Scotia Wealth Management®

July 27 2026

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

Re: Proposed Adoption of an Incorporated Approved Person Compensation Option

To Whom It May Concern,

Thank you for the opportunity to provide comments regarding CIRO's proposed adoption of an Incorporated Approved Person compensation option.

I am a Portfolio Manager and Wealth Advisor serving Canadian families, business owners, retirees, and professionals. I strongly support the proposal to permit approved persons to receive compensation through a professional corporation, subject to appropriate regulatory safeguards and oversight.

In my view, this proposal represents a practical modernization of the regulatory framework and would bring the investment advisory profession into closer alignment with other highly regulated professions across Canada.

Financial advisors and portfolio managers increasingly provide services that extend beyond investment recommendations alone. Our role often includes retirement planning, tax planning coordination, estate planning discussions, business succession planning, risk management, and collaboration with clients' accountants and lawyers. The level of professional responsibility, regulatory oversight, continuing education requirements, and fiduciary obligations associated with our work is comparable in many respects to professions that already have access to professional corporations.

Lawyers, accountants, physicians, engineers, architects, and many insurance professionals have long been permitted to operate through incorporated structures. Allowing CIRO-regulated advisors to do the same would create greater consistency and fairness across professional services industries.

Importantly, I do not believe this proposal should be viewed primarily through a tax lens. Rather, it should be viewed as a business modernization initiative that recognizes how advisory practices operate today.

Many advisors effectively manage small businesses. They employ staff, invest in technology, maintain office infrastructure, fund client service initiatives, absorb regulatory costs, and develop succession plans. A corporate compensation structure would allow advisors to retain and reinvest capital within their practices more effectively, supporting growth and improving the overall client experience.

Brad Madigan, BBA Finance, CFP®, CIM®
Portfolio Manager & Wealth Advisor
ScotiaMcLeod®,
a division of Scotia Capital Inc.

C: 416.356.4323
brad.madigan@scotiawealth.com
scotiawealthmanagement.com

MAILING ADDRESS
40 King Street West, 59th Floor
Toronto, ON M5H 1H1

In addition, incorporation could help attract and retain talented professionals within Canada's regulated investment industry. The industry competes with other professions and financial services sectors for skilled individuals. Allowing advisors to access a business structure that is already available to many comparable professionals would improve the competitiveness of the advisory profession while supporting long-term career development.

I also believe the proposal would support better succession planning. Many advisors spend decades developing practices and deep client relationships. Corporate structures can provide flexibility around ownership transitions, continuity planning, and retirement arrangements, all of which ultimately benefit investors through more stable and sustainable advisory practices.

From a client perspective, stronger advisory businesses generally lead to better outcomes. Practices that can invest in technology, staffing, education, compliance resources, and operational infrastructure are better positioned to deliver high-quality advice and service. In my experience, clients place significant value on continuity, responsiveness, and comprehensive planning support. Incorporation can help advisors build businesses that are capable of delivering those benefits over the long term.

Most importantly, investor protection need not be compromised. Professional incorporation can coexist with robust regulatory oversight. Advisors would remain individually registered, subject to CIRO supervision, proficiency requirements, conduct obligations, and disciplinary processes. Dealer firms would continue to maintain their supervisory responsibilities. In other words, the regulatory framework designed to protect investors would remain intact.

For these reasons, I support the proposed amendments and encourage CIRO, the OSC, and the Canadian Securities Administrators to continue advancing this initiative.

I believe it would enhance fairness across professions, improve the competitiveness of Canada's advisory industry, support business reinvestment and succession planning, and ultimately strengthen the quality and sustainability of advice available to Canadian investors.

Thank you for considering my comments.

Sincerely,

Brad Madigan, CIM®, CFP®, BBA Finance
ScotiaMcLeod
Portfolio Manager & Wealth Advisor
Toronto, Ontario

Brad Madigan, BBA Finance, CFP®, CIM®
Portfolio Manager & Wealth Advisor
ScotiaMcLeod®,
a division of Scotia Capital Inc.

C: 416.356.4323
brad.madigan@scotiawealth.com
scotiawealthmanagement.com

MAILING ADDRESS
40 King Street West, 59th Floor
Toronto, ON M5H 1H1