



Monday, March 23, 2026

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Re: Amendment to CIRO By-Law No. 1, Section 5.4, regarding Term Limits of Independent Directors and the Chair (26-0049), published on February 19, 2026

The **Canadian Independent Finance and Innovation Counsel (CIFIC)** appreciates the opportunity to provide comments to CIRO on the proposed amendment to CIRO By-Law No. 1, Section 5.4, regarding the term limits of independent directors and the chair.

The Canadian Independent Finance and Innovation Counsel represents more than 40 national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CIRO-regulated Investment Dealers in the Canadian securities industry.

Continuity versus Independence

The Investment Dealers we represent recognize the value of continuity in governance, particularly in a complex and evolving regulatory environment. Experience and institutional knowledge contribute to stability and thoughtful oversight.

However, continuity must always be balanced with the core principle of genuine independence. In a self-regulatory framework, independence is not merely a formal designation; it is essential to maintaining public confidence. **Governance structures should ensure that extended tenure does not weaken the ability of directors to provide objective, constructive challenge when it is needed most.**

Governance and Outcomes

At CIFIC, we fundamentally believe that good governance must ultimately be measured by outcomes. Decisions regarding board composition and term limits should support strong oversight, public trust, and effective regulation.

While longer service can support long-term strategic initiatives, **periodic renewal brings fresh perspectives, mitigates the risk of complacency, and strengthens accountability.** Clear evaluation processes, transparent succession planning, and regular assessment of board effectiveness are important tools to ensure that governance remains dynamic and credible.

Innovation and Remaining Relevant

The industry is innovating at a rapid pace. Advances in technology, digital distribution, data analytics, and evolving client expectations are reshaping how firms operate and how risks emerge. Governance bodies must evolve in parallel. Directors and senior leaders should remain current in their understanding of these developments so that oversight reflects present and emerging realities, not past assumptions. Ongoing education and skills development are therefore essential components of effective governance. In our view, refreshing board composition from time to time can help sustain a strong focus on innovation and evolving industry practices.

Continuity provides stability, but renewal may ensure relevance. A governance framework that combines experience with periodic refreshment of perspectives will be better positioned to guide the industry responsibly through change.

Current Timing – CIRO's Data Breach

Recent events have drawn significant public attention to CIRO and have raised broader questions regarding governance and the handling of confidential information. At the same time, developments such as changes to proficiency requirements and the use of enforcement actions to shape regulatory expectations (as discussed in CIFIC's letter dated March 23, 2026, on

gatekeeper obligations) are creating uncertainty for Investment Dealers, their teams, and prospective industry participants.

In this context, industry participants are giving increased consideration to CIRO's governance framework and priorities. Against this backdrop, **we are concerned that an extension to board term limits may not be well received or viewed as being in the best interests of investors or industry participants at this time.**

Conclusion

By maintaining meaningful independence, focusing on measurable outcomes, and supporting the ongoing development of the people entrusted with oversight, the regulatory system can remain both credible and forward-looking in a rapidly transforming marketplace.

We commend CIRO for its commitment to strengthening governance and supporting continuity; however, **we encourage CIRO to ensure that any changes to tenure limits fully preserve genuine independence and remain aligned with the need for ongoing renewal, accountability, and relevance in a rapidly evolving industry.**

Thank you for considering our comments on this important proposal.

We would welcome the opportunity to engage further on this important issue.

As always, we are available to discuss the content of this submission further, address any concerns you may have, or provide additional information as needed. Your feedback is invaluable to us, and we are committed to ensuring that we all achieve our objectives effectively and efficiently.

Please feel free to contact me at annie@cific.co with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

A. Sinigagliese

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