

The Investment Industry Regulatory Organization of Canada (IIROC) is issuing this Investor Bulletin to help investors understand what certain financial certifications mean, what it takes to achieve them and to offer resources that provide important information about advisors' certifications and registrations.

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Not all certifications are created equal There is no shortage of financial certifications in use in the Canadian financial services industry. The standards for achieving financial certifications are equally diverse, ranging from rigorous and demanding to less stringent. For example, the use of certain certifications may require that a financial advisor meet strict criteria for relevant work experience and ongoing education, and adhere to a code of ethics or standards of professional conduct. Other certifications can be obtained with less effort, training or experience.

A financial certification is not the same as a registration or a license Educational achievements and professional experience are important considerations, as are licensing and registration. The certificates used by financial advisors do not mean that they are registered or licensed with a regulator or other authority. In general, if you are a retail investor who is purchasing securities, such as stocks, bonds, mutual funds and ETFs, the person selling and advising you must be registered in the province and territory where you live. Before purchasing an investment product or seeking investment advice about such products, check to see if the person is registered. The fact that registrations and licenses are granted by provincial and territorial regulatory authorities can help protect you as an investor since securities regulators will only register individuals who are properly qualified.

At the same time, being registered doesn't guarantee that an investment is right for you. There is a wide range of firms and individuals offering many different kinds of products and advice. Further, the level of skills, areas of expertise, and even the fees they charge can vary. Above

all, the financial advisor you choose should understand your financial situation and investment objectives, and be willing to work with you to meet those goals.

What does being registered with IIROC mean? A financial advisor advising retail clients and who is regulated by IIROC is required to complete a rigorous curriculum that includes the Canadian Securities Course (135-200 hours of study with two 2-hour exams), the Conduct and Practices Handbook Course (40-55 hours of study with one 3-hour exam), and a 90-day training program. In addition, within 30 months of registration with IIROC, advisors must complete the Wealth Management Essentials Course (110-160 hours of study with two 3-hour exams).

IIROC also expects advisors to stay current, so advisors must participate in a Continuing Education program that requires 12 hours of compliance courses and 30 hours of professional development courses every three years.

IIROC not only sets proficiency standards for individuals who work at IIROC firms, we also continually review these standards with input from IIROC's Education and Proficiency Committee, to ensure that opportunities to improve educational content are identified and addressed in collaboration with Canadian Securities Institute (CSI) Global Education Inc., and that course content reflects current marketplace realities.

Marketing versus expertise When choosing a financial advisor, look beyond the letters that follow an individual's name or business title. No matter how impressive it sounds, a business title or certificate alone doesn't tell you whether a financial advisor has the skills you're looking for. A certification may be given by a trade group, or an industry organization may certify its members. So, the credentials associated with the certificate could be subjective or specific to the group that awarded it. Affiliation of a certification with a private group could also make it difficult for you, the investor, to lodge a grievance because some organizations simply do not take complaints against their members.

Learn what's behind the certification You should never select a financial advisor based on his or her certifications. Always do your homework! If a financial advisor uses a certain certification or designation or otherwise represents him/herself as having special expertise, ask questions and find out what these credentials really mean.

To help you sort through the various certifications held out by financial advisors, IIROC has created a [Glossary of Financial Certifications](#) - an easy-to-use online resource that contains information on over 40 certifications used by advisors in the Canadian financial services industry. In one central searchable location, you can learn about and compare what the various certifications mean and what an advisor did to achieve them. The Glossary includes information on:

- The issuing organization;
- Whether the issuing organization will confirm the status of the individual certificate holder;
- The type(s) of exams required to be certified;
- Other prerequisites such as education and experience;
- Ongoing continuing education requirements; and
- Investor complaint and public disciplinary processes of the issuing organizations, where available.

What is not included in the Glossary*IIROC does not grant, approve, endorse or rank any financial certifications or advisor business titles.*

The Glossary is not inclusive of all financial certifications and specifically does not include certifications related to business degrees from accredited colleges and universities. In some cases, you will have to contact the issuing organization directly for information, such as:

- To find out which products or services the certification allows the advisor to provide or sell;
- To confirm that an advisor is currently authorized to use a certain certificate; or
- To find out whether an advisor has been disciplined, when the issuing organization has a public disciplinary process in place.

How to get more information about an advisor Because investment industry regulators will only register properly qualified individuals, the online services and tools from industry regulators are great sources of background information about registered advisors.

- [IIROC AdvisorReport](#) : Users can check the backgrounds and qualifications of more than 22,000 investment advisors working in over 200 firms regulated by IIROC. Each report provides information about an advisor's educational qualifications, employment history with IIROC-regulated firms, the services and products that she or he is approved by IIROC to offer, and a record of any disciplinary history.

- [National Registration Search](#) : The Canadian Securities Administrators (CSA) maintains the National Registration Search, a web-based database containing the names of all

registrants in Canada, with the exception of those registered solely with the Ontario Securities Commission. Information on past and current disciplinary action against individuals may be found on the CSA's

[Disciplined Persons List](#)

on its website at

www.securities-administrators.ca

- [OSC Registrant List](#) : To obtain details on anyone selling securities, offering investment advice or managing a mutual fund in Ontario (unless they have an exemption), investors can use the Ontario Securities Commission's Registrant Search on its website at

www.osc.gov.on.ca

Here, investors can learn if a firm or individual is registered with the OSC, what category they are registered in, and if there are any terms and conditions on their registration. (Each category has different requirements and permits different activities.)

ADDITIONAL INFORMATION AND RESOURCES Investor education plays a key role in IIROC's goal of protecting investors. IIROC maintains on its website at

www.iiroc.ca

a special section for investor education, featuring easy-to-use tools and access to industry resources:

TAKE ACTION: Questions to ask a financial advisor about his or her certification

With so many certifications in use, these simple questions can help you make sense of the broad range of financial certifications in the industry:

- What is the name of the organization that awarded your certification?
- What training or courses were required to earn the certification?
- Are there certain ethical or other requirements needed to receive the certification?
- Does the designation or certification require a certain level of work experience or education?
- Did you have to pass an exam? What kind of exam - in-class or online?
- For how long is your certification valid?
- Do you have to take ongoing refresher/continuing education courses to maintain the certification?
- How can I check that your designation or certification is current?

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