

INVESTOR ADVISORY PANEL

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Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2600
40 Temperance Street
Toronto, ON M5H 0B4
Email: memberpolicymailbox@ciro.ca

Canadian Securities Administrators

Market Oversight
Alberta Securities Commission
Suite 600
250-5th Street SW
Calgary, Alberta T2P 0R4
Email: CIRO-Reporting@asc.ca

Trading and Markets
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8
Email: TradingandMarkets@osc.ca

Re: Modernization of requirements for account transfers and bulk account movements (2026)

On behalf of the Ontario Securities Commission's Investor Advisory Panel (the "Panel"), we wish to thank you for this opportunity to comment on the Canadian Investment Regulatory Organization's ("CIRO") request for comments regarding the modernization of requirements for account transfers and bulk account movements (the "Proposal").

The Panel is an initiative of the Ontario Securities Commission ("OSC") to ensure investor concerns and voices are represented in the OSC's policy development and rulemaking process. Our mandate is to solicit and articulate the views of investors on regulatory initiatives that have investor protection implications.

Comments

The Panel supports the Proposal and commends CIRO for taking steps to update and improve the current regulatory requirements for investment account transfers. As noted in the Proposal, and in our comments on the initial proposals published in July 2025 (the "2025 Comments"), the current framework for account transfers is outdated and inconsistent, and delays in the account transfer process have long been a problem. While we recognize that rule amendments are not a complete solution, we applaud CIRO's

efforts to introduce amendments that emphasize the importance of consistent and timely account transfers, and encourage harmonization across the investment services sector.

The Panel supports the Proposal's revisions to the initial proposals. We specifically support the following revisions, which we believe will help retail investors better understand the transfer process, support more timely account transfers, and enhance trust in financial institutions and the regulators:

- a) *Clarifying that both delivering and receiving dealers should make best efforts to complete each account transfer step as soon as practically possible.* In our 2025 Comments, we recommended that the regulations should be revised to require delivering dealers to expedite the transfer process. We suggested a number of measures that could be taken to achieve this goal, including adding terms to firms' client relationship disclosure agreements regarding account transfers. We wish to clarify that this suggestion was not intended to require clients to consent to measures that address impediments at the outset of the relationship; rather, the Panel's suggestion was that firms' disclosure agreements should include a commitment by delivering dealers to take steps to expedite the transfer process where possible. However, we believe the revisions in the Proposal that set out clear timelines for each step in the account transfer process (discussed further below) serve to address the concerns regarding delays by delivering dealers in our 2025 Comments.

In our 2025 Comments, we also suggested that firms could be required to provide information about transfers to clients at the outset of the relationship, including whether their investments can be transferred in kind, the cost of transfers, and the average length of time needed for account transfers. While we support the Proposal, we believe that this information will be helpful for investment decision-making and reiterate this suggestion.

- b) *Clarifying that electronic communications must be used where possible.* We support this revision and believe that it will contribute to a more timely account transfer process.
- c) *Unbundling the timelines for account transfer notification, acknowledgement, asset list provision and impediment resolution, and establishing timelines for each step.* We believe that identifying each step in the process and setting deadlines for their completion will contribute to a more efficient and effective account transfer process, and clearer communications with investors regarding any delays in the process. We also support the proposed settlement period of 5 days after determining that no transfer impediments exist or remain. In our 2025 Comments, the Panel suggested that the standard settlement period should be 4 days.
- d) *Expanding the guidance on CRO's website to include further details on transfer impediments.* We believe that this will be helpful for investors who are aware of the guidance published by CRO; however, as noted in our 2025 Comments, we also recommend that as work on this initiative progresses, further consideration should be given to improving firms' communication with clients. It is important for clients to understand the existence and nature of potential impediments. Dealer information and communication may be more important for clients of OEO dealers in order to support informed decision-making. That being said, we believe that the revisions in the Proposal will also help investors better understand the account transfer process, by requiring receiving

dealers to notify clients of impediments, the options available to resolve each impediment, and the fees payable, potential tax liabilities, and other realistically identified impacts of each option to resolve each impediment.

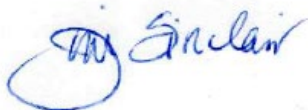
Review of Exit Fees

In our 2025 Comments, we recommended that the regulators review the practice of charging exit fees, noting that these fees are a common source of investor complaints. We appreciate that this issue is currently under study¹ and commend CRO for considering it. Given that this issue appears to be a source of concern for investors, we urge CRO to address this issue as soon as possible.

We recognize the concern that prohibiting transfer fees could result in some costs being borne by firms or indirectly recovered by other clients. However, we do not believe this outcome should be assumed without evidence. In particular, we note that the existence of costs associated with account transfers does not necessarily justify the imposition of a separate transfer fee. Firms incur costs in many aspects of their business, including onboarding new clients, without necessarily recovering those costs through a specific fee charged to existing clients. We therefore encourage the regulators to examine the actual costs associated with account transfers, whether existing fees reasonably reflect those costs, and whether such fees may discourage investors from moving to a provider that better meets their needs. Investors benefit when they can change providers without unnecessary barriers, and we encourage continued consideration of this issue as the initiative progresses.

Again, thank you for the opportunity to comment on the Proposal. We would be pleased to clarify or elaborate on our comments should the need arise.

Sincerely,



James Sinclair
Chair, Investor Advisory Panel

¹ Proposal, Appendix 1, p. 23.