VIA E-MAIL November 2, 2026

Member Regulation Policy Canadian Investment Regulatory Organization Suite 2600 40 Temperance Street Toronto, Ontario M5H 0B4 memberpolicymailbox@ciro.ca	Trading and Markets Ontario Securities Commission 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8 TradingandMarkets@osc.ca
Canadian Securities Administrators: Market Oversight Alberta Securities Commission Suite 600 250-5th Street SW Calgary, Alberta T2P 0R4 CIRO-Reporting@asc.ca	

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

Belco Private Capital Inc. (**Belco**) wishes to provide comments to the Canadian Investment Regulatory Organization (**CIRO**) and the Canadian Securities Administrators (**CSA**) on CIRO's proposed rule amendments relating to the adoption of an Incorporated Approved Person compensation option.

Belco was established in 2011 and supports asset managers, business owners and investors' ability to transact with each other by allowing them to leverage Belco's experienced and arm's length operations and compliance team, together with Belco's Exempt Market Dealer, Investment Fund Manager and Portfolio Manager registrations.

Proprietary (or "captive" as they are sometimes referred to) registrants present a unique set of conflict-of-interest considerations. In recent years, several of these conflicts have materialized to the detriment of investors in high profile cases like Bridging Finance Inc., Traynor Ridge Canada Inc. and Emerge Canada Inc. A common theme among captive registrants is that there is a lack of arm's length oversight and while compliance may be desirable, it can be difficult to achieve. Belco addresses these conflicts by being an arm's length party that provides important checks and balances where a registrant is only distributing a limited range of offering(s) to an investor base. If an issuer or manager wishes to avail itself of the operational and compliance support and investor protection

that retaining Belco offers, they must receive certain payments as personal income. If all else is equal, except they become their own captive registrant rather than work with Belco, they are then in a position to receive all of their payments on a more tax efficient manner. This does not seem like a desirable result for investors and stakeholders, who lose a level of expert support and arm's length oversight, and it is unhelpful to the registrant as they must build operational and compliance expertise that is difficult to establish and maintain. We thus strongly support an ability for individuals to have a corporate structure as part of the businesses they wish to build through Belco's support and oversight.

We also understand that the Ontario Securities Commission (**OSC**) has granted relief to a limited number of registrants that has similar elements to an incorporated approved person model. At the very least, we believe that terms and conditions that the OSC has made available to some registrants, as set out in Schedule "A" hereto, should be available to a wider range of registrants who should not have to go through time consuming and costly exemptive relief applications to receive similar treatment.

We urge CIRO and the CSA to approach this matter fairly, in the best interest of investors, and at the same time so that CSA firms are not at a material disadvantage to CIRO firms. In some cases, PM firms compete with CIRO member firms for investment professionals and private-client mandates, and their registered individuals may perform substantially similar investment management and advisory activities. We thus echo the words of other commentators that a CIRO-only framework would give CIRO member firms an additional, potentially tax-advantaged compensation option that PM firms could not offer, placing them at a competitive disadvantage in recruiting and retaining talent. We strongly agree that substantially similar activities should not be subject to materially different compensation frameworks.

We believe this is an important issue for the industry and appropriate resources should be directed towards its resolution. Given the global and Canadian economic landscape and outlooks, there are numerous cost pressures on industry participants. Ensuring a viable industry is in the interests of investors. Putting CSA firms at a disadvantage to CIRO firms while harmonization is being considered further heightens the financial constraints that many CSA firms are presently experiencing and should be avoided.

If you have any questions, please contact us. We would be pleased to discuss our comments further.

Sincerely,



Kevin Cohen
CEO and General Counsel
Belco Private Capital Inc.

Schedule "A"

Terms and Conditions Previously Granted and Currently in Effect

The registration of • Investment Management Inc. (•), as an adviser in the category of portfolio manager and as an investment fund manager, is subject to the terms and conditions set out below. These terms and conditions were imposed by the Director pursuant to section 27 of the Securities Act (Ontario) (the Act).

1. • shall enter into a written agreement with each company that provides management services to • and from which •'s registered individual(s), as defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, receive compensation (each a Management Company), to require that:

(a) each Management Company be incorporated under the laws of Canada or a province or territory of Canada, and that all its directors, officers and shareholders are registered individuals or permitted individuals, as defined in section 1.1 of National Instrument 33-109 Registration Information, of •;

(b) each Management Company not directly or indirectly compensate, by way of salary, dividend or otherwise, any registered individual of • for any registerable activities in respect of the business of trading or advising in securities and only compensate such individuals for bona fide non-registerable activities conducted on behalf of the Management Company;

(c) any acts or omissions of any director, officer or shareholder of each Management Company, that relate to or arise from the business of trading or advising in securities, are deemed to be on behalf of •;

(d) each Management Company shall prepare and provide to the chief compliance officer of • audited financial statements for each financial period, prepared in accordance with requirements of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, within a reasonable period of time after the financial period; and

(e) upon request from a securities regulatory authority or regulator or from •, each Management Company shall make any and all books and records available to • and staff of the securities regulatory authority or regulator.

2. • shall engage in appropriate supervision of the conduct of each Management Company to ensure compliance with applicable securities legislation.

3. • shall keep a written record of the management services that each director, officer or shareholder of each Management Company provides to it.