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Request for Comment – [Proposed amendments to CIRO By-law 1 regarding Term limits of Independent Directors and the Chair](#) and [CIRO Bulletin 26-0049 February 19-2026](#)

Thank you for the opportunity to provide input on these proposals.

To ensure transparent consultation of all views I agree to the CIRO / OSC sharing my **"unedited"** communication and posting on the CIRO / OSC website on an **"as received basis"** to allow any other contributors the opportunity to review my input on the issues before they comment, if desired. Should CIRO / OSC decide not to make this communication **"public"** I respectfully request that no material or references to my communication be made in any public releases by the CIRO / OSC.

Firstly, my assessment is that notwithstanding that the CIRO / OSC is requesting public comment which includes main street investor ("investor") input the CIRO / OSC is potentially limiting investor comments as the comment period is approximately **thirty (30)** days for an issue that could have serious governance issues that could impact millions of Canadians. Previously the CIRO / OSC comment periods approximated **ninety (90)** days so I am wondering if the CIRO / OSC dramatically reduced public comment periods is now regarded by the CIRO / OSC as the best practices norm. If so, where are the empirical justification literature references? I trust that the CIRO / OSC is cognizant of the fact that as public comment periods are reduced most probably the quantum of public / investor comments will be impacted in direct correlation. Many investors are wondering if that is the intent of the reduced comment period as from my perspective, I see no valid reasons for a reduced comment period. The reduced comment period either demonstrates poor judgment by CIRO / OSC or worse insofar as the CIRO / OSC could care less about public input which they do not value and will not consider in the decision process.

My assessment is that the critical audience of this communication should be the OSC as a member of the CSA as the CIRO is just a contractor for the CSA / OSC as the de-facto regulatory control resides in the CSA / OSC as they delegated regulatory accountabilities to the CIRO. Given the CIRO issues reported in the media of late as an investor my hope is that the CSA dramatically increases their CIRO due diligence with a first step being preventing Independent Director Board term limits to increase until all the CIRO governance issues are addressed.

EXECUTIVE SUMMARY

Totally correlated with Independent Director (Board members) Term Limits are the processes used by the CIRO to hold the CIRO Board members accountable to performance standards by way of Board member refreshes as opposed to focusing on increasing Independent Director Board member term limits? Independent Director Board member performance accountability **MUST** be considered as an integral part of Board member term limits.

ANALYSIS

At the outset I always struggle with the appropriate level of detail that I should provide, or better stated, how much time should I spend on a submission, for the following reasons (not a complete list and unprioritized):

- These CIRO / OSC Requests for Comments appear, at least from my experiences, to be required for a statutory / regulatory obligation as my assessment is that the decisions are already made before the public comment period, notwithstanding my comments. Case in point, [CIRO Independent Directors and Chair Term Limits](#) have already determined that the proposed amendments are in the public interest without my understanding any public input. As such, my assessment is that there is a very low probability, if any, of any revisions being accepted by the CIRO / OSC at this stage of the process.
- The scope of the proposed amendments is very narrow. Consequently, I find it difficult to understand the rationale for extending Independent Director's and Chair term limits without any communication as to the processes / policies / methodologies in place to assess the aforementioned Independent Directors performance as surely that should be a major component of any / all proposals to extend the Independent Director(s) Board terms. In the corporate world investors are well aware that poor corporate performance measured against their peers can result in a Board refresh as if Corporations share prices are increasing there is no need for a Board refresh in most cases. Investors have no line of sight to how Board member performance is measured at the CIRO.
- CIRO Board performance is a black box that can be contrasted with the airline black boxes that are located whereas CIRO black boxes can never be located. Consequently, there is no way for investors / public to assess the CIRO's Board performance when compared with corporate Board directors so investors / public rely on media articles that highlight the CIRO governance failures.
- Furthermore, I do not find the arguments persuasive that just because selected other organizations have longer Independent Director Board member terms although specifically recognizing that selected organizations such as, but not limited to, the Financial Industry Regulatory Authority (FINRA-US SRO) and the United Kingdom's Financial Conduct Authority (FCA) have shorter board member terms, CIRO / OSC is proposing longer independent director board member terms.

The CIRO independent directors earned an annual retainer of [\\$100,000 per annum](#) for **seven (7)** meetings during the fiscal year ended **March 31-2024**. Consequently, given the foregoing a reasonable investor conclusion would be that the Independent Directors are fully supporting extended CIRO Independent Director Board member term limits.

Of particular note is that according to the [2024 Edelman Trust Report](#) and [2024 Edelman Trust Supplemental Report](#) the financial advisory segment is trusted by less than half (**48%**) of respondents and is in declining trend. Would you assume that increasing Independent Director term limits will restore more confidence or less confidence in the financial industry. My assessment is that it will result in less confidence.

Notwithstanding that I oppose expanding Independent Director Board term limits (subject to the [caveat](#) below), I do recommend that in conjunction with increasing Independent Directors Board member term limits if that is the decision finally reached by CIRO / OSC, CIRO /OSC the aforementioned bodies should also be increasing the term limits for the Investor Advisory Panel (“IAP”) and the Independent Review Committee (“IRC”) members if in fact they are truly independent, to ensure continuity along the same reasoning that CIRO / OSC is proposing for extending Independent Director Board member terms as surely the recommendations adopted apply equally.

However to further muddy the regulatory framework discussion / arguments over Independent Director Board term limits in conjunction with accommodating all the parties interests, I reference [CSA Targeted Continuous Disclosure Review and Guidance for Independent Review Committees for Investment Funds](#) staff notice 81-337 wherein the CSA staff stressed the importance of ongoing turnover of IRC membership to maintain independence from Independent Fund Managers (“IFM”) by limiting the terms to **six (6)** years maximum. Given that the CSA is limiting IRC members to **six (6)** year term for independence how does that reconcile to the CIRO / OSC proposing **ten (10)** to **twelve (12)** year terms? Specifically, is independence different for Independent Board Directors versus IRC members as my assessment is that [independence](#) should have the same definition as it has in all Canadian dictionaries. In that regard, given that the CIRO is a creature of the CSA, I am actually dismayed that the CIRO is advocating for an Independent Director Board term **two times** as long as the term that the CSA recommends for IRC member independence. The caveat to the CSA IRC member term limit that makes absolutely no sense is that IRC member term limits may be extended for longer than **six (6)** years with agreement of an IFM which in and of itself suggests that independence may be compromised as an IFM would most probably only agree to an IRC member term extensions if the IRC decisions were favourable to the IFM. **Confusing at best is my assessment!!**

Below are some additional hyperlinks links, not a complete list, that challenges term limits for Board directors that exceed **nine (9)** years and how Board renewal should be managed for the benefit of organizations and in this context investors:

- <https://www.iod.com/resources/governance/how-long-should-a-director-serve-on-a-board/>
- <https://caitlinpontrella.substack.com/p/term-limits-done-right-building-renewal> and <https://www.caitlinpontrella.com/>
- <https://corpgov.law.harvard.edu/2024/12/05/activists-continue-to-target-director-tenure/>
- <https://www.hanselladvisory.com/publication/term-limits-for-directors/>

Board of Director term limits are as expected all over the map with most of the focus on the performance of corporate Board member terms with suggestions based on my research that the longest Board member terms should be approximately **nine (9)** to **ten (10)** years citing independence of Board members after **ten (10)** years. My research also supports that Board member terms are decreasing every year for a variety of societal factors. In the corporate landscape Board member refreshes from shareholders, specifically activist shareholders, are primarily driven by the underlying corporation financial performance of the share price earning, and market share amongst many other financial indicators. For example, the worse a corporation performs financially is directly correlated to an increase the likelihood of a Corporate Board refresh which is capitalism in operation.

In addition, below are some other points that the CIRO / OSC should consider with respect to changing Independent Director Board member terms:

- Public Interest regulators such as but not limited to:
 - The Financial Service Regulator Authority of Ontario (“FSRA”) limits [FSRA Board Member Terms](#) to a maximum of five (5) years.
 - The Alberta Securities Commission Lead Independent Member has a maximum limit of **six (6)** successive one-year terms – **six (6)** years maximum.
 - All the Canadian securities commissions appear to all have different board term limits and rules defining Board refresh which is confusing to the public / investors as one should expect more consistency notwithstanding that Canada still does not have a national securities regulator similar to the SEC in the US.
- The most important criterion for an Independent Director board member is actual independence and perceived independence. The CSA should be assessing the current independence of CIRO Board members through reviews of how the CIRO Board is functioning before suggested CIRO Board terms are lengthened. The recent CIRO cybersecurity breach suggests a CIRO Board governance failure as the CIRO seems to think that the issue is a cybersecurity issue whereas many investor advocates are of the opinion that the issue is related to data governance.
- The predecessors to CIRO being IIROC and MFDA had eight (8) year board terms for an extensive time period which did not appear to negatively impact Board effectiveness so why the CIRO push to extend Independent Director Board member terms?
- There is no evidence presented that CIRO has experienced difficulties attracting Independent Directors as the Independent Director remuneration package is very attractive.
- Extending Independent Director Board Member term limits reduces the opportunity to introduce new independent directors with new skills aligned with emerging risks and changing technologies specifically AI, improve Board Member diversity, and refresh/update the overall board's understanding of evolving industry trends. The CIRO, an SRO must demonstrate leadership in continuous renewal and keeping abreast of the capital markets, and not stagnation which could be interjected when Independent Director Board Members are potentially using Board memberships to augment their retirement.
- Longer tenures risk undermining public confidence in CIRO. In that regard, I reference municipal elections where voter apathy is exploding as voter turnout is dropping as the public is increasingly apathetic as the same politicians are in office year over year with the same ideas.

However, I cannot understand the criteria, or if any exists, for a CIRO Board member refresh, or more importantly who is accountable for determining the need for a CIRO Board member refresh. For example, the recent CIRO debacle (no other way of describing it) that has been rightly characterized as a [CIRO Governance Failure](#) as opposed to an information technology (“IT”) issue, by exposing **750,000** investor records including select investors SIN through an unprecedented massive data breach that:

- Took the CIRO **five (5)** months to identify and communicate to impacted investors the extent of the data breach so that investors could assess their respective risk profile
- Has triggered **two (2)** [CIRO Class Action Lawsuits](#) to date
- Has exposed **750,000** Canadians to unmeasurable personal stresses dealing with potential identity theft and heightened fraud risks
- Has foisted needless work on recommending the **750,000** investors impacted in the data breach to contact the credit bureaus / financial institutions to place fraud alerts on their respective credit files

- And finally, could potentially cost the CIRO **tens or even hundreds of millions of dollars** appears to not have generated any CIRO Board member refresh or CIRO senior management shakeup.

As an investor, I wonder what the extent of damage would be required that would prompt the CIRO / OSC to consider a Board member refresh as the most optimal approach to address governance issues. Recognizing that the CIRO is funded by the very industry that it regulates that in and of itself would appear to any reasonable person as having an inherent conflict of interest which could potentially impact the CIRO's decisions when it comes to investor protections if the financial industry objects.

I am assuming that the lack of a CIRO Board refresh or a CIRO senior management shakeup related to the aforementioned issue is potentially related to the fact that no matter the financial quantum of losses that this cybersecurity breach cost the CIRO all that will happen is that the CIRO financial industry members that consist of nearly all investment dealers and mutual fund dealers operating in Canada will be required to pay more in dues / fees to the CIRO and these CIRO industry members will just download the increase in CIRO costs by charging all investing Canadians higher fees. As such, the costs related to this CIRO financial debacle represents a **one-hundred percent (100%)** cost flow-through to investors that will not impact CIRO / OSC / investment dealers bottom line as investors are directly accountable for paying for all the CIRO governance failure costs. Given that investors are paying all the aforementioned costs that in and of itself suggests that investors should have far more say on the CIRO Independent Director selection, composition, and Board refresh process. I am confident that as long as all costs can be passed through to investors on a **one-hundred percent (100%)** basis there will be no reasons for changes to the CIRO governance model and the status quo will be maintained. Would things be different if those costs could not be passed onto investors? My assessment is absolutely yes as if the CIRO industry members have to eat the costs or any portion thereof that will impact their bottom line, then governance changes will be demanded.

Given the foregoing I and most probably all investors / investor advocates would gladly accept indeterminate Independent Director Board member terms if we thought or more importantly we were assured that longer Board member terms would address the CIRO governance issue noted above and by the way many other CIRO governance issues identified in the media such as but not limited to, [Client Focused Reforms](#) that have been ongoing for years, bank branch mutual fund sales processes identified through a [CBC Marketplace Investigation Big Banks Upselling Products](#) reported on **July 27-2025** and an [OSC and CIRO report highlights sales culture concerns at Canada's largest bank-affiliated dealers](#) that are adversely impacting main street investors that are not being addressed. As an investor the aforementioned issues are far more important than increasing independent board director term limits unless of course CIRO / OSC is of the opinion that longer independent board term limits will lead to resolving these issues on a going forward basis, which I highly doubt.

Given all the issues facing the CIRO, my assessment is that the CIRO should be focusing its limited resources on addressing the many governance issues raised that are harming retail investors as opposed to focusing on extending Independent Director Board member terms as I cannot see what value, if any, that longer Independent Director Board member terms will add to protecting main street investors from financial harm. In that regard, I reference an article at <https://www.investmentexecutive.com/uncategorized/ciro-needs-to-stop-saying-should/> published on **February 24-2026** that highlights many CIRO opportunities for improvement that my understanding have been directed to the CIRO / CSA's attention for the past several years, yet nothing changes which is in my assessment directly attributable to weak CIRO Board governance. Extending Independent Director Board member term limits will not address and in fact it may even perpetuate the identified problems.

Independent Director Board member refresh coupled with robust accountable Independent Director Board member performance management may address these shortcomings in conjunction with much needed enhanced CSA oversight of the CIRO. Enhanced CSA oversight has also been repeated ad-nauseum.

Notwithstanding the outcome of this consultation, the CSA should critically assess, especially if it plans to expand the CIRO's regulatory mandate, if the CIRO Chair of the Board position must be independent of industry influence or better stated independent of perceived industry influence as perception is also very important. It is reasonable to conclude and /or the perception is evident that any / all persons spending many years in the financial services industry (career) at progressively more responsible / accountable senior industry roles may potentially have the financial industry's norms hard wired into their DNA. Additionally, those norms developed by years working in the financial industry are often skewed in favour of the financial industry and as such are contrary to the best interests of the industry participants clients (investors) served and as history has demonstrated all too frequently in opposition to investor protection regulatory reforms.

My assessment is that the financial industry CIRO funding members would potentially have some form of input, whether overt or covert, as to the selection of the CIRO Board Independent Directors and the Board Chair whereas retail investors have absolutely no input even though all investors are in fact paying all the CIRO costs.

In conclusion I strongly oppose the CIRO / OSC proposals to increase the Independent Director and Chair of the Board term limits as an increase in Board member term limits is not in the best interests of investor protection.

Please feel free to reach out to me if you have any questions or require any clarification.

Thanks very much for your attention to these important matters.

Rick Price