic reports and other relevant sources of information, including the assumptions and valuation approach used 	
	II. Industry analysis <ul style="list-style-type: none"> Industry classifications Industry performance during stages of the economic cycle The differences in how companies are analyzed and valued within the industry Industry reports and other relevant sources of information, including the assumptions and valuation approach used 	<ul style="list-style-type: none"> Analyze closely all relevant documents and sources of information Keep up to date on industry analysis matters through internal SMEs Where available, consult with external SMEs to understand relevant industry analysis matters
	III. Company analysis <ul style="list-style-type: none"> Various sources of company analysis The factors involved in performing company analysis to determine whether a company represents a good investment Different types of business structures The importance of different sources of company information Financial statements Company reports and other relevant sources of information, including the assumptions and valuation approach used Takeover process and takeover legislation Insider bids and issuer bid regulations 	<ul style="list-style-type: none"> Analyze closely all relevant documents and sources of information Keep up to date on company analysis matters through internal SMEs Where available, consult with external SMEs to understand relevant company analysis matters



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> The rules for public company disclosure and statutory rights of investors 	
IV. Technical/statistical analysis	<ul style="list-style-type: none"> The use of fundamental, quantitative and technical/statistical analyses Market theories in relation to stock market behaviour The tools used in technical/statistical analysis Technical reports and other relevant sources of information, including the assumptions and the valuation approach used 	<ul style="list-style-type: none"> Analyze closely all relevant documents and sources of information Keep up to date on technical/statistical analysis matters through internal SMEs Where available, consult with external SMEs to understand relevant technical/statistical analysis matters

GENERAL FOR ALL

SECURITIES

OPTIONS

FUTURES CONTRACTS
FUTURES CONTRACT O



3. Product and Market Impact			
GENERAL FOR ALL	SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
		For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
SECURITIES	V. Characteristics and information on equities	<ul style="list-style-type: none"> • Characteristics of equities, including: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Advantages and disadvantages ○ Risks ○ Impact of the costs associated with acquiring and holding equities ○ Potential returns • Types of equities, including: <ul style="list-style-type: none"> ○ Common shares ○ Preferred shares ○ Income trusts ○ Closed-end funds • Information sources for equities • The factors used to decide between managed products and individual equity securities • Advantages of common share ownership, dividend taxation, how they are declared, claimed, and the impact of stock splits and consolidations • Stock market index vs. average, including method for calculating the index or average's value • Different stock market indexes and averages, including: <ul style="list-style-type: none"> ○ S&P/TSX Composite Index ○ S&P/TSX Venture Composite Index ○ Dow Jones Industrial Average (DJIA) • Macroeconomic factors affecting investor expectations and the price of securities 	<ul style="list-style-type: none"> • Explain the characteristics and types of equities, including the equity's structure, features, risks, initial and ongoing costs and the impact of those costs • Keep up to date with list of equities approved by the dealer for purchase or recommendation to clients • Analyze closely all relevant documents and sources of information • Attend seminars, educational events and dealer training related to prospective equities • Keep up to date on equities through internal SMEs • Where available, consult with external SMEs to understand relevant product analysis for equities • Review and take reasonable steps to assess and understand all securities in a client's account, including those that are held because of a transfer-in or client-directed trade
OPTIONS			
FUTURES CONTRACTS FUTURES CONTRACTS			



3. Product and Market Impact			
GENERAL FOR ALL	SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
		For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
SECURITIES		<ul style="list-style-type: none"> • How industry classifications impact a company's stock valuation • General understanding of the securities available on the dealer's product shelf to meet suitability determination obligations 	
	VI. Characteristics and information on fixed income products	<ul style="list-style-type: none"> • Mechanics of debt trading in Canada • Characteristics of fixed income products, including: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Advantages and disadvantages ○ Risks ○ Impact of the costs associated with acquiring and holding fixed income products ○ Potential returns • Types of fixed income products, including debt securities • Information sources for fixed income products • Relationship between coupon, yield, term-to-maturity and price volatility • Impact of the factors that affect bond prices • Types of bond yields, including the approximate yield to maturity • Concepts of present value and future value • Passive fixed income portfolio management vs. active fixed income portfolio management • Present value, discount rate and calculations relating to the time value of money, bond pricing and yield 	<ul style="list-style-type: none"> • Explain the characteristics and types of fixed income products, including the product's structure, features, risks, initial and ongoing costs and the impact of those costs • Keep up to date with list of fixed income products approved by the dealer for purchase or recommendation to clients • Analyze closely all relevant documents and sources of information • Attend seminars, educational events and dealer training related to prospective fixed income products • Keep up to date on fixed income products through internal SMEs • Where available, consult with external SMEs to understand relevant product analysis for fixed income products • Review and take reasonable steps to assess and understand all fixed income products in a client's account, including those that are held because of a transfer-in or client-directed trade
OPTIONS			
FUTURES CONTRACTS FUTURES CONTRACTS			



3. Product and Market Impact			
GENERAL FOR ALL			
SECURITIES			
OPTIONS			
FUTURES CONTRACTS FUTURES CONTRACTS			
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable	
	<ul style="list-style-type: none"> Impact of fixed income pricing properties on bond prices Rules and regulations related to bond delivery and settlement 		
VII. Characteristics and information on managed products	<ul style="list-style-type: none"> Characteristics of managed products, including: <ul style="list-style-type: none"> Structure Features Advantages and disadvantages Risks Impact of the costs associated with acquiring and holding managed products Potential returns Types of managed products, including: <ul style="list-style-type: none"> Wrap funds Pooled funds Information sources for managed products Impact of fees, turnover and taxes on managed product returns 	<ul style="list-style-type: none"> Explain the characteristics and types of managed products, including the product's structure, features, risks, initial and ongoing costs and the impact of those costs Keep up to date with list of managed products approved by the dealer for purchase or recommendation to clients Analyze closely all relevant documents and sources of information Attend seminars, educational events or dealer training related to prospective managed products Keep up to date on managed products through internal SMEs Where available, consult with external SMEs to understand relevant product analysis for managed products Review and take reasonable steps to assess and understand all managed products in a client's account, including those that are held because of a transfer-in or client-directed trade 	
VIII. Characteristics and information on mutual funds	<ul style="list-style-type: none"> Characteristics of all types of mutual funds, including: <ul style="list-style-type: none"> Structure Features Advantages and disadvantages 	<ul style="list-style-type: none"> Explain the characteristics and types of mutual funds, including the information on the fund facts document, including the mutual fund's structure, features, risks, initial and ongoing costs and the impact of those costs 	



GENERAL FOR ALL	3. Product and Market Impact		
	SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
SECURITIES		<ul style="list-style-type: none"> ○ Risks ○ Impact of the costs associated with acquiring and holding mutual funds ● Information on the fund fact document ● Calculations for pricing of mutual fund units or shares, a fund's net asset value per share (NAVPS), and the impact of charges associated with mutual funds ● Mutual fund management styles ● Operation of open-end mutual funds ● Information sources on mutual funds ● Evaluation of funds and required criteria ● Risk ranking methodologies ● Mutual fund trusts and mutual fund corporations ● Implications of redemptions in various circumstances ● Measurement and comparisons of mutual fund performance 	<ul style="list-style-type: none"> ● Keep up to date with list of mutual funds approved by the dealer for purchase or recommendation to clients ● Analyze closely all relevant documents and sources of information ● Attend seminars, educational events and dealer training related to prospective mutual funds ● Keep up to date on mutual funds through internal SMEs ● Where available, consult with external SMEs to understand relevant product analysis for mutual funds ● Deliver to the client the fund facts documents, as required ● Review and take reasonable steps to assess and understand all mutual funds in a client's account, including those that are held because of a transfer-in or client-directed trade
OPTIONS			
FUTURES CONTRACTS FUTURES CONTRACTS			



3. Product and Market Impact			
GENERAL FOR ALL	SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
		For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
SECURITIES	IX. Characteristics and information on other investments	<ul style="list-style-type: none"> • Characteristics of all reasonable alternative, emerging and other types of investments, including: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Advantages and disadvantages ○ Risks ○ Impact of the costs associated with acquiring and holding other investments • Types of alternative, emerging and all other investments, including: <ul style="list-style-type: none"> ○ Hedge funds ○ Principal-protected notes (PPNs) ○ Exchange traded funds (ETFs) ○ Alternative investment funds ○ Crypto asset ○ Environmental, social and governance-related products • Product disclosure requirements and risks of investment products 	<ul style="list-style-type: none"> • Explain the characteristics and types of other investments, including their structure, features, risks, initial and ongoing costs and the impact of those costs • Keep up to date with list of other investment products approved by the dealer for purchase or recommendation to clients • Analyze closely all relevant documents and sources of information • Attend seminars, educational events and dealer training related to other types of prospective investments • Use internal SMEs to learn more about other types of investments • Where available, consult with external SMEs to understand relevant product analysis for other types of investments • Review and take reasonable steps to assess and understand all other investments in a client's account, including those that are held because of a transfer-in or client-directed trade
OPTIONS			
FUTURES CONTRACTS FUTURES CONTRACTS			



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
<p>GENERAL FOR ALL</p> <p>SECURITIES</p> <p>OPTIONS</p> <p>FUTURES CONTRACTS FUTURES CONTRACTS</p>	<p>X. Overview of options and similar derivative contracts</p> <ul style="list-style-type: none"> • Purpose, types, risk and reward profiles of options and similar derivatives, including: <ul style="list-style-type: none"> ○ Options and similar derivative contracts ○ Risk management/mitigation through hedging ○ Speculative trading • Differences between exchange-traded and over-the-counter options and similar derivative contracts • La Bourse de Montréal // Montréal Exchange trading rules and mechanics • Canadian Derivatives Clearing Corporation (CDCC) rules and procedures • Canadian Depository for Securities (CDS) and delivery procedures for underlying interests • Options Clearing Corporation (U.S.) rules and procedures • Over-the-counter (OTC) derivative contracts, including: <ul style="list-style-type: none"> ○ International Swaps and Derivatives Association (ISDA) framework and standardized documentation ○ Liquidation of existing positions ○ Assessments of value ○ Determinations of fair price ○ Assessments of exposure to risk ○ Underlying delivery and cash settlement exposure to risk 	<ul style="list-style-type: none"> • Analyze and evaluate the benefits and risks of using options and similar derivatives for client trading and risk management • Keep up to date with list of options and similar derivatives approved by the dealer for purchase or recommendation to clients



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
XI. Characteristics and information on dealing in options and similar derivative contracts	<ul style="list-style-type: none"> • Characteristics of options and similar derivatives, including: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Advantages and disadvantages ○ Risks ○ Impact of the costs associated with acquiring and holding other investments • Legislative and regulatory framework governing: <ul style="list-style-type: none"> ○ Dealing in options and similar derivatives, including: <ul style="list-style-type: none"> ▪ Dealer policies and procedures for client solicitation and the dealer’s derivatives trading business ▪ Dealer procedures for client communications and changes to the dealer’s derivatives trading business ▪ Dealer client reporting for expiring derivatives ▪ Dealer reporting requirements for all positions (covered and uncovered) ▪ Concentration reporting ▪ Profit and Loss statements for active accounts ▪ Exception reports ○ Prohibited derivative trading practices, including: <ul style="list-style-type: none"> ▪ Trading while under margin ▪ Trading beyond margin or credit limits • Margin requirements for options and similar derivative strategies 	<ul style="list-style-type: none"> • Identify applicable requirements for trade or transfer (accounts) of options or similar derivative contracts • Identify regulatory restrictions that apply for different uses • Explain how options or similar derivatives can address client needs • Explain how options or similar derivatives relate to and can complement other investment or structured products • Explain how commissions or fees are charged • Explain purpose and information included in client statements and agreements • Analyze and evaluate benefits and risks of options or similar derivative contracts for client trading and risk management • Analyze and evaluate profit, loss and breakeven outcomes • Keep up to date with list of options or similar derivatives approved by the dealer for purchase or recommendation to clients • Explain to client the characteristics of options and similar derivatives, including the structure, features, risks, initial and ongoing costs and the impact of those costs • Review and take reasonable steps to assess and understand all derivatives in a client’s account, including those that are held because of a transfer-in or client-directed trade

GENERAL FOR ALL

SECURITIES

OPTIONS

FUTURES CONTRACTS
FUTURES CONTRACTS



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL SECURITIES OPTIONS FUTURES CONTRACTS FUTURES CONTRACTS	<ul style="list-style-type: none"> • Opening, managing and monitoring options or similar derivative accounts, including completing: <ul style="list-style-type: none"> ○ Options Account Application Form ○ Options Trading Agreement ○ Margin Agreement Form ○ Options Risk Disclosure and Information Statement ○ Managed and Discretionary Account Agreements • Client statement requirements for derivatives trading, including: <ul style="list-style-type: none"> ○ Monthly account statements ○ Trade confirmations • Options or similar derivative contract types, including: <ul style="list-style-type: none"> ○ Puts and calls ○ American-style options ○ European-style options ○ Equity options ○ Non-equity options (e.g., currency, bond, indexes and futures options) ○ Exotic options • Transactional elements of options and similar derivative contracts: <ul style="list-style-type: none"> ○ Underlying interest <ul style="list-style-type: none"> ▪ Financial instruments (e.g., shares, bonds, bank credit) ▪ Financial variables (e.g., indexes) ▪ Commodities (e.g., oil, metals, agricultural products) ▪ Events (e.g., weather) 	



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
<div style="writing-mode: vertical-rl; transform: rotate(180deg);"> GENERAL FOR ALL SECURITIES OPTIONS FUTURES CONTRACTS FUTURES CONTRACTS </div>	<ul style="list-style-type: none"> ○ Premium <ul style="list-style-type: none"> ▪ Changes in options prices in relation to the underlying interest price (Delta) ▪ Rate of change of Delta ▪ Intrinsic value ▪ Time value ▪ At-the-money ▪ In-the-money ▪ Out-of-the money ○ Price forecasting techniques <ul style="list-style-type: none"> ▪ Fundamental analysis ▪ Technical analysis ○ Leverage <ul style="list-style-type: none"> ▪ Leverage and options value ▪ Calculation of options leverage ○ Tax implications of using options or similar derivatives: <ul style="list-style-type: none"> ▪ Professional traders ▪ Non-professional traders ● Single and multi-legged strategies for trading options or similar derivative contracts, including: <ul style="list-style-type: none"> ○ Use of options-based indexes in income-producing options strategies ○ Bullish Strategies ○ Bearish Strategies ○ Options volatility strategies 	



3. Product and Market Impact			
GENERAL FOR ALL	SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
		For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
SECURITIES	XII. Overview of futures and similar derivative contracts	<ul style="list-style-type: none"> • Purpose, types, risk and reward profiles of futures and similar derivative contracts, including: <ul style="list-style-type: none"> ○ Futures ○ Futures contract options ○ Forwards ○ Swaps ○ Contract for differences (CFDs) ○ Risk management/mitigation through hedging ○ Speculative trading • Differences between exchange-traded futures and over-the-counter derivatives • Trading rules and mechanics of futures exchanges, including: <ul style="list-style-type: none"> ○ La Bourse de Montréal // Montréal Exchange ○ Chicago Mercantile Exchange (CME) ○ Chicago Board of Trade (CBOT) • Rules and procedures for futures clearing corporations, including: <ul style="list-style-type: none"> ○ Canadian Derivatives Clearing Corporation (CDCC) ○ ICE Clear Canada ○ Options Clearing Corporation (U.S.) ○ Clearing deposit requirements • Canadian Depository for Securities (CDS) and delivery procedures for underlying interests • Over-the-counter (OTC) derivative contracts, including: <ul style="list-style-type: none"> ○ ISDA framework and standardized documentation ○ Liquidation of existing positions ○ Assessments of value 	<ul style="list-style-type: none"> • Analyze and evaluate the benefits and risks of using futures contracts and similar derivatives for client trading and risk management • Keep up to date with list of futures contracts and similar derivatives approved by the dealer for purchase or recommendation to clients
OPTIONS			
FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS			



3. Product and Market Impact			
GENERAL FOR ALL	SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
		For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
SECURITIES		<ul style="list-style-type: none">○ Determinations of fair price○ Assessments of exposure to risk○ Underlying delivery and cash settlement exposure to risk	
OPTIONS			
FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS			



3. Product and Market Impact			
SUB-COMPETENCY	KNOWLEDGE		BEHAVIOURS AND SKILLS
	For RRs and IRs to understand as applicable		For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL SECURITIES OPTIONS FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS	XIII. Characteristics and information on dealing in futures and similar derivative contracts	<ul style="list-style-type: none"> • Characteristics of futures and similar derivatives, including: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Advantages and disadvantages ○ Risks ○ Impact of the costs associated with acquiring and holding other investments • Legislative and regulatory framework governing: <ul style="list-style-type: none"> ○ Dealing in futures, forwards, CFDs, futures contract options or similar derivative contracts, including: <ul style="list-style-type: none"> ▪ Dealer monthly (net) position reporting requirements ▪ Dealer futures concentration capital requirements and provisions ▪ Dealer capital requirements and provisions on open futures positions ○ Prohibited derivative trading practices, including: <ul style="list-style-type: none"> ▪ Trading using prohibited underlying interests ▪ Trading without adequate margin ▪ Trading beyond margin and credit limits ▪ Cumulative losses exceeding risk limits ▪ Delivery month trading restrictions ▪ Excessive risk or loss to account guarantors ○ Client margin requirements and treatment of derivative product positions ○ Opening, managing and monitoring futures or similar derivative accounts, including: <ul style="list-style-type: none"> ▪ Futures Account Application Form 	<ul style="list-style-type: none"> • Identify applicable requirements for the purchase, sale or transfer (accounts) of futures and similar derivative contracts • Identify regulatory restrictions that apply for different uses • Explain how futures and similar derivative contracts can address client needs • Explain how futures and similar derivative contracts commissions or fees are charged • Explain why and what content is included in required client statements and agreements • Analyze and evaluate benefits and risks of futures or similar derivative contracts for client trading and risk management • Keep up to date with list of futures and similar derivative contracts approved by the dealer for purchase or recommendation to clients • Explain to the client the characteristics of futures and similar derivative contracts including the structure, features, risks, initial and ongoing costs and the impact of those costs • Explain how futures and similar derivative contracts relate to and can complement other investment products • Review and take reasonable steps to assess and understand any futures and similar derivative contracts in a client's account, including those that are held because of a transfer-in or client-directed trade



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
	For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL		
SECURITIES		
OPTIONS		
FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS	<ul style="list-style-type: none"> ▪ Futures Trading Agreement ▪ Futures Options Trading Agreement ▪ Futures Risk disclosure and Information Statement ▪ Managed and Discretionary Account Agreements ▪ Hedge Agreement ▪ Authority to Transfer Funds Form ○ Client statement requirements for derivatives trading, including: <ul style="list-style-type: none"> ▪ Monthly account statements ▪ Trade confirmations ▪ Statement of purchase and sale on liquidating trades ○ Futures and similar derivative contracts, including: <ul style="list-style-type: none"> ▪ Equity futures ▪ Non-equity futures (e.g., bond, note, index, currency, interest rate) • Transactional elements of futures and similar derivative contracts, including: <ul style="list-style-type: none"> ○ Underlying interest <ul style="list-style-type: none"> ▪ Financial instruments (e.g., shares, bonds, bank credit) ▪ Financial variables (e.g., indexes) ▪ Commodities (e.g., oil, metals, agricultural products) ▪ Events (e.g., weather) ▪ Relationship to futures contract and futures contract options 	



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL		
SECURITIES		
OPTIONS		
FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS	<ul style="list-style-type: none"> ○ Mark-to-market ○ Leverage <ul style="list-style-type: none"> ▪ Leverage and contract value ▪ Calculation of contract leverage ○ Margin <ul style="list-style-type: none"> ▪ Differences between futures and similar derivatives margin and securities margin ▪ Risk-based margin system ▪ Acceptable forms of margin ▪ Exchange margin ▪ In-house margin ▪ Hedge margin ▪ Day trading margin ▪ Margin change ○ Margin controls <ul style="list-style-type: none"> ▪ Initial margin call ▪ Maintenance margin call ○ Price forecasting techniques <ul style="list-style-type: none"> ▪ Fundamental analysis ▪ Technical analysis ○ Tax implications, futures and similar derivative contracts for: <ul style="list-style-type: none"> ▪ Professional traders ▪ Non-professional traders ● Single and multi-legged strategies for trading futures and similar derivative contracts, including: <ul style="list-style-type: none"> ○ Bullish strategies ○ Bearish strategies 	



3. Product and Market Impact		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
GENERAL FOR ALL		
SECURITIES		
OPTIONS		
FUTURES CONTRACTS AND FUTURES CONTRACT OPTIONS	<ul style="list-style-type: none"> ○ Neutral strategies ○ Spread strategies ○ Risks related to spread strategies, including: <ul style="list-style-type: none"> ▪ Opposite position movement ▪ Illiquid markets ▪ Legging into and out of spreads ▪ Lower margins ▪ Shifting historical relationships ○ Volatility strategies 	



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
I. Know Your Product (KYP)	<ul style="list-style-type: none"> • KYP obligation to understand all investments purchased, sold or recommended for a client, including the investments: <ul style="list-style-type: none"> ○ Structure ○ Features ○ Risks ○ Initial and ongoing costs ○ Impact of those costs • Awareness of the types of investment products that are approved by the dealer to be made available to clients • Types of investment action for a client's account, including: <ul style="list-style-type: none"> ○ Purchasing ○ Selling ○ Holding a position ○ Depositing ○ Exchanging or transferring securities • All relevant sources of information when considering recommending an investment action • Retail client suitability determination requirements • All trading strategies applied, and the risks associated with each, including margin and short selling • Asset classes, volatility, benchmarks and performance expectations over various time horizons • Investment performance disclosure and measurement • Transaction costs and tax implications of investment recommendations • Rate of return calculation and risk measurement for any security 	<ul style="list-style-type: none"> • Comply with KYP obligation for all investments purchased, sold, or recommended to clients • Identify and select a personal product shelf • Analyze and explain a range of investment products to the client • Evaluate risk and impact of investment actions on the client's accounts, including on concentration and liquidity, potential returns of the products, actual and potential impact of costs on client's returns, and whether the product meets the client's objectives • Evaluate product liquidity, volatility, correlations with other investments, lock-in features, currency, industry and consistency with the client's risk tolerance • Evaluate how each product performs against benchmarks, indexes and other comparable products • Compare and contrast products with similar objectives and risk levels to evaluate performance and to consider a reasonable range of alternative actions, putting the client's interests first • Develop an asset allocation framework, determines which products belong within the framework and excludes other products from the client's portfolio • Determine whether the risk characteristics of the strategies are appropriate and consistent with the client's personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon and puts the client's interest first • Determine that the investment action is suitable for the client and complies with retail client suitability determination requirements



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> • Present value, discount rate and calculations relating to the time value of money, bond pricing and yield • Asset mix categories and strategies for setting the asset mix • Portfolio management styles of equity and fixed income managers • Active and passive management • Economic, political and social events that can affect each investment • All fees and charges for product and the impact on client returns 	
II. Development of comprehensive investment recommendations	<ul style="list-style-type: none"> • Processes to choose a portfolio for the client, based on their KYC information, including their investment needs and objectives and risk profile • Systematic approach to investment management • Stock selection techniques • Cash flow analysis • Principles of behavioural finance • Behavioural biases of individual investors • Asset allocation framework, categories, process and importance • The different types and key aspects of asset allocation (tactical, strategic, rebalancing, etc.) and calculation of absolute risk, absolute return and risk-adjusted return • Various portfolio theories • Principles of portfolio construction • Asset pricing models 	<ul style="list-style-type: none"> • Evaluate the potential risk and impact of an investment product on the client’s entire portfolio, including on concentration and liquidity, potential return, and actual and potential impact of costs on client’s returns, and the resulting portfolio is suitable and puts the client’s interest first • Evaluate whether a product is suitable for a client, considering their KYC information, including risk profile, investment needs and objectives, and puts the client’s interest first • Evaluate products and shortlists those that are consistent with the client’s risk profile, investment needs, objectives and their other KYC factors • Develop product recommendations that reflect portfolio suitability, impact, expectations about returns, general product attributes and drawbacks • Provide client with sufficient detail about potential product, costs, risks and rewards to enable fully informed client decisions



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> • Calculation of the expected return and risk of any portfolio or asset • Efficient diversification, naïve diversification and industry or issuer concentration • Tax planning techniques and strategies • Calculations for capital gains, capital losses and strategies for minimizing tax liability • Tax deferral plans and their uses • Basic tax planning strategies and their advantages • The factors to consider in deciding whether to recommend managed products or non-managed products • Potential and actual impact of costs • Benefits and costs of a rebalancing strategy • Rationale for including preferred shares in the client's allocation to fixed income securities • The factors that influence the success of a sector rotation strategy • Different ways active and passive investment strategies are used • Characteristics of active and passive debt security strategies • Different types and measures of risk and the role of risk in asset selection • The factors that affect the expected return and risk of a portfolio • Features of the Canadian income tax system, calculation of income tax payable, tax treatments of interest, dividends and capital gains and losses • Margin requirements for long and short positions 	<ul style="list-style-type: none"> • Ensure that recommendations include adequate explanations about product complexity • Complete the required approval procedures prior to recommending a product not offered by its dealer • Explain recommended strategy to client



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> • Process of short selling and the risks associated • Calculation of any missing variable in a time value of money calculation • Risk management processes and the methods used to deal with risk 	
III. Investment action recommendations	<ul style="list-style-type: none"> • Relevant factors required to be considered, including: <ul style="list-style-type: none"> ○ Putting the client’s interests first ○ The client’s investment needs and objectives ○ Time horizon ○ Risk profile ○ Investment knowledge ○ Personal and financial circumstances ○ Current investment portfolio compositions and risk level ○ The impact of the investment action on the client account, including the concentration and liquidity of the investment ○ The potential and actual impact of costs on the client’s returns ○ Consideration of a reasonable range of alternative actions • The pros and cons and risks involved for each product and recommended investment action • What the recommended investment action can accomplish for the client • The process for securing the client’s commitment to recommended investment action 	<ul style="list-style-type: none"> • Consider all relevant factors, documents and sources of information with a view to be able to recommend alternatives to those requested by the client that put the client’s interest first • Explain recommendations using plain language terms, including all features and risks of the products and any other types of investments presented • Confirm client’s understanding of relevant information through discussion • Explain the fund facts document for a mutual fund or ETF • Respond to any questions about recommendations by asking follow-up questions to clarify the client’s concerns and paraphrases the answers to confirm the client’s understanding • Record recommendations provided, including details of discussions with clients • Apply practice management skills to clarify the instructions with clients • Encourage the importance of frequent touchpoints, especially when the client’s financial circumstance changes • Update clients when a new product is suitable for their account or portfolio, including offering relevant product details and the reasons for recommending it



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none">• How to recognize potential capacity concerns and financial exploitation issues• When to contact a trusted contact person and conditions for using temporary holds• Enhanced requirement for client-directed trades	<ul style="list-style-type: none">• Recognize capacity concerns related to vulnerable persons and act accordingly• Identify, assess and escalate situations where a temporary hold may be required• Conduct enhanced requirements for unsuitable client-directed trades including recording confirmation to proceed despite recommendation not to proceed• Take reasonable steps to assess investments that are transferred in to make a suitability determination that puts the client's interest first



4. Suitability		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
IV. Client account monitoring and performance	<ul style="list-style-type: none"> • Dealer and regulatory requirements for monitoring and maintaining accounts including undergoing a suitability determination when there are triggering events • Processes for monitoring and evaluating portfolio performance in relation to the market, the economy, client needs and circumstances • Calculations of portfolio returns and measurement of risk for any security or portfolio over any time frame • The proper use of benchmarks in assessing portfolio performance • How investment product performance is measured and how the comparative performance of all products is determined • When to make an account suitability determination 	<ul style="list-style-type: none"> • Periodically review KYC information and update as required (e.g., triggering events) • Set a routine schedule to review client accounts and the investments in them, as well as account performance, including how individual products are performing, at least once every 3 years for an advisory account • Conduct suitability determination when triggering events occur and before taking or recommending an investment action • Maintain transparent, open communication with clients about account performance and addresses adverse impact of economic downturns by discussing responsive steps • Remain informed about product changes and understands them well enough to explain to clients • Recognize client’s life changes and relevant financial implications; updates the KYC and investment holdings/recommendations accordingly • Reassess account suitability as needed to determine that the account continues to be suitable and puts the client’s interest first



5. Execution and Market Integrity		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
I. Market integrity, trade execution and settlement	<ul style="list-style-type: none"> • Market rules, including Universal Market Integrity Rules (UMIR) where applicable, in particular: <ul style="list-style-type: none"> ○ Best execution ○ Manipulative and deceptive practices ○ Disruptive trading practices ○ Fair and equitable trading practices • The securities industry code of ethics, standards and dealer guidelines for acceptable behaviour and governance • Placing orders, and the settlement and delivery process • Awareness of the various marketplaces • Processes for handling order errors and changes • The purpose and application of the cash account rule • Trading settlement procedures for all transactions • The restriction process on overdue cash accounts • Requirements to confirm orders with clients, including fees and commissions • Dealer requirements, guidelines and best practices for trade confirmations sent to clients • Types of buy, sell and short sell orders • Long and short margin accounts and special margin situations • The need for specialized trading authorizations at the dealer 	<ul style="list-style-type: none"> • Comply with market integrity, trade execution and settlement requirements by identifying and applying the applicable regulatory requirements, dealer policies and procedures • Verify that all relevant details of a trade are accurately reflected in all orders placed • Place all orders in a timely manner and consistent with the client's request • For non-discretionary/non-managed accounts, ensure trading is executed without discretion as to either the security traded, its quantity, price and/or the time of the trade • Record trading details, including the client's agreement • Remain available to client during trading hours or follow dealer policies and procedures to ensure that a colleague is otherwise available



5. Execution and Market Integrity		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
II. Gatekeeping responsibilities	<ul style="list-style-type: none"> • UMIR gatekeeping obligations • Applicable regulatory requirements including: <ul style="list-style-type: none"> ○ The client’s typical financial activity and patterns to identify suspicious transactions ○ how to identify and escalate suspicious transactions ○ Possible insider trading activity and violations ○ Applicable regulatory frameworks on whistleblowers ○ Applicable reporting obligations to firms and regulators 	<ul style="list-style-type: none"> • Comply with market integrity, trade execution and settlement requirements by identifying and applying gatekeeping responsibilities • Identify irregular trading requests that are inconsistent with a client’s portfolio, past trading and investment objectives • Escalate concerns to Supervisor and relevant compliance personnel about suspicious, manipulative or deceptive practices, including possible insider trading • Alert the trade desk to investigate with the exchanges, if required • Record suspicious activities and recommendations that reflect irregular requests, including rationale and actions taken



6. Maintain Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
I. Communication with clients	<ul style="list-style-type: none"> • Awareness of obligations and best practices • Effective communication skills • The appropriate use of professional titles in client communications • CIRO requirements on communications with the public, including misleading communications • Dealer and regulatory restrictions and guidelines regarding social media and other communications with the public 	<ul style="list-style-type: none"> • Apply a client-oriented compliance approach by clearly communicating with clients • Maintain regular, ongoing contact according to dealer policy and regulatory requirements • Communicate with clients using plain language terms • Provide clients with investment updates and ensure that impactful changes to client’s account(s) are clearly communicated • Respond to client requests in a timely manner and provide clients with sufficient opportunity to express concerns • Prepare well for client meetings, including the review of previous notes • Manage client base to ensure clients receive quality service • Engage in difficult client conversations, when necessary, in a manner that allows the client to feel respected, acknowledged and confident about the next steps • Acknowledge the effect that emotions have on a client’s decision-making process • Use skills in a professional manner • Demonstrate ethical judgement • Accurately represent to clients, as may be appropriate, information about proficiency and experience, qualifications and registration category • Use professional titles in client communications in compliance with applicable laws, regulation and in keeping with dealer requirements. (e.g., do not use any misleading titles)



6. Maintain Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
		<ul style="list-style-type: none"> Adhere to dealer’s best practices and regulatory rules and guidelines regarding social media and other communications with the public
II. Relevant changes and updates	<ul style="list-style-type: none"> Awareness of relevant changes and updates to: <ul style="list-style-type: none"> Industry standards Legislation Regulations Dealer policies and procedures, rules and best practices Product and market research Emerging issues, financial trends, economic trends and world news 	<ul style="list-style-type: none"> Apply a client-oriented compliance approach by keeping up to date with changes in requirements Read, watch and listen regularly to financial news from various sources, including industry-specific newsletters, websites, newspapers and podcasts Participate regularly in continuing education activities, including training, educational events and conferences Remain informed about new technological advances related to investments and client communication Participate in communities of practice and knowledge-sharing with other Registered Representatives, Investment Representatives and other approved persons Consider and add new products into personal product shelf subject to dealer and regulatory requirements Awareness of the potential impact of all changes to their own responsibilities, dealer processes and client accounts Conduct routine re-assessment of a client’s goals, needs etc., as well as review service and fit with the Registered Representative and its dealer
III. Documentation requirements and best practices	<ul style="list-style-type: none"> Regulations and dealer guidelines for maintaining client responses/records including to demonstrate compliance with the following: <ul style="list-style-type: none"> Account appropriateness Suitability determination Know-Your-Client Know-Your-Product requirements 	<ul style="list-style-type: none"> Apply a client-oriented approach by identifying and applying documentation requirements and best practices Record all discussions, recommendations, decisions and transactions, including dates and time Provide clients with copies of all documents signed or reviewed by them



6. Maintain Client Relationships		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
	<ul style="list-style-type: none"> ○ Conflict of interest requirements ○ Sales practices ○ Compensation arrangements ○ Incentive practices and other compensation arrangements ○ Incentive practices which may benefit the dealer or Registered Representative ● Communications with the public, including misleading communications requirements 	<ul style="list-style-type: none"> ● Update the client information in account documents as needed ● Provide email summaries to clients after all discussions and meetings ● Record details of client meetings and/or client communications ● Record recommendation(s) made to clients and instructions received ● Record due diligence and catalogues all documentation, including research, analysis, follow-up information and other conclusions drawn from product research
IV. Client complaint handling and reporting	<ul style="list-style-type: none"> ● The role of the CIRO, Ombudsman for Banking Services and Investments (OBSI) and provincial regulators ● Penalties that can be applied by regulators ● Obligations to clients, including legislative, contractual and other applicable laws ● The recourse available to a dissatisfied client, including litigation and CIRO's arbitration program ● Regulatory requirements and Dealer policies and procedures for reporting, dealing with and maintaining records of client complaints ● Potential issues with clients that could lead to liability and the potential consequences 	<ul style="list-style-type: none"> ● Apply a client-oriented compliance approach by following client complaint handling and reporting requirements ● Demonstrate calmness and empathy for client's concerns ● Demonstrate an understanding of the complaint and take appropriate measures including forwarding the complaint to the appropriate compliance staff or Supervisor ● Treat clients fairly and explain the availability of the services of OBSI



7. Conflicts and Ethics		
SUB-COMPETENCY	KNOWLEDGE	BEHAVIOURS AND SKILLS
	For RRs and IRs to understand as applicable	For RRs to apply and IRs to apply or provide support as applicable
I. Conflicts of interest and ethics	<ul style="list-style-type: none"> • Conflicts of interest management, including <ul style="list-style-type: none"> ○ Identification ○ Prohibition ○ Approval ○ Disclosure (including knowledge of triggers to provide conflict of interest disclosure to existing clients), and ○ Action required in the event of a potential conflict of interest • Importance of ethics • Ethical principles • Individual values and awareness • Ethical dilemmas • Framework for ethical decision-making • Critical thinking skills • Importance of independence and objectivity • Unethical practices in securities and derivatives trading • CIRO and other ethical standards of conduct 	<ul style="list-style-type: none"> • Manage, identify, and address material conflicts and potential conflicts in a fair, equitable and transparent manner, and consistent with the best interest of the client, including promptly reporting any potential or actual conflict to the dealer • Evaluate potential conflicts of interest throughout the entire working relationship with the client • Clearly explain and provide the required disclosures to clients, including a description of how the conflict has been addressed in the best interest of the client (e.g., does not simply provide the disclosure, as disclosure alone is not sufficient) • Do not engage in any trading or activity or advice in connection with a material conflict of interest without first addressing the conflict in the best interest of the client and obtaining the required consent from the dealer to engage in the activity • Avoid any material conflicts of interest, if the conflict cannot be addressed in the best interest of the client • Demonstrate behaviour that conforms to high standards of ethics and conduct • Apply critical thinking to identify and address ethical dilemmas and making ethical decisions • Apply high standards of ethics and conduct when dealing with clients and engaging in other professional activities, and promoting such behaviour with co-workers and employees • Act with independence and objectively • Carry out professional responsibilities in a thoughtful and objective manner, free from any personal obligations, encumbrances, or biases, such as gifts or relationships that may influence judgement



7. Conflicts and Ethics		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
		<ul style="list-style-type: none"> Escalate matters of non-compliance and unethical behaviour as appropriate
II. Outside activities	<ul style="list-style-type: none"> Prohibition, approval, disclosure and action requirements of outside activities, including: <ul style="list-style-type: none"> Client restrictions for individuals in a position of influence Existing and reasonably foreseeable material conflicts of interest Written disclosure, where applicable Reporting obligations, where applicable Dealer’s policies and procedures on outside activities, including: <ul style="list-style-type: none"> Consideration for potential client confusion or conflicts of interest Effective controls and qualified supervision Applicable due diligence process for approvals Appropriate record-keeping 	<ul style="list-style-type: none"> Follow all dealer policies and procedures for outside activities Identify, disclose and obtain approval from the dealer before engaging in any outside activities Recognize which outside activities require avoidance Notify the dealer on any changes in outside activities Identify how to escalate issues within the dealer Clearly explain and provide the necessary disclosures to clients



7. Conflicts and Ethics		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
III. Personal financial dealings	<ul style="list-style-type: none"> • Types of inappropriate or prohibited personal financial dealings with clients • Prohibition, approval, disclosure and action requirements of personal financial dealings with clients, including: <ul style="list-style-type: none"> ○ Client restrictions for individuals in a position of influence ○ Existing and reasonably foreseeable material conflicts of interest ○ Written disclosure, where applicable ○ Reporting obligations, where applicable • Dealer’s policies and procedures on personal financial dealings with clients, including: <ul style="list-style-type: none"> ○ Consideration for potential client confusion or conflicts of interest ○ Effective controls and qualified supervision ○ Applicable due diligence process for approvals ○ Appropriate record-keeping 	<ul style="list-style-type: none"> • Follow all dealer policies and procedures for personal financial dealings • Identify, disclose and avoid any personal financial dealings with a client that may be inappropriate or prohibited • Identify how to escalate issues within the dealer • Clearly explain and provide the necessary disclosures to clients



7. Conflicts and Ethics		
SUB-COMPETENCY	KNOWLEDGE For RRs and IRs to understand as applicable	BEHAVIOURS AND SKILLS For RRs to apply and IRs to apply or provide support as applicable
IV. Containment of confidential information	<ul style="list-style-type: none"> • Information barriers and firewalls • Grey and restricted list • Role of investment banking • Role of research department • Role of corporate finance • Cybersecurity 	<ul style="list-style-type: none"> • Recognize appropriate dealings within the dealer • Follow all dealer policies and procedures for containing confidential client information • Adhere to all information barrier requirements set out in dealer policies and procedures • Be aware of any cybersecurity threats and immediately report any incidents to your supervisor or IT department