



September 20, 2019

Ken Woodard
Director, Membership Services & Communications
Mutual Fund Dealers Association of Canada
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Dear Mr. Woodard:

Re: Continuing Education (CE) Accreditation Process – Proposed MFDA Rule 1.2.6 and Policy No. 9

Thank you for the opportunity to comment on the proposed Continuing Education (CE) accreditation process. Overall, we support the MFDA's initiative to introduce a CE program, and our comments are generally aligned with making the process easier for Member firms.

ACCREDITATION PROCESS

We are supportive of the MFDA offering accreditation services (directly or through a delegate), provided that Course Providers have a choice in which accreditation service providers they choose to work with. A lack of accreditation options has been a source of complaint by several participants in the securities industry.¹

The proposed minimum standards for Third Party Accreditors is restrictive. The wording suggests that an individual, wanting to become an accreditation provider, would need to work with another SRO for five years in order to become eligible, despite that individual's qualifications.

We fully support high standards for assessing course content, and recommend that the MFDA evaluate Third Party Accreditors based on their specific experience and qualifications for evaluating industry content. In addition to financial services industry experience, this might also include formal training in adult education as well as curriculum design.

¹ [IFB](#) [Kenmar Associates](#) [CFA](#) [RBC](#) [SUI](#)

ALTERNATIVE PROPOSALS

Learnedly proposed an alternative accreditation process in a recent comment letter to IIROC: [Learnedly Comments to IIROC](#)

FEES

The suggested fee structure for accrediting courses and the listing fee are excessive. We understand that CERTS would operate on a cost recovery basis, and that the desire is to save Member firms from incurring any costs; however, the proposed fees for Third Party Accreditors and Course Providers are problematic for three reasons:

1. Member firms and Approved Persons will indirectly pay for these fees anyway – either in the form of more expensive course options or in limited course options.
2. Some education providers will be unable to participate in offering courses, leaving a gap to be filled by larger companies who's core business may or may not be education - as has been the case with CECAP for IIROC Registrants.

In Cycle 6 (2015 – 2017), ten course providers accounted for 58% of all CECAP accredited Courses, but represented just 7.3% of the total course providers. And for nine of the top 10 Course Providers, education is not their core business.²

3. The suggested pricing structure for course accreditation and the proposed pricing structure for 'listing' courses onto CERTS favours the development of longer, more traditional courses, rather than shorter courses.

For modern continuing education, the preferred course is less than an hour and as short as 10 minutes, which make for a more targeted and applicable learning experience for busy, professional adult learners.

Under the proposed pricing structure, the cost to develop one 5-hour Course would cost as much as \$6,75 (\$375 accreditation fee + \$300 listing fee). On the other hand, to develop ten-30 minute courses (5 credit hours), a Course Provider could pay as much as \$6,750 ((\$375 accreditation fee x 10) + (\$300 listing fee x 10)).

Using a pricing model that supports modern learning will foster the development of more modern courses and will create a more positive learning experience among Registrants.

² Cecap.ca

THE MFDA CERTS

We were unable to gather enough information about CERTS from the MFDA's Bulletin in order to provide informed comments. We see potential challenges that exist with this proposal, but without a better understanding of its design and configuration, we elected to withhold comments which may be redundant or not applicable.

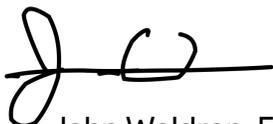
We would be happy to meet with MFDA project stakeholders to learn more about CERTS and to provide further comment on its proposed implementation.

CONCLUDING POINTS

The MFDA has a wonderful opportunity to demonstrate leadership with continuing education in the financial services industry. Course Providers often feel that accreditation requirements are a tax on education – particularly when content must be accredited multiple times.

The MFDA can collaborate with existing accreditation providers in a way that reduces the overlap and redundancy that Course Providers face. MFDA Registrants will benefit by having more courses to choose from and enjoy a more modern learning experience.

Sincerely,



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