

August 27, 2025

Canadian Investment Regulatory Organization (CIRO)
Suite 2600, 40 Temperance Street
Toronto, Ontario M5H 0B4
memberpolicymailbox@ciro.ca

Trading and Markets
Ontario Securities Commission
22nd Floor, 20 Queen Street West
Toronto, Ontario M5H 3S8
TradingandMarkets@osc.gov.on.ca

Capital Markets Regulation
B.C. Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
CMRdistributionofSROdocuments@bcsc.bc.ca

Re: Disgorgement – Proposed Amendments to the Mutual Fund Dealer Rules

FAIR Canada is pleased to provide comments in response to the above-referenced Consultation.

FAIR Canada is a national, independent, non-profit organization known for balanced and thoughtful commentary on public policy matters. Our work includes advancing the rights of investors and financial consumers in Canada through:

- Informed policy submissions to governments and regulators
- Relevant research focused on retail investors
- Public outreach, collaboration, and education
- Proactive identification of emerging issues.¹

We strongly support the proposal to explicitly provide for disgorgement in the Mutual Fund Dealer Rules, aligning them with the Investment Dealer and Partially Consolidated Rules. This change will add clarity and predictability for mutual fund dealers and their Approved Persons. It will also ensure CIRO hearing panels have clear authority to order disgorgement as a separate sanction. Harmonizing these rules is essential for stronger enforcement and for building public confidence in Canada's capital markets.

¹ Visit www.faircanada.ca for more information.

We also support CIRO's plan to implement these amendments in 2026, rather than waiting for the consolidated rulebook. This approach demonstrates CIRO's responsiveness to stakeholder feedback and commitment to timely improvements for investors. The impact assessment and consultation process reflect a thoughtful and transparent approach to regulatory change.

We believe that allowing the distribution of disgorged funds to harmed investors is in the public interest and will lead to fairer outcomes for retail investors. We encourage CIRO to keep working with stakeholders and to monitor how the new rules work in practice. We look forward to continuing to work together to ensure that the regulatory system evolves in ways that best serve investors and the public interest. Please do not hesitate to contact us for further discussion or input as this initiative progresses.

Thank you for considering our comments. We will post our submission on the FAIR Canada website and have no concerns with CIRO or the regulators publishing it on their websites.

Sincerely,



Jean-Paul Bureaud
President, CEO and Executive Director
FAIR Canada | Canadian Foundation for Advancement of Investor Rights