



Tuesday, September 22, 2026

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Member Regulation Policy

Canadian Investment Regulatory Organization

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40 Temperance Street

Toronto, Ontario M5H 0B4

Market Oversight

Alberta Securities Commission

Suite 600 250-5th Street SW

Calgary, Alberta T2P 0R4

Trading and Markets

Ontario Securities Commission

Suite 2200, 20 Queen Street West

Toronto, Ontario M5H 3S8

Re: CIRO Request for Comment on Revised Proposed Rule Amendments: Modernization of requirements for account transfers and bulk account movements (IDPC Rule 4800, MFD Rule 2.12 and CIRO Rule 4800) (26-0161), Published on July 23, 2026

The **Canadian Independent Finance and Innovation Counsel (CIFIC)** appreciates the opportunity to provide comments to CIRO on its republication of revised proposed rule amendments relating to the modernization of requirements for account transfers and bulk account movements (the **Proposal**).

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 CRO-regulated Investment Dealers in the Canadian securities industry.

Changes to the Proposals and Industry View

As mentioned in the CRO Notice:

Revisions to the initial proposals have been made to address a number of the comments received. The most material revisions we have made to the initial proposals are to:

- clarify that accounts that are subject to a temporary hold may not be transferred until the hold is removed by the delivering Dealer;
- clarify throughout the proposed amendments that both the delivering Dealer and the receiving Dealer should make best efforts to complete each account transfer step as soon as practically possible;
- clarify that electronic communications must be used where possible, including in cases where it is not possible to facilitate the transfer through the vendor providing the electronic communications;
- specifically prohibit the practice of tying the opening or maintenance of a client account to the client agreeing to be contacted in the event they request to transfer their account elsewhere;
- clarify that the information that must be provided to a client relating to the impacts of transfer impediment resolution options is information that can be “realistically identified”;
- unbundle the timelines for transfer request notification, acknowledgement, asset list provision and impediment resolution from the timeline for post impediment resolution account transfer settlement as follows:
 - receiving Dealer to send delivering Dealer [a] [correction made] transfer request within 1 clearing day after the client authorizes the request;
 - delivering Dealer to “promptly” acknowledge receipt of transfer request from receiving Dealer;
 - delivering Dealer to send asset list [to] [addition added] receiving Dealer within 2 clearing days of receipt of transfer request from receiving Dealer;
 - receiving Dealer and delivering Dealer to identify transfer impediments within 2 clearing days after the asset list return date;
 - receiving Dealer to inform client of any transfer impediments “promptly” after they have been identified, along with impediment resolution options;
 - account transfer must settle within 5 clearing days of determining that no transfer impediments exist or no transfer impediments remain;

- clarify that in the case of certain client named positions, that there may be cases where the delivering Dealer must communicate with an investment product issuer (or their agent) in order to arrange for and complete the transfer of a position;
- emphasize that, in the case of bulk account movements, Dealer Members will only be given additional time to document this bulk group of accounts if CRO is satisfied that the interests of the impacted clients are protected.

The Investment Dealers we represent generally support the changes reflected in the current Proposal. However, certain aspects continue to raise concerns, which we discuss below.

Industry Concern: New Timeline – Transfer Impediments Identification within Two Clearing Days

Some of the Investment Dealers we represent continue to have some concerns about the proposed shortened timeline to identify and inform the client of transfer impediments, from ten to two clearing days. This will require process changes to focus on transfer impediments as a priority before initiating an account transfer. The reduced timeline to identify and address transfer impediments may create issues in certain circumstances.

However, other Investment Dealers we represent do not have significant concerns with the shortened timeline, particularly given the broader framework in which it would operate. Under the proposed approach, we understand that the delivering Dealer would provide all reasonably foreseeable impediments, together with the asset listing, allowing the receiving Dealer to identify and address potential issues at an early stage. In addition, Dealers and their advisors are already subject to Know-Your-Client (KYC) and Know-Your-Product (KYP) obligations, which should result in many potential impediments being identified in advance.

We also understand that where an impediment identified by the delivering Dealer requires the receiving Dealer to obtain additional client consent to amend the originally approved transfer request, the receiving Dealer would not be penalized for delays attributable to the client requiring additional time to provide that consent, provided that the receiving Dealer communicates the identified impediments and available resolution options to the client within the prescribed two-day period. This provides an important degree of flexibility and, in our view, makes the shortened timeline more workable in practice.

Industry Concern: New Timeline – Settlement within Five Clearing Days

The clarification that a transfer request must be settled within five clearing days of the transfer request being determined to be in “good order” (i.e., no transfer impediments exist or remain) is also concerning to some of the Dealers we represent. A shorter settlement timeline for account transfers with impediments incentivizes both the delivering Dealer and the receiving Dealer to address transfer impediments early on in the settlement process and ultimately complete the

account transfer on a timelier basis. However, there may be operational challenges with meeting this shorter timeline.

We note that other Investment Dealers we represent do not have significant concerns with the proposed five-day settlement period, particularly in an environment where most securities now settle on a T+1 basis.

In addition, securities with longer settlement or re-registration timelines (i.e., beyond the three-to-five-day period) should already have been identified and disclosed by the delivering Dealer to the receiving Dealer at an earlier stage of the transfer process. As a result, the client would have been made aware of the longer timeline and would have consented to proceeding with the transfer on that basis.

Accordingly, once the receiving Dealer confirms the final transfer instructions and the delivering Dealer confirms that the request is in good order, securities with longer settlement or re-registration periods should not generally create an issue, as the associated timelines would have been disclosed to and accepted by the client in advance.

We believe that, should an unforeseen impediment arise, the delivering or receiving Dealer, as applicable, would take prompt action upon becoming aware of the issue, to inform the client, obtain any additional consent that may be required, and work to resolve the impediment as efficiently as possible. In our view, the shortened timeline should be workable in practice.

Use of “Promptly”

Some of the Investment Dealers we represent are concerned with the use of the term “promptly” in the proposed requirements. In particular, the Proposal requires a delivering Dealer to “promptly” acknowledge receipt of a transfer request and a receiving Dealer to “promptly” inform its client of any transfer impediments that can be realistically identified and available resolution options.

Unlike other steps in the proposed account transfer process, for which CRO has established specific timelines, the term “promptly” is not defined and does not appear to be tied to an objective timeframe. This may create uncertainty for Dealers as to the standard against which compliance will be assessed and could result in inconsistent application of the requirement.

These Investment Dealers requested that CRO define the term “promptly,” potentially by linking it to a best-efforts standard, recognizing that establishing a specific and reasonable timeframe for satisfying these obligations may not be practicable in all circumstances.

However, we also understand that the addition of the word “promptly” was made in response to feedback received from Dealers during the initial comment period, and its inclusion does not change the fact that each step of the process remains subject to a defined timeline under the revised Proposal.

Many of the Dealers we represent understand that the use of “promptly” is intended to provide appropriate flexibility in circumstances where client interaction or action is required: while Dealers can establish and control their own internal policies, procedures, and timelines, they cannot control the timing of a client’s response, and the use of “promptly” appropriately recognizes this practical limitation while still requiring Dealers to act without undue delay.

Some Investment Dealers have also expressed a preference for the term “promptly,” as it provides appropriate flexibility to account for the facts and circumstances of each transfer. In fact, these Dealers would support extending this approach to the proposed one-day requirement for a receiving dealer to initiate a transfer request after receiving instructions from a client. Dealers have noted that a one-day turnaround may be operationally difficult in practice. For example, a client may provide transfer instructions to their financial advisor, and the receiving Dealer’s head office may not be able to initiate the transfer with the delivering Dealer until those instructions have been received and processed internally. Replacing the one-day requirement with “promptly” would recognize these practical realities while maintaining the expectation that transfer requests be processed without unnecessary delay.

Language Update

4857.(2) Transfer Impediment

We believe the wording in this section “[...] or sooner, if possible, the delivering [our emphasis] Dealer must send a notification to the delivering Dealer identifying [...]” is incorrect and should read, “[...] or sooner, if possible, the receiving [our emphasis] Dealer must send a notification to the delivering Dealer identifying [...]” as the French version correctly does.

Conclusion

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 us 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,

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