

October 7, 2026

Member Regulation Policy
Canadian Investment Regulatory Organization (CIRO)
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Toronto, Ontario M5H 0B4
email: memberpolicymailbox@ciro.ca

Re: Rule Amendments relating to an Incorporated Approved Person Model

Manulife Wealth Inc. ('Manulife Wealth') is dually registered with CIRO as a mutual fund and investment dealer. We appreciate the opportunity to comment on proposed rule amendments published by the Canadian Investment Regulatory Organization (CIRO) regarding the adoption of an Incorporated Approved Person model. Manulife Wealth sponsors the registration of more than 900 independent agent advisors across Canada. The professional businesses these advisors operate support local economies, create jobs, and provide crucial financial advice and education to Canadians as they strive to meet their financial goals.

Manulife Wealth supports CIRO's proposal because it will ultimately benefit Canadian consumers. Enabling advisors to operate through modern corporate structures will help them scale sustainable businesses and reinvest in the people, technology, infrastructure, and services that improve the client experience. Stronger advisory businesses will also foster competition, expand consumer choice, and improve access to professional financial advice.

Manulife Wealth also supports harmonizing advisor compensation across mutual fund and investment dealer channels. A simpler, more consistent framework will make it easier for consumers to access a broad range of financial advice and receive a more seamless experience across services.

Together, incorporation and compensation harmonization will help consumers access more choice, better service, and more comprehensive financial advice. Harmonization will also support strong investor protection through dealer supervision and advisor accountability. We encourage CIRO to strengthen the proposal through three enhancements:

1. Expand corporate shareholder criteria to permit flexible ownership, voting, and equity structures—including team, branch, multi-branch, and advisor or non-advisor ownership

2. Allow appropriately qualified professionals to deliver wealth management, insurance, tax/estate and retirement planning through the same advisor corporation; and
3. Publish implementation milestones, transition requirements, and target timing

Support for advisor incorporation

The ability for advisors to operate through a corporation is an important and necessary modernization.

Today's advisory practices are professional businesses operating across individual, team, branch, and multi-branch structures. They employ staff, invest in technology and compliance, acquire books of business, plan for succession, and maintain enduring client relationships.

Access to corporate models will help advisors build stronger, more sustainable, client-focused businesses by:

- Enabling investment in better client service, technology, and compliance
- Supporting business continuity and succession
- Attracting the next generation of advisors
- Expanding access to professional financial advice, education, and guidance in an increasingly complex financial services ecosystem

For consumers, stronger advisory businesses mean better service, greater choice, and more consistent access to advice, particularly in smaller and underserved communities. These benefits can be achieved while maintaining CRO oversight, firm supervision, and advisor accountability.

Manulife Wealth believes the new incorporation and compensation framework should reflect two realities of modern advisory businesses: they operate at different scales, and they want to use a range of ownership structures to best serve their customers.

First, advisory businesses range from individual practices and teams to larger branch or multi-branch structures. Limiting shareholders of an advisor corporation to an Approved Person and his or her family members would constrain team-based client service. CRO should permit multiple advisors sponsored by the same dealer to operate through a common incorporated entity, subject to appropriate supervision and accountability.

Second, the corporate entity should not be required to be entirely advisor-owned. The framework should accommodate a range of ownership, voting, and equity participation structures, including models in which non-advisors hold equity interests. As with all other ownership models, entities where non-advisors hold equity interests must be held to the same standards regarding advisor autonomy and safeguarding the best interests of clients. Any particular concerns raised by this specific model should be addressed through tailored regulation, not blanket exclusion of what would otherwise be a useful corporate structure.

These changes would support succession, safeguard business continuity, and enable advisory businesses to access the equity capital required to invest in client service, all while ensuring that operational oversight remains with qualified professionals. The framework should also extend to appropriately supervised branch- and multi-branch structures while maintaining clear accountability for regulated activities.

Integration of wealth and other financial services

We are encouraged that CISO's proposed rule amendments recognize the importance of allowing advisors to offer broader financial services through an incorporated structure. The consultation also notes strong stakeholder interest in permitting investment and other financial services to coexist within the same entity.

In practice, clients increasingly expect comprehensive advice that may include:

- Wealth management
- Insurance planning
- Tax and estate-planning
- Retirement planning
- Other regulated financial services

The new framework should make it easier for clients to access comprehensive financial advice through one coordinated relationship rather than navigating multiple providers and channels. Many of our independent advisors hold multiple licenses and designations that enable them to provide client advice in several overlapping areas. However, this is executed through multiple legal entities and client disclosure requirements, often resulting in client confusion.

This new framework will allow an advisor to holistically manage all services – registerable security business, insurance business, etc. – through their one legal entity, thereby simplifying

their business practices and streamlining client communication and disclosures. Advisors should be empowered to structure their businesses to reduce client confusion on which entity they are dealing with, cohering all of their offerings under one incorporated business.

Manulife Wealth encourages CISO and the Canadian Securities Administrators (CSA) to permit appropriately qualified professionals to deliver a broader range of financial services through a common corporate structure, subject to appropriate oversight and disclosure.

Implementation considerations

Finally, CISO and the CSA should proactively clarify the timeline for implementation of the new rules, amendments to securities legislation, and any transitional provisions.

CISO, the CSA, and provincial governments should advance changes to CISO rules and security legislation in parallel. Prolonged uncertainty could delay benefits for clients and advisors. Clear milestones, public updates, and coordinated planning would support timely adoption and industry confidence.

Specifically, industry would appreciate transition guidance and clear provisions for death, incapacity, retirement, and ownership changes. Those details are crucial to ensuring that the objective of buttressing business continuity and succession.

Conclusion

Manulife Wealth commends CISO for advancing the proposed Incorporated Approved Person framework and taking steps to implement this important modernization initiative.

While CISO's work so far on advisor incorporation represents a significant advance, Manulife Wealth believes that expanding corporate ownership would better reflect modern advisory businesses and strengthen continuity of customer service, expanding consumer choice, and supporting access to comprehensive financial advice — all within a framework of clear accountability and investor protection.

We encourage CISO to work with industry participants, the CSA and provincial governments to move efficiently from consultation to implementation and continue evolving the framework as advisory businesses develop.

Thank you for the opportunity to comment on this important initiative. We would welcome further discussion as the proposals continue to evolve.

Sincerely,



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