From:	Harvey Buksa
To:	Member Regulation Policy
Subject:	Re: Rule amendments relating to the proposed adoption of an Incorporated Approved Person compensation option
Date:	Tuesday, October 27, 2026 11:42:37 AM

[EXTERNAL EMAIL / COURRIEL EXTERNE]

October 27, 2026

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Copies to the Canadian Securities Administrators (CSA): Market Oversight, Alberta Securities Commission (CIRO-Reporting@asc.ca); Trading and Markets, Ontario Securities Commission (TradingandMarkets@osc.ca)

Re: Rule amendments relating to the proposed adoption of an Incorporated Approved Person compensation option

I greatly appreciate the opportunity to comment on this consultation. This proposal goes far beyond the harmonization of a mutual fund agent compensation with an individual employed by a firm. There is added complexity but no apparent improvement in investor protection, access, costs or service. My overarching concern is that the firm remains accountable for all acts, errors or omissions made by the incorporated advisor (IA) or her/his corporation. This should be explicit . It is not clear what the ancillary services might be but the IA must possess defined minimum qualifications in order to provide them to retail investors. The agreement between the firm, IA and corporation is not presented but I assume it will be detailed and not be principles-based. It should be robust from a legal perspective. The proposal does not describe what would happen if the CRA disallow advisor incorporation. Would the investor be orphaned? The final regulation should make it clear that all complaints concerning the IA and/or corporation can be filed with the Ombudsman for banking services and investments (OBSI). If the IA operates out of a private office or at home, the CIRO rule should ensure potent data security and protection of private, personal information. Records should not be retained beyond 7 years. Using google search, it turns out there is increased risk of off- book transactions. By default, the firm should be held accountable for such transactions. If the IA is authorized to provide insurance products, would this complicate or impact client account statements, cost reporting or account performance reporting? What happens if the Minister of Finance does not accept the proposal? The rule should be very clear on complaint handling routing as I suspect this complex framework could confuse retail investors. CIRO should update its complaint resolution rules to reflect the increased complexity of this proposal.

Given the nature of this proposal, it can reasonably be expected that account size will increase; I recommend that the compensation limit on the CIRO Arbitration program be

adjusted accordingly. As an aside, with a potential 110,000 participants, advisor incorporation could cause material loss of tax revenue. Is CIRO reasonably confident that this proposal will not face serious provincial and federal objections downstream? One last point. Will this project siphon off scarce CIRO resources from immediate investor protection projects? If so, I could not support prioritizing this proposal. In summary, I have no fundamental objection to the proposal IF investor protection is maintained, CIRO oversight is strong, CIRO enforcement is impactful / swift, CIPF coverage is retained and fees are not increased. I highly recommend this proposal be subject to a comprehensive cost- benefit analysis. The framework is transformational.

Sincerely,

H. Buksa

Sent from Outlook