

Wealthsimple

October 20, 2026

Member Regulation Policy Canadian Investment Regulatory Organization
memberpolicymailbox@ciro.ca

CC: CIRO-Reporting@asc.ca, TradingandMarkets@osc.ca

Dear Sirs/Mesdames:

RE: Bulletin 26-0161 — Modernization of Requirements for Account Transfers and Bulk Account Movements (IDPC Rule 4800, MFD Rule 2.12 and CIRO Rule 4800)

Wealthsimple welcomes the opportunity to comment on CIRO's revised proposals. Having commented on the initial proposals in Bulletin 25-0199, we are encouraged by the direction of the revisions.

Several of the changes in this republication directly reflect operational reality and will improve outcomes for clients. In particular, we support:

- the requirement to disclose impediments promptly when they are identified, including after the initial deadlines (proposed IDPC 4857(4) / MFD 2.12.7(d)). Impediments frequently surface mid-process and a rule that accommodates this is welcome;
- the unbundling of the pre-transfer timeline from the settlement timeline, which correctly separates delays a dealer controls from those it does not;
- the prohibition on transferring an account to escape a temporary hold (IDPC 4852(2) / MFD 2.12.2(b)); and
- the prohibition on tying account opening or maintenance to a client's agreement to be contacted if they later transfer out (IDPC 4856(4) / MFD 2.12.6(d)).

We continue to support the mandatory use of electronic communication through a recognized account transfer facility and thank CIRO for recognizing its importance (IDPC 4854 / MFD 2.12.4).

Our comments below focus on three points where the proposals can be strengthened, and one technical correction.

Why this still matters

Wealthsimple serves more than four million Canadians. One in four Canadians under 40 is a client. Account transfers remain the single sharpest point of friction those clients encounter, and the cost of delay falls on them.

To reiterate our previous feedback, between January and June 2026, Wealthsimple processed approximately 312,000 inbound transfers. During this six-month period:

- The average transfer took 20 days to complete from initiation;
- 43% of these were executed manually by the delivering institution, by fax and mailed cheques;
- More than 16,700 transfers took over 45 days; and
- Fees charged to clients transferring to Wealthsimple alone exceeded \$38M.

The pattern these figures describe has not changed. When a transfer moves by manual cheque, the client's assets can be out of reach for weeks or even months. During that time the client cannot invest or otherwise act on their own money, and they bear the full cost and market risk of the delay. Clients should be able to rely on their decision to move their assets being carried out promptly, and today many cannot. The reforms in this bulletin can change that, provided they are enforced and their effect is measurable.

The technology work these rules depend on

Points 1 and 2 below are grounded in the state of the industry's account-transfer technology work, in which Wealthsimple participates through the FOAS Operations Subcommittee.

The bulletin proceeds, correctly, on the understanding that rule change alone will not deliver timely transfers, but automation of the transfer rails will. Two tracks are advancing in parallel: the evolution of the ATON service, and the development of Fundserv's transfer offering. They serve different asset classes and different parts of the industry, and both will be needed; the industry is not converging on a single rail. As commenters observed in the first round, these systems today carry functional gaps and limited interoperability (Comment 74): ATON cannot facilitate certain transfers, including those between two institutions using the same carrying broker, and mutual fund dealer access to it has been constrained (Comment 75). Client-name mutual fund positions add a further wrinkle, since their transfer depends on fund-manager involvement rather than a dealer-to-dealer exchange, which the rules address through issuer instructions (IDPC 4860 / MFD 2.12.10). Their timelines are also not identical.

We make two points that follow directly from this reality.

1. Performance measurement should be built into the rails, not bolted onto firms

In response to our earlier comment, CIRO indicated it would study, but not currently pursue, a requirement for dealers to publish transfer-related service-level information (Appendix 1, Comment 117). CIRO's stated concern was that parsing a transfer into individual steps may not give a complete picture of the total time it takes. We ask CIRO to reconsider, because the revised rules appear to have addressed that concern.

That concern was expressed against the transfer process as it was previously framed, which consisted of a single elapsed period from request to settlement. The revised rules no longer work that way. They define a transfer as a sequence of discrete steps, each with a responsible party and a deadline: the one-clearing-day transmission of the request (4855 / 2.12.5), the two-clearing-day asset list (4856 / 2.12.6), the two-clearing-day identification of impediments (4857 / 2.12.7), the one-clearing-day commencement (4858 / 2.12.8), and the five-clearing-day settlement after resolution (4859 / 2.12.9). CIRO's own response to Comment 117 lists these same steps. Under the revised rules, compliance is defined through step-level measurement, and measuring the timing of each step measures adherence to the rule itself. As this unbundling was done precisely to separate dealer-controlled time from the client's decision interval, that data attributes delay to the responsible party without penalizing dealers for delays they do not control.

A recognized account transfer facility executes and can timestamp the dealer-controlled steps, which makes it the natural point of capture. CIRO has already said it will adopt the industry's standards for transfer-request data and transfer-position data as criteria for recognizing a facility (Comments 112 and 113). We ask CIRO to add one further criterion: that a recognized facility must be able to capture and produce standardized, step-level transfer-timing data.

Performance measurement then becomes a requirement of the account transfer facility, generated in a standardized format, rather than a reporting burden imposed on firms after the fact. That places the requirement in a centralized location and protects smaller firms from any disproportionate compliance cost. We would welcome working through the specific metric set with CIRO and the FOAS Operations Subcommittee.

2. Sequence the implementation date to facility readiness without diluting the standard

We support the proposed settlement standard and the "as soon as practically possible" best-efforts duty. The timeliness these rules can actually deliver, however, is a function of how far the two rails have matured, and the implementation date remains open.

We ask CIRO to:

- Set the implementation date by reference to facility readiness. The rule and the rails should arrive together. To ensure firms are not held to a standard the infrastructure cannot support, the date should follow the recognition account transfer facilities and

completion of the near-term releases to add registered account types and electronic-document capability. This is consistent with the sequencing several commenters urged (Comment 76).

- Treat gaps as solvable, not permanent. The current engineering and governance limitations - client-name transfers not yet in scope, historically constrained mutual fund dealer access to ATON (Comment 75) - are not fixed features of the landscape. They justify a realistic implementation date, but not a weakened standard or segment-specific timelines, and we support CISO's refusal to create them (Comments 72 and 73).
- Commit to a scheduled review to further reduce mandatory transfer completion times as automation matures. FINRA Rule 11870 requires transfer completion on a four-business-day timeline in the United States; a modern Canadian standard should aim there over time. We are not asking CISO to commit to a number today. We are asking that the framework tie future reductions to defined milestones, rather than treating the current period as a permanent ceiling.

Because the two rails are on different trajectories, and at least one has a history of slippage, CISO's recognition and periodic reassessment of facilities is critical to ensuring our infrastructure stays up-to-date with changing industry needs and innovation. If an infrastructure provider does not meet the commitments its recognition rests on, CISO should reassess their continued operation as a "recognized facility". We encourage CISO to use this power deliberately, so that the rule's timelines and the rails' timelines stay aligned.

3. Maintain the proposed two-clearing-day impediment timeline

We support the two-clearing-day window to identify and notify impediments, and the "or sooner, if possible" standard attached to it (IDPC 4857 / MFD 2.12.7). We are aware that some commenters have asked CISO to lengthen this window, or to segment it by foreseeability, complexity, or peak-period volume. We urge CISO to resist. Segmentation would reintroduce exactly the bespoke, negotiable timelines the project exists to eliminate, and a longer window would slow the transfer without a corresponding benefit to the client. If anything, the emphasis belongs on "or sooner": the two days is a maximum, not an entitlement, and the rule should be read that way in practice. The client's decision to transfer should not wait on the delivering dealer's convenience.

Technical correction: Receiving-dealer impediment notification

The receiving-dealer impediment subsection appears to contain a drafting error, carried consistently across all three rule sets. Proposed IDPC 4857(2), MFD 2.12.7(b) and CISO 4857(2) each provide that the *receiving* Dealer must make best efforts to identify impediments, but then state that "the *delivering* Dealer must send a notification to the *delivering* Dealer." We read the intent as: the *receiving* Dealer must send a notification to the *delivering* Dealer. The subsection appears to have been copied from the delivering-dealer provision immediately

above it (4857(1) / 2.12.7(a)) without updating the parties. We flag it so it can be corrected before implementation.

A note on jurisdiction

As CIRO acknowledged in its July 2025 White Paper, account transfers sit within shared oversight across provincial and federal authorities. We support CIRO's stated intention to encourage other regulators to adopt these amendments as a harmonized sector standard, and we continue to encourage federal action at the registered-plan level to guarantee uniform protection. Provincial and federal steps are complementary; neither should wait on the other. CIRO's leadership matters, regardless of what follows federally.

We appreciate CIRO's work on this file and the clear improvements reflected in the revised proposals. We would be glad to discuss any of the above.

Sincerely,

Tara Kennedy, Chief Operating Officer, Wealthsimple Investments Inc.

Appendix — Summary of Wealthsimple positions on Bulletin 26-0161

Provision	Wealthsimple position
Mandatory electronic communication (4854 / 2.12.4)	Support.
Mid-process impediment disclosure (4857(4) / 2.12.7(d))	Support.
Unbundled pre-transfer and settlement timelines (4857–4859 / 2.12.7–2.12.9)	Support.
Temporary-hold transfer prohibition (4852(2) / 2.12.2(b))	Support.
Anti-tying provision (4856(4) / 2.12.6(d))	Support.
Two-clearing-day impediment window (4857 / 2.12.7)	Support; hold the standard, resist lengthening or segmentation; emphasize "or sooner."
Standard settlement period (4859 / 2.12.9)	Support, paired with (a) performance data captured at the rail and (b) implementation sequenced to facility readiness with a

	committed review to shorten the standard as automation matures.
Published transfer performance data	Recommend CIRO require it, and make step-level transfer-timing data a facility-recognition criterion alongside the transfer-request and transfer-position data standards (Comments 112, 113). Reconsider Comment 117.
Implementation date / automation milestone	Gate the date to facility recognition and near-term release completion (Comment 76); treat known rail gaps as roadmap items, not carve-outs; tie future reductions in the standard to defined automation milestones.
Receiving-dealer impediment notification (4857(2) / 2.12.7(b))	Technical correction where parties are misstated.