

Attention: Phil Devault  
Member Regulation Policy  
Canadian Investment Regulatory Organization  
Suite 2600, 40 Temperance Street  
Toronto, Ontario M5H 0B4  
***sent by email***

November 10, 2025

**Re: Proposed new guidance on order execution only account services and activities**

Dear Mr. Devault

Questrade Financial Group (“QFG”) is a mission-driven Canadian, founder-owned and led company with a 25-year track record of serving Canadians and helping them become much more financially successful and secure. Today, the company has grown into a multi-brand and multi-line business enterprise with over \$60 billion in assets under administration. Since its inception as an investment brokerage in 1999, QFG has expanded from Questrade, Inc. one of Canada’s most established and celebrated online financial service providers, into the verticals of wealth management, mortgages, deposits and other businesses through strategic acquisitions. Questrade is one of Canada’s largest independent online investment brokers, offering a low-cost alternative for Canadian retail investors and traders to transact in, and hold, various types of Canadian and international securities through managed and self-directed registered plans, whose assets are held through several Canadian trust companies as trustees.

Questrade welcomes the opportunity to participate by providing our comments, and more importantly, our support of CIRO with the OEO Guidance (“Proposed Guidance”). Questrade is aligned with the CIRO objective to enable Canadian investors with greater access:

- i) to high-quality information from regulated sources and;
- ii) tools designed to help investors make better investment decisions.

## **GENERAL COMMENTS**

Questrade appreciates the opportunity to provide commentary and support for the Proposed Guidance presented by CIRO. We appreciate the approach and are happy to see alignment with Questrade on key topics such as revised tightened language surrounding the recommendation prohibition, decision-making supports and the introduction of the term “sample portfolios” which will benefit Canadian investors in the long-term.

As we outlined in our March 5th, 2025 consultation paper, younger and more social media savvy Canadians are leaning into DIY investing and accepting social media platforms as a valid channel for investment information, according to 2024 figures published by the CSA. Conversely for the last eight years, the number of Canadians working with a financial advisor has decreased from 71% to 61%. The two trends suggest a broader shift toward DIY investing. It is critical, through the Proposed Guidance, industry and regulatory leaders support the choices of Canadians, while also supporting changes and approaches that serve Canadians’ best interests by setting out clear and updated regulatory guidance and rules that i) are easy to understand, ii) protect investors from fraud and harm, iii) enable consumer choice, and iv) provide expanded financial literacy opportunities to form an even more sound financial market and retail investor base.

## **KEY ELEMENTS OF THE PROPOSED GUIDANCE**

### **Redefining what constitutes a "Recommendation"**

Questrade supports the revised recommendation prohibition under the Proposed Guidance. There is a consensus view that narrowing the application of this prohibition with tighter language will enable OEO Dealers to provide timely high-quality communications to Canadians on a proactive basis.

### **Expanding Permitted "Decision-Making Supports"**

Questrade supports CIRO’s view that educational and informative resources directed to investors in the form of alerts, notification and self-assessment tools, collectively referred to as “decision-making supports”, are critical to help investors. We also support CIRO’s approach in avoiding a prescriptive approach and keeping the Proposed Guidance “technology-neutral” and principles based.

Further, we appreciate CIRO’s view that decision-making supports should be intended to empower investors to make sound decisions for themselves. Questrade wants to put Canadian investors first and ensure they are indeed set up for success. Part of this will include empowering investors with tools that will provide targeted information on a proactive basis where they are located online.

## Sample Portfolios

Questrade supports the terminology “sample portfolios” within the Proposed Guidance and the use of such portfolios to demonstrate potential asset allocations which will expand the scope of the sample portfolio by including filtering tools. We appreciate that CIRO does not view this as a specific endorsement of an investment.

## Clarification on "Push" vs. "Pull" Communications

Questrade supports the CIRO view in deemphasizing the mode of delivery and that the distinction between “push” and “pull” is not practicable and can add to confusion in its application among OEO Dealers, which is a symptom of the former guidance which all agree should be avoided. We agree that the proposal allows OEO dealers to proactively "push" relevant, targeted, and educational content to clients. The substantive content of the communication or decision-making support should be the determinative factor to ensure alignment with the prohibited recommendation obligations.

## Response to Questions:

Question	Response
<p><b>Question 1</b> The Proposed Guidance sets out a non-exhaustive list of key safeguards for OEO Dealers to consider when offering decision-making support to clients. Are there any additional safeguards you believe should be included to further enhance investor protection in the OEO channel? If so, please specify.</p>	<p>Questrade fully supports the proposed safeguards to enhance investor protection. In our view, a principles-based approach that emphasizes continuous client education and robust, technology-driven monitoring systems is the most effective way to meet this objective. The ultimate safeguard is to ensure clients have clear, accessible, and continuous disclosures about the non-advisory nature of the OEO relationship.</p>

**Question 2**

As discussed in section 2.2.2(4) above, the Proposed Guidance permits OEO Dealers to provide sample portfolios that can be used in combination with filtering tools so that clients can receive support from OEO Dealers on asset allocation at the portfolio level, while still remaining responsible for their own specific investment decisions.

- (a) Do you agree that this approach appropriately balances OEO Dealers' desire to provide sample portfolios with investor protection concerns (particularly around conflicts of interest)?
- (b) If you do not agree with this approach, please describe how OEO Dealers could provide sample portfolios that reference specific investment products but do not constitute a prohibited recommendation under the revised recommendation prohibition. Recall that (as set out in 2.1 of the Proposed Guidance) OEO Dealers cannot avoid the revised recommendation prohibition by simply stating that a sample portfolio is not tailored to a specific client if, in every other regard, it meets the test of a recommendation.

Questrade agrees with this approach. We believe it strikes the appropriate balance by allowing OEO Dealers the ability to provide valuable, objective information to investors without crossing the line into a prohibited recommendation.

**Balance:** The proposed model allows OEO Dealers to support clients at a portfolio-allocation level while continuing to require investors to make their own specific investment decisions. This empowers and enables investors to make well-informed decisions and provides a regulated alternative to the potentially misleading information they might find solely on social media alone.

**Proposing an Alternative:** We do not believe it is necessary to propose an alternative. The proposed combination of sample portfolios, including filtering tools, provides a functionally similar benefit to clients while avoiding the significant regulatory risk that triggers an endorsement of a specific investment decision.

**Question 3**

Consistent with a principle-based approach, we have abstained from listing extensive examples in the Proposed Guidance of decision-making supports and whether or not they would be considered prohibited recommendations. We believe this is crucial for the Proposed Guidance to remain technology-neutral and allowing OEO Dealers to create new decision-making supports without being hindered by a point-in-time, binding analysis in the Proposed Guidance. However, throughout the consultation process, feedback continues to be varied as to whether the industry would benefit from CIRO providing more examples.

Would commenters like CIRO publish an analysis of different decision-making supports as against the revised recommendation prohibition in a supporting document alongside the Proposed Guidance? If so, please submit examples for which you would like that analysis.

No, Questrade does not require CIRO to publish an analysis of different decision-making supports in order to reconcile to the revised recommendation prohibition. We support CIRO's view that the guidance should remain "technology-neutral" and abstain from listing examples of decision-making support. Attempting to list extensive examples could, in turn, become dated and subject to further questioning and delays in approving the Proposed Guidance.

#### Question 4

In its Executive Summary, the Proposed Guidance indicates that it does not contemplate an OEO Dealer that restricts its product shelf largely to proprietary or affiliate products, or a very limited range of products, because of the revised recommendation prohibition and conflicts of interest implications.

- (a) Do commenters disagree with this position? If so, please describe in what ways the material conflict that arises in this scenario (such as filtering tools generating results that only reference proprietary or affiliate investment products) could be appropriately addressed in the best interests of the client instead of avoided.
- (b) In the case of an OEO Dealer that offers a very limited range of products, how could an OEO Dealer ensure that decision-making supports do not offer so few options that it ultimately endorses specific investment products? For example, should such OEO Dealers be required to generate a minimum number of options to offer certain tools (such as filtering tools when used in combination with sample portfolios)?

Questrade agrees with CIRO's position on firms with a limited product shelf. We believe it would be difficult for such firms to avoid making an implicit recommendation.

- (a) We agree with the position that a limited or proprietary product shelf poses a significant risk. A firm with such a model could face a material conflict of interest that, as the guidance notes, would be difficult to reconcile with the recommendation prohibition.
- (b) We believe an OEO dealer with a very limited product range should be required to implement additional, stringent safeguards to ensure that its decision-making supports do not endorse specific investment products..

Thank you for your time and consideration regarding this important discussion. We look forward to continued engagement with CIRO on this subject. Should you have any further questions please do not hesitate to contact us.

Sincerely,

Shailesh Ambike  
Questrade, Inc.