

From: [Michael Nixon](#)
To: [Member Regulation Policy](#)
Cc: TradingandMarkets@osc.gov.on.ca; [CIRO-Reporting](#)
Subject: Comment on CIRO Bulletin 26-0150 – Support for Proposed Incorporated Approved Person Compensation Option
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Attachments: [image003.png](#)

[EXTERNAL EMAIL / COURRIEL EXTERNE]

To CIRO,

I am an Investment Advisor with Aligned Capital Partners Inc. in London, Ontario, and I also operate an insurance practice through Cornerstone Financial Management Inc. I am writing in support of the proposed Incorporated Approved Person (IAP) compensation option and of the comment letter submitted by CI Wealth.

You will have heard the core case many times, and I agree with it: the proposal modernizes the framework, harmonizes treatment across registration categories, and gives advisors the flexibility to invest in their practices and plan for succession. I would like to add a few points from the perspective of a working practice that I believe support both the proposal and CIRO's broader priorities.

First, the IAP improves regulatory visibility. Advisors already run incorporated businesses for insurance, planning and staffing, largely outside the dealer's and CIRO's line of sight. The tripartite agreement, dealer pre-approval of non-dealer activities, and CIRO approval of the corporation bring that structure inside the regulatory perimeter. In my view this is a net gain in investor protection, not a trade-off against it.

Second, continuity of advice is itself an investor protection issue. Industry surveys suggest the average advisor is in their early fifties (as am I) and only about half have a documented succession plan. When an advisor dies or becomes disabled, clients are often reassigned at the moment they most need stability. A corporation can hold the staff, systems and continuity agreements that carry clients through that event. For this reason I encourage CIRO, in response to its consultation questions, to permit more than one client-facing Approved Person of the same Dealer to operate through and own shares in a single IAP.

Successor advisors realistically buy in gradually, and a sole-shareholder limit would blunt the succession benefit the proposal is meant to deliver.

Third, the proposal supports channel neutrality. Without it, the consolidated rulebook would still leave a structural gap between mutual fund and investment dealer advisors, and platform decisions would continue to be influenced by compensation structure.

Advisors should choose a registration category based on what their clients need.

Fourth, it supports access to advice. Retained earnings are how small practices fund associate advisors, licensed staff, technology and cybersecurity. In communities outside the major centres, independent practices are often the main source of advice for households that larger channels do not prioritize. A stronger small-practice balance sheet serves CISO's access to advice and cyber resilience objectives directly. From personal experience it's really difficult to retain or build capital to improve services or expand the team to service more client or service existing clients better when paying personal tax each calendar year. If I was paying a small business tax rate I could build the capital necessary to fund a new hire or implement new services or even license software to better serve my clients.

Fifth, for dually licensed advisors, clients currently deal with one person through two different legal structures. A single, disclosed, dealer-supervised entity is easier for clients to understand and easier for the Dealer to oversee.

Finally, I offer two implementation suggestions. Tax certainty matters as much as rule certainty, and I encourage CISO to continue its engagement with the CRA and Revenu Québec and to publish guidance alongside the final rules, so advisors do not restructure into ambiguity. I also encourage CISO to work with the CSA toward an exemption or a light non-individual registration category so that the benefit is not lost to duplicative registration costs.

I fully support retaining dealer supervision, dealer liability to clients, and the personal accountability of the Approved Person. Incorporation should change how an advisor is paid, not who is responsible.

Thank you for the opportunity to comment.

Sincerely,

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