MFDA Continuing Education Program:

Member Guide

Contents

1 INTRODUCTION

MFDA Continuing Education requirements establish minimum standards for Approved Persons of MFDA Members to keep their industry knowledge current and maintain a high standard of professionalism. The purpose of the Member Guide is to assist in the administration of the CE program from the perspective of an MFDA Member and in the development of the Member's policies and procedures. This guide will address Member roles and responsibilities in administrating the MFDA CE program; the administration of CE activities, CE attendance and leaves of absence; and the compliance processes.

The full requirements and additional guidance, including guidance for Participants, Providers and Accreditors can be found at on the MFDA website (mfda.ca/continuing-education).

Key Definitions

As set out in MFDA Policy No. 9:

"**Participant**" means any Approved Person who is registered, during a cycle, as a dealing representative, chief compliance officer or ultimate designated person under Canadian securities legislation, or designated by the Member as a branch manager or alternate branch manager, or alternate chief compliance officer under MFDA Rules.

"**Provider**" means any individual or entity offering a continuing education activity that is recognized by the Corporation.[1]

2 ROLES AND RESPONSIBILITIES

In developing the MFDA Continuing Education Program, we recognized from numerous consultations that stakeholders, most specifically Members, would have different approaches to administering the program. As a result, the MFDA Continuing Education Program and the Continuing Education Reporting and Tracking System (CERTS) which will be used to assist in administering the program, were designed with flexibility in mind.

2.1 Administration Models

MFDA Members have flexibility to decide how they wish to administer CE activities and report CE attendance using the following general models:

> **Participant Reporting Model –** Under this model, Participants (Approved Persons) report their own attendance at CE activities on CERTS. The Member does not report CE activities or attendance on the Participant's behalf. This model will work best for Members who will not be providing CE activities for their Participants and the Participant will take CE activities from other Providers.

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[1] Providers include Members, the MFDA, education providers, financial service businesses such as mutual fund companies or insurance companies, and industry associations.

Members using this model should make it clear to their Participants that the Participants are responsible for seeking out their own CE activities and ensuring that their CE attendance is reported on CERTS. We note that Providers also have the ability to enter attendance records into CERTS for those Participants who attend the Provider's recognized CE activities. When selecting CE activity, Participants should understand whether the Provider will be reporting their attendance into CERTS or not. Further, Participants should periodically access their CERTS account to determine if all their CE activity has been recorded.

Member Reporting Model – Under this model, all CE activities are provided and reported by the Member. The Member will undertake development and accreditation of all CE activities. This model will work best for Members who provide and facilitate all CE activities for their Participants.

Members using this model can advise the MFDA that they wish to take responsibility for entry of CE activity attendance from Participants and, as a result, remove the ability of Participants to enter their own attendance. The Participant will have "view only" access to their profile in CERTS except for the ability to edit their alternate email address. Members who wish to remove the ability of Participants to enter attendance must advise the MFDA prior to the start of the cycle at ce@mfda.ca. Please note that this requires the Member to acknowledge this added responsibility and undertake entry of their Participant's attendance at a CE activity in a timely manner (e.g. quarterly) and also no later than 30 days after a Participant has left the Member. Please note that Providers will still have the ability to enter attendance on behalf of Participants.

Members using the Member reporting model should inform their Participants that all CERTS reporting will be handled by the Member and of the CE activities provided by the Member. These Members should also record the Participant's new MFDA ID for their internal records and undertake a reconciliation process of internal records with CERTS to ensure accuracy.

Hybrid Reporting Model – Under this model, some CE activities are provided and reported by the Member. However, Participants are responsible for obtaining and reporting the remaining CE credits necessary to comply with the CE requirements. This approach is most appropriate for Members who want to provide some CE activities for their Participants (e.g. Member conferences) but also expect that Participants seek other CE activities outside the Member.

Members using the hybrid model should inform their Participants that while the Member may offer some CE activities, Participants are responsible for obtaining the remaining CE credits from other Providers and ensuring such activities are reported in CERTS.

Members can also retain an educational Provider to undertake a CE program for the Member including developing and administering CE activities, obtaining accreditation and tracking and reporting CE attendance for the Member's Participants.

It is important to note that, no matter which model the Member follows, the Member is responsible for supervising their Participants' compliance with the CE requirements. In addition, the Member remains responsible for the reporting and maintenance of Participant primary email addresses and leaves of absence in CERTS.

2.2 Member Administrator Roles on CERTS

CERTS was developed to provide flexibility in order to allow for the above models of CE delivery and administration.

To facilitate this, we created 3 user types on CERTS: Participant, Member and Provider. The chart below depicts the various user roles within CERTS:

Function	CERTS User Roles		
	Participant	Member Administrator	Provider
Add New CE Activities		●	●
Revise and Renew CE Activities		●	●
Report CE Activity Attendance	●	●	●
Submit Credit Reduction Report for Leaves of Absence		●	
View Participant CE Details Summary	●	●	
View CERTS Course Catalogue	●	●	●
Enter/Edit Participant primary email address		●	
Enter/Edit Participant alternate email address	●		

As noted in the above chart, certain functions can only be performed by Member Administrator. Credit Reduction Reports for leaves of absence must be entered by Member Administrators only – not Participants. Similarly, primary email addresses of Participants must be provided by Member Administrators. Secondary emails must be provided by Participants.

Members have flexibility to determine roles for various Member Administration staff on CERTS. For example, Members can make only certain staff responsible for entering leaves of absence for Participants or only certain staff responsible for adding CE activities to the Member's course catalogue.

Members can select Member Administrator user roles when submitting a "New Member Administrator Request" to the MFDA. To submit a request for a new Member Administrator, select the "New Administrator Request" link found on the MFDA website and email the completed form to **ce@mfda.ca**.

The various Member Administrator user roles are as follows:

> **User Admin –** The User Admin can add or remove Member Administrators and edit their user roles. This one individual has principal control over the other Member Administrator user accounts. CCOs and UDPs can delegate this role to another individual if they wish. This User Admin role can only be delegated to one individual. Note that the CCO and UDP will still retain the ability

to add, remove or edit the user roles of Member Administrators even if another individual is designated as User Admin.

Participant Admin – A Participant Admin can add/edit Participant primary email addresses and report credit reductions for leaves of absence on CERTS.

CE Activity Admin – The CE Activity Admin can add a CE activity, revise a CE activity and renew a CE activity on CERTS.

CE Attendance Admin – The CE Attendance Admin can report CE attendance for Participants on CERTS.

Member Administrators can be assigned one or all of these roles. Members are responsible for notifying the MFDA of any changes to their Member Administrator accounts.

Members should consider how many resources and Member Administrators will be required based on their size and chosen administration model. For example, Members who utilize the Participant Reporting Model require fewer resources as the Member Administrators will not be reporting CE activity or Participant attendance. Instead Member Administrators will be accessing CERTS to supervise for CE compliance, maintain Participant email addresses and report credit reductions for leaves of absence. Alternatively, under the Member Reporting Model, more Member Administrators with various levels of access may be needed to manage the larger volumes of reporting.

3   USER ACCOUNT ADMINISTRATION

There will be two types of user accounts relevant to Members: Member Administrators and Participants. We note that if an individual is both a Participant and a Member Administrator, they will have two separate accounts for these purposes.

These user accounts require an initial set up and some ongoing administration as outlined below.

3.1   Member Administrator

Each Member will need to complete the "New Member Administrator Request" on the MFDA website providing contact information and roles for each Member Administrator and emailing it to the MFDA at ce@mfda.ca. Please note that the initial assignment of an individual to these roles can only be done by the UDP or CCO. Once the UDP or CCO assigns another individual to the User Admin role, then that individual can add, remove, or edit roles of, other Member Administrators. Please refer to Point 2.2 for further guidance on Member Administrator roles.

Once set up on CERTS, the Member Administrator will receive an email confirmation outlining how to log in. For each Member Administrator that has been requested to receive access to folder on the MFDA Sharefile site (https://mfda.sharefile.com) for the purpose of undertaking bulk uploads of information, a separate confirmation email will be sent.

3.2   Participant

Each Member will need to provide primary email addresses for all of their Participants. This email address should be the address the Approved Person uses to conduct Member business (for example, a corporate email address). Members can enter this for each Approved Person directly into the CERTS system or use a bulk file upload template from CERTS (please see Section 4). The CERTS system will automatically generate an "MFDA ID" for each Approved Person. Members should keep a record of the MFDA IDs of their Participants for their internal records as this number may be useful for future reference and reporting.

After being set up on CERTS, Participants will receive an email outlining how to log into CERTS. Participants will then be asked to provide a secondary email address (for example, a personal email address) to allow Participants continued access to their CERTS account in the event the Participant is no longer registered with a Member. It is the responsibility of the Participant (and not Member Administrators) to provide a secondary email address. Members, however, should remind their Participants to provide a secondary email address to maintain uninterrupted access to their CERTS account. Members should also refer their Participants to the MFDA website (mfda.ca/continuing-education) for further information and guidance

Members should also implement a regular process to provide the MFDA with primary email addresses for newly added Participants or to update CERTS for any changes to primary email addresses. Members should also reconcile the information on CERTS to their internal records on a regular basis.

3.2.1   Dealing Representatives, CCOs and UDPs

CERTS will receive an ongoing feed of NRD data for each Participant registered as a Dealing Representative, CCO or UDP with the Member. This feed will populate CERTS with details such as the name of the Participant, the Member they are registered with and their registration category. As a result, Members will not need to input and track this information for any Participants registered as mutual fund dealing representatives, CCOs or UDPs. Any changes on NRD, such as a Participant transferring from one Member to another, becoming newly registered, or no longer registered, will be reflected automatically on CERTS through the NRD feed. The MFDA CE program also allows for proration of credits for Participants based on periods of deregistration. CERTS will use the NRD feed and automatically prorate requirements if, for example, a Participant becomes registered part way through the cycle, or deregisters and then registers again.

3.2.2   Participants who are not registered on NRD

Participants who are not registered on NRD as Mutual Fund Dealing Representatives, CCOs and UDPs will need to have their accounts created manually in CERTS. This would include any Branch Manager (BM), Alternate BM or Alternate CCO who is NOT also registered as a Dealing Representative, CCO or UDP with the MFDA Member. Members will need to provide the MFDA with details of these Participants in a prescribed format. Once an account has been created for these Participants on CERTS, they will remain Participants of the Member unless the Member informs the MFDA of any changes.

4 METHOD OF ADMINISTRATION

Members can enter information on CERTS either individually into CERTS or on a bulk basis by uploading Excel templates created by the MFDA following the processes outlined below.

Individual Entry

- Complete all the fields directly on CERTS for each record and submit.
- Repeat for each record to be entered.

Bulk Upload

Enter (or import) all the records into the appropriate MFDA mandated MS Excel template. Templates will be created to bulk upload CE activity, attendance, Participant primary email address and leave of absence (LOAs) records. Use of a format other than the MFDA mandated template can result in rejection of the entire file or a higher incidence of processing errors.

- Upload the completed template to the specific MFDA Sharefile folder for your Member for bulk uploads. This folder will be titled in the format of: *(CERTS) Member Legal Name*. If you are an individual with access to other Member folders on Sharefile, ensure you have placed the completed template into the correct folder or it may not be processed.
- CERTS will then process the completed template populating CERTS with the records. Members should wait at least at least 24 hours for this process to complete.
- After processing, Members will be able to note any errors in the file upload on CERTS.

Individual entry is generally preferable for smaller volumes of records, such as the ad hoc addition of a single CE activity. The bulk upload process is more efficient for importing a large number of records, such as the attendance of many reps at a CE activity.

Individual entry has interactive logic checks that flag errors such as incomplete fields, conflicts in information and date issues which should lead to more accurate entry of data. Bulk uploads might be more susceptible to errors as there are no interactive system warnings. Members using a bulk upload will be notified of any records that were rejected due to errors but only after the templates have been processed. To correct bulk upload errors, Members can either correct the relevant record individually within CERTS or submit a bulk upload with the corrected records that were rejected.

5 CE ACTIVITY ADMINISTRATION

5.1 Accreditation

CE activity needs to be to be accredited before it is reported on CERTS. Accreditation may be completed by MFDA Members (self-accreditation), the Chambre de la sécurité financière, IIROC or third party accreditors recognized by the MFDA. MFDA Policy 9 details requirements regarding accreditation and a separate Accreditation Guide is available on the MFDA website.

For Member self-accreditation, the Member must maintain records of the Continuing Education activity. Members should consider assigning dedicated staff who will be responsible for performing the accreditation function and maintaining adequate books and records of the CE activity. Members should also draft and maintain internal policies and procedures for their self-accreditation process that comply with MFDA CE requirements.

5.2 Adding CE Activity

Before adding a CE Activity, Members should consider the following:

- If the Member had the CE activity accredited by another organization, the Member Administrator must provide the accreditation number and upload a copy of the accreditation certificate to MFDA Sharefile. If bulk uploading CE activities that has been accredited by another organization, the accreditation certificate/evidence provided by the accreditor must be uploaded as well. This evidence of accreditation must be given a file name that allows for MFDA staff to quickly identify which accreditation certificate goes with each CE activity;
- Bulk upload functionality is available for adding multiple CE activities at once. The file upload template can be found on the MFDA website;
- If Participants are entering their own attendance, the CE activity MUST be made visible to your Participants by selecting "Display to MFDA Participants registered with, or designated by, the Member";
- Providers can enter their recognized CE activities online, so there would generally be no need for the Member to do this on their behalf.

For detailed instructions on how to add a CE activity on CERTS, please refer to the CERTS Member Administrator User Guide on the MFDA website.

5.3 Renewing a CE Activity

For any expiring CE activities (i.e. where the accreditation period is expiring), a renewal notification with a link will start to appear on the Dashboard of CERTS 30 days prior to their expiry date. Members can renew the activity by adding new accreditation details. The Member is required to enter in the new accreditation number, issue date and attach the Accreditation Certificate.

If any other changes need to be made to the CE activity (please see the guidance for material changes and non-material changes in Section 5.4 below), the Member must utilize the "Edit a CE Activity" form rather than simply renewing it. A Member can only renew an activity if there have been no other changes other than adding new accreditation details. For detailed instructions on how to renew a CE activity on CERTS, please refer to the CERTS Member Administrator User Guide on the MFDA website.

5.4 Changes to a CE Activity

If there are changes to an existing CE activity before the end of the accreditation period for the activity, a Member can make the revisions on CERTS (for specific details on how to make a revision please refer to the CERTS Member Administrator User Guide on the MFDA website). Changes are categorized as "material changes" or "non-material changes".

Material Changes: Generally, these are changes to a CE activity that result in a change in either the number of credits or the category of the credits (e.g. Business Conduct, Business Conduct-Ethics or Professional Development) assigned to a CE activity.

Changes that result in CE categories no longer having credits, a reduction in overall number of credits, or a reduction of credits in any CE category, would be material. This could result from any CE activity that has:

- a reduction in the duration (length);
- the removal, or reduction in coverage of, a subject;
- removal of a test or examination;
- change in format; or
- change in delivery method.

Any such material changes **must** be reported and accompanied by new accreditation.

Changes that result in CE categories being added, an increase in the overall number of credits, or an addition to credits in any CE category, would also be material. This could result from any CE activity being subject to:

- an increase in the duration (length);
- the addition, or increase in coverage of, a subject;
- change in format; or
- change in delivery method.

These material changes must be reported and accompanied by new accreditation **if** the Member wants these additions or increases recognized on CERTS.

Non-Material Changes: These are changes that generally do not affect the number or category of credits. This would include Participant visibility (who can see the CE activity), the CE activity description, the name of the CE activity or the Member's internal activity number.

5.5   Error Correction

If an error was made in entering the CE activity (i.e. a Member Administrator mis-keyed the number of credits and they do not match the accreditation certificate), please contact CE@mfda.ca.

5.6   Other Considerations

Members who deliver their own CE activities should also develop policies and procedures to:

- assess CE activities on a regular basis (e.g. prior to the expiry of current accreditation) to determine if the course will be renewed or be discontinued;
- communicate with Participants when new CE activities are available or when existing CE activities are discontinued;
- maintain their own course catalogue in order to track their own CE activities and perform periodic reconciliations with CERTS to ensure consistency;
- report material changes or error corrections to CE activities on CERTS

6 CE ATTENDANCE ADMINSTRATION

Members who undertake to provide CE activity and report attendance for their Participants should refer to the CERTS Member Administrator User Guide on the MFDA website for detailed guidance.

6.1 CE Activity Attendance Reporting

As previously noted, CERTS receives a data feed from NRD to track the registration and movement of registered individuals. Any attendance entered into a Participant's record will stay on their record in CERTS even if they transfer to a different Member.

As multiple users and user types can enter attendance, CERTS has the ability to recognize duplicate entries of attendance at the same CE activity and recognize the activity once. For example, if a Provider enters the attendance and subsequently a Participant enters attendance at the same CE activity, only the first entry (that of the provider) will be deemed valid.

Participant reporting of CE activities

If Participants are required to enter their attendance, they must upload the evidence of completion and/or attendance of the CE activity given by the Provider. We expect, however, that most Providers will be reporting attendance on behalf of Participants. Participants should understand if a Provider will be reporting attendance in CERTS on their behalf.

Member reporting of CE activities

Members who will be reporting CE attendance on behalf of their Participants may do so by entering each attendance record separately for each Participant or use the bulk upload functionality to report attendance for multiple Participants and/or CE activities. The bulk upload template can be found on the MFDA website. Members should ensure that the course entered onto CERTS is consistent with the attendance record or certificate of completion. Entry of records and/or bulk uploads should be completed on a regular basis in order to keep attendance records as accurate as possible so the Member can determine the current progress of their Participants towards compliance with the requirements.

6.2 Evidence of Attendance at Member CE Activities

Members providing CE activities to their Participants must also implement controls for tracking attendance at the CE activity and maintain evidence of this attendance. Evidence of completion for CE credits, as required under Rule 1.2.6, may be in the form of supporting documentation issued by the Provider, including certificates/other notices of completion, attendance records, or test results.

The method of attendance confirmation can vary depending on the method of delivery. For web-based events this could include tracking of actual screen time to ensure they have viewed the entire event and/or an online test. For in person seminars and conferences it could include manual sign-in and sign out sheets or the scanning of passes upon entry and exit of conference room. For distance education, such as a text book based course, it could include written or online examination.

The Member must retain adequate evidence of the attendance of Participants for a CE activity they provide. This would include background information on the activity such as the Provider's name, the title of the CE activity, the MFDA CE Activity ID #, and the date on which the activity was held. It should also list those who were to attend and contain evidence of actual attendance including items such as the Participants' signature(s) or scanned confirmation of attendance for in person events, screen time for online events, or final exam mark for distance education course.

The Member should also consider, where the Participant has been absent for a period of time during the CE activity, if the amount of time that the person has spent at the CE activity is adequate. For example, a Participant that misses more than 10% of an in person event or webinar may not have attained enough knowledge to be recognized for their attendance.

7   LEAVES OF ABSENCE ADMINISTRATION

As outlined in MFDA Policy 9 and Rule 1.2.6(d) and (e), the proration of CE credits is permitted in certain circumstances where the Participant is absent for a period of at least 4 consecutive weeks. Where a Participant is on a leave of absence (LOA), Members are responsible for its entry onto CERTS. Please note that only Member Administrators can enter LOAs. When an LOA is entered onto CERTS, the credit requirements will automatically be prorated depending on the number of months entered for the Participant's LOA. As a result, we encourage Members to enter these LOAs on a timely basis in order for the Member to get a more accurate understanding of the Participant's progress towards fulfilling the requirements of the MFDA CE Program.

Members have the capability to enter LOA's onto CERTS individually or by bulk upload. As with the other bulk upload options, Members must utilize the appropriate CERTS template and upload the data to the Member's CE uploads folder in the MFDA FTP Sharefile site.

Although CERTS does not ask for any information beyond the length of the LOA, Members may wish to have an individual from a department such as Human Resources undertake entry of LOA so that any source documentation regarding the LOA is not viewed by an individual who should not see such information. Members should follow their own internal protocols for the treatment and handling of any sensitive or confidential information surrounding their Participants' leaves of absence. For any error corrections that are required for LOA's, Members can contact CE@mfda.ca.

For specific details on how to enter a leave of absence for a Participant, please refer to the CERTS Member Administrator User Guide on the MFDA website.

8   COMPLIANCE WITH CREDIT REQUIREMENTS

8.1   Monitoring of Progress

All Members should implement periodic progress checks to ensure Participants are completing and entering their CE credit requirements in a timely manner. Towards the end of the CE cycle, Members

should implement follow-up procedures for Participants who are at risk of not meeting their CE requirements within the prescribed time period.

Throughout the cycle, Members will be able to monitor the progress of their Participants towards compliance with the credit requirements, based on the information (e.g. CE activity attendance) entered. There will be reporting available from CERTS in order to support this. The CERTS dashboard provides an overall snapshot of the Member's Participants whose CE requirements are in progress and those who have not started. The CE Summary page for Participants summarizes each Participant's CE credits earned and still remaining in the cycle which can be exported into a file for reporting purposes.

8.2   Participant (Approved Person) Transfers

As attendance is being tracked on CERTS, it can assist with Participant transfers from another dealer as the Participant can, based on what has been entered, provide evidence to a prospective new Member of their progress towards compliance with the CE requirements. If Participants are unable to provide evidence, the Member can obtain such evidence from the MFDA using the same process as requests to release MFDA enforcement activity history.

After registration of the Participant with the new Member, Members can confirm that the Participant and any completed CE credits (i.e. those shown on the aforementioned evidence from CERTS) have correctly transferred over on CERTS.

8.3   Non-Compliance Process

Participants

MFDA Policy No. 9 states If a Participant has not met the requirements as prescribed under Rule 1.2.6 and Policy No. 9, the MFDA will notify the Member no later than 30 days from: (i) the end of the cycle, (ii) for a returning Participant, upon failure to satisfy any outstanding credits from the immediately preceding cycle, or (iii) at the completion of an assessment of the records maintained by a Participant or Member where a rejection by the Corporation of reported CE credits has resulted in non-compliance for a Participant."

For those Participants for whom the Member received the above notification, Members will be asked to provide the action plan of the relevant Participant to become compliant with the credit requirements (e.g. completion of the outstanding requirements within a specified timeframe) within 15 days. If no reasonable explanation and action plan is received, or if the action plan is not followed, this may lead to a request from the MFDA that the Member suspend the Participant from acting as an Approved Person of the Member. The suspension would continue until the Participant is compliant with the CE requirements.

Participants who are on an LOA at the end of the cycle and have not met the requirements, would need to be compliant within a reasonable period after their return.

Please note that where a Participant had outstanding credit requirements before deregistering in a previous cycle and then becomes reregistered in the subsequent cycle, the outstanding credit requirements from that previous cycle would be carried forward and would need to be satisfied.

Members

MFDA may impose a fee of $2,500 per Participant where a Member's actions have resulted in non-compliance by their Participants. For example, fees may be imposed where a Member performs self-accreditation that is materially deficient resulting in significant non-compliance by their Participants.