



CIBC INVESTOR'S EDGE

**CIBC Investor Services Inc.**  
CIBC Square  
81 Bay Street  
Toronto, ON M5J 0E7

November 10, 2025

Delivered By Email: [memberpolicymailbox@ciro.ca](mailto:memberpolicymailbox@ciro.ca)

**Member Regulation Policy**

Canadian Investment Regulatory Organization  
Suite 2600  
40 Temperance Street  
Toronto, Ontario M5H 0B4

Dear Sirs and Mesdames:

**RE: CIRO – Proposed new guidance on order execution only account services and activities**

We are writing on behalf CIBC Investor Services Inc. in response to the above-noted proposal that was published for comment on August 12, 2025. We thank CIRO staff for allowing order execution only dealer members to comment on the proposed changes to the guidance, and to present our perspective on the issues raised.

The CIBC Investor's Edge division of CIBC Investor Services Inc. is among the leading OEO dealer businesses in Canada, and we support the proposal to allow for more decision-making support tools for our clients by narrowing the types of communications that are considered to be prohibited recommendations. The existing guidance for OEO dealers regarding prohibited recommendations published in March 2021 is so broad that it limits the ability of OEO dealers to empower their clients with tools to make informed decisions for themselves.

We have reviewed the comment letters prepared by the Securities and Investment Management Association and Canadian Banker's Association, and we support and agree with the comments and responses in those letters. We also wish to add the following comments:

- **Multiple Decision-Making Supports:** We disagree with the suggestion in section 2.2.2(c) of the request for comments that an OEO dealer must avoid the sum output of decision-making supports or a combination of decision-making supports if the output is a specific security. We submit that, rather than focus on the output of a tool or combination of tools, the question of whether a prohibited recommendation has been made should be based on whether the output is tailored to the client or endorsed by the OEO dealer. If a specific investment is the output of a tool or combination of tools based on inputs selected by the client without any tailoring by the OEO dealer and it is clear

that the OEO dealer is not endorsing any specific investment, that output should not be considered to be a recommendation made by the OEO dealer. .

- **Conflicts of Interest – Product Shelf:** The executive summary of the request for comments suggests that any OEO dealer contemplating restricting its product shelf wholly or largely to proprietary products should contact CIRO at an early stage in its planning. This is a new requirement. There was no suggestion that such a requirement applied when the CSA adopted conflict of interest rules in 2021, and CIRO has never suggested before that OEO dealers need approval to operate in a manner that non-OEO dealers are free to do without consulting CIRO first. OEO dealers should be entitled to rely on the same conflict of interest rules and guidance that apply to all dealers.
- **Conflicts of Interest – Pricing Incentives:** We support the proposal to remove the provisions relating to pricing incentives from the existing guidance from OEO dealers, because we think that it will “level the playing field” given that many OEO dealers have been offering proprietary pricing incentives for many years. In order to maintain equal treatment among OEO dealers in the future, we request that the proposed guidance include a clear statement that a pricing incentive will not be considered to be a prohibited recommendation because it only applies to proprietary products. Relationship pricing is an accepted practice among financial institutions in Canada, and there is no reason why OEO dealers should be treated differently from other financial institutions. Similarly, we request that the proposed guidance include a clear statement that making clients aware of a pricing offer is not necessarily an endorsement of the product.
- **Alerts and Notifications:** Section 3.1.1 of the proposed guidance suggests that an alert or notification won’t be considered to be a prohibited recommendation provided that the OEO dealer only makes use of “limited” client-specific information. There is no indication of what that limit is, or why a limit is necessary. If the client’s information is used by the OEO dealer to foster client understanding and encourage objectively positive investment behaviors, it shouldn’t matter if the OEO dealer uses limited or an extensive amount of client information.

We are strongly supportive of enabling alerts as decision supports as discussed in Section 2.2.2. However, we believe that without a minimum objective standards some dealers may choose not to risk providing alerts to their clients. It would be helpful to consider providing examples of alerting requirements based on objective measures, similar to the establishment of circuit breaker conditions on exchanges where market price declines 7%, 13% or 20% from the previous day.

- **Filtering Tools:** Many investors are overwhelmed with the variety of investment choices available to them, and may not be able to identify the filtering criteria that can bring their list of potential investments down to a manageable list of choices. We request that the proposed guidance include a statement that an OEO dealer can provide clients with sample filters or pre-set screens, provided that the OEO dealers follow the safeguards

for sample portfolios, such as having a range of sample filters, clear descriptors, transparent methodology, etc.

Thank you in advance for your consideration on these issues. We would be happy to further discuss any of the points raised in this submission, or more generally, on any areas pertaining to the proposed guidance.

Yours truly,

**CIBC Investor Services Inc.**

Luka Marjanovic

Managing Director and Head, Investors Edge and Innovation Strategy