



CIRCULAR
June 11, 2003

**POLICY F-3
REQUIRED CONDITIONS FOR GRANTING AN EXEMPTION
TO A COURSE OR AN EXAMINATION OF THE INDUSTRY**

The Special Committee – Regulatory Division of Bourse de Montréal Inc. (the “Bourse”) has approved new Policy F-3 of the Bourse regarding the conditions required to obtain an exemption from taking a course, redoing a course or writing an examination normally required from a person seeking an approval of the Bourse in a given category. This new Policy is effective immediately.

Policy F-3 of the Bourse is in three parts. Part A specifies what are the exemptions to retake courses already completed by candidates when they have never been registered or approved, have allowed their registration or approval in a specific category to lapse or have left the securities industry. These exemptions will apply only if the candidate complies with the prescribed delays. In a general manner, a candidate will have three years before having to retake the Canadian Securities Course and two or three years, depending on the circumstances, for all the other courses.

Part B provides the exemptions for a candidate from the obligation to take a course or to pass an exam if he was already approved on a continuous basis at the inception of one of the courses or exams mentioned in this Part or if he has successfully completed some other courses or exams within the prescribed delays. These prescribed delays are similar to those provided in Part A.

Finally, Part C specifies the circumstances in which the Bourse may grant on a discretionary basis an exemption to retake a prescribed course or to rewrite a prescribed exam. The approval of such an exemption is based on the candidate’s demonstration that he has an adequate experience and/or that he has successfully completed courses or exams in the securities subject field that can be considered as acceptable equivalents of the usual proficiency requirements prescribed in current Policy F-2 of the Bourse.

For any additional information, please contact Mrs. Catherine Lefebvre, Legal Counsel and supervisor, Registration and Disciplinary Affairs at (514) 871-4949, extension 497, or by e-mail at clefebvre@m-x.ca.

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POLICY F-3

REQUIRED CONDITIONS FOR GRANTING AN EXEMPTION TO A COURSE OR AN EXAMINATION OF THE INDUSTRY

(11.06.03)

Introduction

This policy outlines the exemptions that exist from the course and examination requirements for persons seeking to be approved in certain categories of registration. It exempts applicants from the requirement to retake courses or examinations that they have successfully completed if they are re-entering the securities industry, re-registering in a category of registration or seeking initial registration within certain time periods. This policy also provides exemptions to applicants from the requirements to initially take a course or write an examination if the applicant satisfies one of the specifically enumerated exemptions based on grandfathering provisions or the successful completion of other courses and examinations. Finally, this policy sets out the basis upon which the Bourse may grant a discretionary exemption.

Definitions

For the purposes of the present policy:

«IFIC» means the Investment Funds Institute of Canada;

«recognized foreign self-regulatory organization» means a foreign self-regulatory organization recognized by a concerned securities authority and that has similar requirements as the Bourse in terms of efficiency and approval and which offers a reciprocal treatment to Canadian applicants and which has been approved as such by the Bourse;

«approved person» means an applicant that is approved by and registered with a self-regulatory organization in a category of registration;

«approved person as investment representative» means a non-retail representative, a discount broker representative and a sales assistant;

The Canadian Securities Institute, unless otherwise specified, administers all courses and examinations.

A. Exemptions to retake courses

The Canadian Securities Course

An applicant will be exempted from retaking the Canadian Securities Course if he satisfies one of the following requirements:

- a) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
- b) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;

- c) he is currently seeking approval within three years of successfully completing the Canadian Securities Course.

An applicant will be exempted from retaking a course listed below if he satisfies one of the following requirements:

- a) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
- b) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
- c) he is currently seeking approval within two years of successfully completing the course for which he wants to be exempted from retaking.

The Conduct and Practices Handbook Course (formerly the Registered Representative Manual Examination);

The Partners, Directors and Senior Officers Course (formerly the Partners, Directors and Senior Officers Qualifying Examination);

The Derivatives Fundamentals Course;

The Options Licensing Course (formerly the Canadian Options Course);

The Options Supervisors Course (formerly the Registered Options Principals Qualifying Examination);

The Futures Licensing Course (formerly the Canadian Futures Examination, Parts I and II, formerly the National Commodity Futures Examination and the Canadian Commodity Futures Examination);

The Canadian Commodity Supervisors Examination;

The Branch Managers Course (formerly the Canadian Branch Managers Qualifying Examination);

The Professional Financial Planning Course;

The Investment Management Techniques Course;

The Canadian Investment Funds Course administered by the Investment Funds Institute of Canada;

The Investment Funds in Canada Course administered by the Institute of Canadian Bankers;

The Principles of Mutual Funds Investment Course administered by the Company Trust Institute.

B. Course Exemptions

The Canadian Securities Course

An applicant will be exempted from taking the Canadian Securities Course if he satisfies one of the following requirements:

- a) he has been continuously approved as a registered representative since November 1962;
- b) he has successfully completed the previously existing Investment Dealers Association of Canada (IDA) Course I and II, or the previously existing IDA Course I and has acquired five consecutive years of experience in the securities industry and provided he satisfies one of the following requirements:
 - i) he is currently approved as a registered representative or investment representative;
 - ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of the registration of that category lapsing.
- c) he has successfully completed the Canadian Investment Management program, Parts I and II and he satisfies one of the following requirements:
 - (i) he is currently approved as a registered representative or investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Canadian Investment Management program, Parts I and II.
- d) he has been licensed with a recognized foreign self-regulatory organization or, if applicable, with a competent securities authority prior to submitting his application to the Bourse and he has successfully completed the New Entrants Course.

The Conduct and Practices Handbook Course (formerly the Registered Representative Manual Examination)

An applicant will be exempted from taking the Conduct and Practices Handbook Course if he satisfies one of the following requirements:

- a) he has been approved continuously as a registered representative since December, 1971;
- b) he has successfully completed the Partners, Directors and Senior Officers Course and he satisfies one of the following requirements:
 - (i) he is currently approved as a partner, director, senior officer, registered representative or investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Partners, Directors and Senior Officers Course.

The Partners, Directors and Senior Officers Course (formerly the Partners, Directors and Senior Officers Qualifying Examination)

An applicant will be exempted from taking the Partners, Directors and Senior Officers Course if he satisfies the following requirement:

- a) he has been continuously approved as partner, director or senior officer since January 1971.

The Derivatives Fundamentals Course

An applicant will be exempted from taking the Derivatives Fundamentals Course if he satisfies one of the following requirements:

- a) he has successfully completed the Options Licensing Course and he satisfies one of the following requirements:
 - (i) he is currently approved as an options approved representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;

- (iv) he is currently seeking approval within two years of successfully completing the Options Licensing Course.
- b) he has successfully completed the Futures Licensing Course and he satisfies one of the following requirements:
 - (i) he is currently approved as an approved representative for futures contract and options on futures contract;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Future Licensing Course.
- c) he has successfully completed the National Commodity Futures Examination administered by the National Association of Securities Dealers and the Canadian Commodity Futures Examination and he satisfies one of the following requirements:
 - (i) he is currently approved as an approved representative for futures contracts and options on futures contracts;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing.

The Options Licensing Course (formerly the Canadian Options Course)

An applicant will be exempted from taking the Options Licensing Course if he satisfies one of the following requirements:

- a) he has successfully completed the Put/Calls examination offered by The Toronto Stock Exchange, the Vancouver Stock Exchange or the Montreal Exchange and he satisfies one of the following requirements:
 - (i) he is currently approved as an options approved representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing.

- b) he has successfully completed the Options Licensing Course and he satisfies one of the following requirements:
 - (i) he is currently approved as an options approved representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Options Licensing Course.

The Options Supervisors Course (formerly the Registered Options Principals Qualifying Examination)

An applicant will be exempted from taking the Options Supervisors Course if he satisfies one of the following requirements:

- a) he has been continuously approved as an options principal since January 1978;
- b) he has successfully completed the Options Supervisors Course and he satisfies one of the following requirements:
 - (i) he is currently approved as an options principal;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking registration within two years of successfully completing the Options Supervisor Course.

The Futures Licensing Course (formerly the Canadian Futures Examination, Parts I and II, formerly the National Commodity Futures Examination and the Canadian Commodity Futures Examination)

An applicant will be exempted from taking the Futures Licensing Course if he satisfies the following requirements:

- a) he has successfully completed:
 - (i) either the National Commodity Futures Examination and the Canadian Commodity Futures Examination;

- (ii) or the Canadian Futures Examination, Parts I and II;
 - (iii) or the National Commodity Futures Examination and the Canadian Futures Examination, Part II;
 - (iv) or the Canadian Commodity Futures Examination and the Canadian Futures Examination, Part I.
- b) he satisfies one of the following requirements:
- (i) he is currently approved as an approved representative for futures contracts and options on futures contracts;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the course requirements outlined in subparagraph (a) above.

The Canadian Commodity Supervisors Examination

An applicant will be exempted from taking the Canadian Commodity Supervisors Examination if he satisfies the following requirements:

- a) he has been continuously licensed as a Future contracts and options on futures contracts principal since January 1980.

The Branch Managers Course (formerly the Canadian Branch Managers Qualifying Examination)

An applicant will be exempted from taking the Branch Managers Course if he satisfies one of the following requirements:

- a) he has been continuously approved as branch manager since August 1, 1987;
- b) he has successfully completed the Branch Managers Course and he satisfies one of the following requirements:
 - (i) he is currently approved as branch manager;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;

- (iv) he is currently seeking approval within two years of successfully completing the Branch Managers Course.
- c) he has been continuously approved as sales manager since January 24, 1994, unless the applicant is a sales manager currently seeking approval as a branch manager;
- d) he has successfully completed both:
 - (i) the Partners, Directors and Senior Officers Course (formerly, the Partners, Directors and Officers Qualifying Examination) prior to February 1, 1990, and he satisfies one of the following requirements:
 - A. he is currently approved as partner, director or officer;
 - B. he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - C. he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing.
 - (ii) the Options Supervisors Course and he satisfies one of the following requirements:
 - A. he is currently approved as an options principal, an options alternate or a branch manager;
 - B. he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - C. he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - D. he is currently seeking approval within two years of successfully completing the Options Supervisors Course.

The Professional Financial Planning Course

An applicant will be exempted from writing the Professional Financial Planning Course if he satisfies one of the following requirements:

- a) he was an approved person for a minimum of two years with a securities commission or recognized foreign self-regulatory organization and has not been out of the industry for a period of more than three years;
- b) he has successfully completed the Chartered Financial Analyst designation administered by the Association for Investment Management and Research and he satisfies one of the following requirements:

- (i) he is currently approved as a registered representative or an investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of the registration of that category lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Chartered Financial Analyst designation administered by the Association for Investment Management and Research.
- c) he has successfully completed the Financial Planner designation administered by the Institut québécois de planification financière and he satisfies one of the following requirements:
- (i) he is currently approved as a registered representative or an investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of the registration of that category lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the financial planner designation administered by the Institut québécois de la planification financière.
- d) he has successfully completed the Canadian Investment Management program, Part I and he satisfies one of the following requirements:
- (i) he is currently approved as a registered representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Canadian Investment Management program, Part I.

The Investment Management Techniques Course

An applicant will be exempted from taking the Investment Management Techniques Course if he satisfies one of the following requirements:

- a) he was an approved person for a minimum of two years with a securities commission or recognized foreign self-regulatory organization and has not been out of the securities industry for a period of more than three years;

- b) he has successfully completed the Chartered Financial Analyst designation administered by the Association for Investment Management and Research and he satisfies one of the following requirements:
 - (i) he is currently approved as a registered representative or an investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of the registration of that category lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Chartered Financial Analyst designation administered by the Association for Investment Management and Research.

- c) he has successfully completed the Financial Planner designation administered by the Institut québécois de planification financière and he satisfies one of the following requirements:
 - (i) he is currently approved as a registered representative or an investment representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of the registration of that category lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the financial planner designation administered by the Institut québécois de la planification financière.

- d) he has successfully completed the Canadian Investment Management program, Part I, and he satisfies one of the following requirements:
 - (i) he is currently approved as a registered representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within two years of successfully completing the Canadian Investment Management program, Part I.

The Canadian Investment Funds Course

An applicant will be exempted from taking the Canadian Investment Funds Course administered by the Investment Funds Institute of Canada if he satisfies the following requirement:

- a) he has successfully completed the Canadian Securities Course and he satisfies one of the following requirements:
 - (i) he is currently licensed as a group saving representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within three years of successfully completing the Canadian Securities Course.

The Investment Funds in Canada Course

An applicant will be exempted from taking the Investment Funds in Canada Course administered by the Institute of Canadian Bankers if he satisfies the following requirement:

- a) he has successfully completed the Canadian Securities Course and he satisfies one of the following requirements:
 - (i) he is currently approved as a group saving representative;
 - (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
 - (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
 - (iv) he is currently seeking approval within three years of successfully completing the Canadian Securities Course.

The Principles of Mutual Funds Investment Course

An applicant will be exempted from taking the Principles of Mutual Funds Investment Course administered by the Company Trust Institute if he satisfies the following requirement:

- a) he has successfully completed the Canadian Securities Course and he satisfies one of the following requirements:
 - (i) he is currently approved as a group saving representative;

- (ii) he was an approved person, currently seeking to re-enter the securities industry within the same category of registration within three years of his registration lapsing;
- (iii) he is an approved person, currently seeking re-registration within the same category of registration within three years of that category of registration lapsing;
- (iv) he is currently seeking approval within three years of successfully completing the Canadian Securities Course.

C. Discretionary Exemptions

The Bourse may grant an exemption from the requirement to take or retake any prescribed course or to write or rewrite a prescribed examination, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption, if the applicant demonstrates adequate experience and/or successful completion of securities industry courses or examinations that the Bourse, in its opinion, determines as being an acceptable alternative to the required proficiency.

The Bourse may reserve its right to impose such additional conditions that it may deem necessary in order to ensure compliance with the purpose of the present policy.