

Registration Requirements for Individuals

Adviser Registration

Firms must register as an adviser if they engage in the business of, or hold themselves out as being in the business of, advising anyone with respect to investing in, buying or selling securities. The categories of registration for a firm required to register as an adviser are:

Portfolio Manager – a portfolio manager is authorized to provide advice to a client with respect to investing in, buying or selling any type of security, with or without discretionary authority granted by the client to manage the client’s portfolio. The registration requirement applies to advisers who give “specific advice”. Advice is specific when it is tailored to the needs and circumstances of a client, including recommending a security to a client.

Restricted Portfolio Manager – a restricted portfolio manager may act as an adviser in respect of specific securities, classes of securities, a class of issuers or a sector in accordance with the terms and conditions applied to its registration that limit the manager’s activities (e.g. restricted to advising in oil & gas sector).

Registration Requirements for Individuals

Individuals must register if they advise on behalf of a registered adviser, or act as the ultimate designated person (UDP) or chief compliance officer (CCO) of a registered firm. Except for the UDP and the CCO, individuals who act on behalf of a registered IFM do not have to register. An individual can be registered in a firm category (e.g. a sole proprietor registered in the firm category of portfolio manager). A registered firm is responsible for the conduct of the individuals whose registration it sponsors. The firm must undertake due diligence before sponsoring an individual to be registered to act on its behalf and has an ongoing obligation to monitor and supervise its registered individuals in an effective manner. Securities regulators assess an individual’s proficiency, integrity and solvency in determining fitness for registration.

Proficiency - individual applicants must meet the applicable education, training and experience requirements prescribed by securities legislation for their category of registration and demonstrate knowledge of securities legislation and the securities they recommend.

Integrity - individuals must also conduct themselves with integrity and have an honest character. The securities regulators will assess the integrity of individuals through their registration application and ongoing compliance reviews.

Solvency – the securities regulators will assess the individual’s overall financial condition. An individual that is insolvent or has a history of bankruptcy may not be fit for registration.

Categories of Registration for Individuals

The categories of registration for an individual required to register on behalf of a registered adviser are:

Advising Representative – an advising representative may act as an adviser in respect of a security that the individual’s sponsoring firm is permitted to advise on.

Associate Advising Representative – an associate advising representative may act as an adviser in respect of a security that the individual’s sponsoring firm is permitted to advise on, provided that the advice has been approved by the designated advising representative for that individual.

Education and Experience Requirements

An individual must not perform an activity that requires registration unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently, including understanding the structure, features and risks of each security the individual recommends. The education, training and experience requirements for each individual category of registration is set out in the chart below.

The requirement to understand the structure, features and risks of each security recommended to a client is a proficiency requirement. It is the responsibility of a sponsoring firm to oversee the compliance of registered individuals acting on their behalf extends to ensuring that they are proficient at all times.

Portfolio Manager	
Advising Representative	Associate Advising Representative
One of these two options: 1. CFA and 12 months of relevant investment management experience in the 36-month period before applying for registration. 2. CIM and 48 months of relevant investment management experience (12 months gained in the 36-month period before applying for registration).	One of these two options: 1. Level 1 of the CFA and 24 months of relevant investment management experience. 2. CIM and 24 months of relevant investment management experience.

Securities regulators may grant exemptions from the education and experience requirements if an individual has qualifications or relevant experience that is equivalent to or more appropriate in the circumstances.

Relevant Securities Industry Experience

Securities industry experience may include employment at a registered dealer or in related investment fields such as investment banking, securities trading on behalf of a financial institution or supervision of those activities, in legal, accounting or consulting practices related to the securities industry, in other professional service fields that relate to the securities industry or in a securities related business in a foreign jurisdiction.

The relevant investment management experience prescribed for advising representatives and associate advising representatives does not have to be consecutive or with the same firm; but must have been obtained in the 36 months before the application for registration. Also, for individuals just completing their CFA, the securities regulators will decide on a case-by-case basis whether the experience they gained to earn the CFA qualifies as relevant investment management experience.

Relevant investment management experience may include:

- (a) securities research and analysis, which demonstrates an ability in, and understanding of, portfolio analysis or portfolio security selection; or
- (b) managing investment portfolios on a discretionary basis, including investment decision-making, rebalancing and evaluating performance.

Advising representatives may acquire relevant investment management experience during employment in a portfolio management capacity with a registered investment dealer or adviser firm.

Relevant investment management experience for associate advising representatives may include working at: (a) an unregistered portfolio manager of a Canadian financial institution; or (b) an adviser that is registered in another jurisdiction of Canada or a foreign jurisdiction.

In support of an application for registration as an advising representative, an individual must demonstrate relevant investment management experience by providing the following:

- (a) types of securities analyzed/managed/sold
- (b) types of financial analysis performed (i.e., technical, fundamental, quantitative)
- (c) size of portfolio (dollar amount under discretionary management, or that of supervisor)
- (d) experience in portfolio security selection
- (e) dates of the relevant responsibility (previous and current)
- (f) reference letters from immediate supervisors confirming duties

For more information, please see [CSA Staff Notice 31-332 Relevant Investment Management Experience for Advising Representatives and Associate Advising Representatives of Portfolio Managers](#).

Time Limits on Examination Requirements

Generally, an individual must have passed an examination that forms part of the education requirements for registration not more than 36 months before the date of his or her application for registration. Individuals must pass exams to meet the education requirements, but do not have to complete the courses. An individual may be permitted to have passed the examination more than 36 months before the date of his or her application if the individual:

- was registered in the same category of registration in any jurisdiction of Canada at any time during the 36-month period before the date of his or her application; or
- has gained 12 months of relevant securities industry experience during the 36-month period before the date of his or her application.

Restriction on Acting for Another Registered Firm

Generally, a registered firm may not permit an individual to act as an advising representative or associate advising representative of the firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the firm, or is registered as a dealing, advising or associate advising representative of another registered firm unless such registration with more than one firm was granted before July 11, 2011. Securities regulators will consider granting an exemption from this requirement if there are valid business reasons for doing so.

Contact information for the members of the Canadian Securities Administrators can be found [here](#).