November 4, 2026

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

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

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

Dear Sirs/Mesdames,

Re: Consultation on the Proposed Adoption of an Incorporated Approved Person Compensation Option

Investia Financial Services Inc., iA Private Wealth Inc. and Richardson Wealth Limited (collectively, "iA Wealth") have reviewed with great interest the Canadian Investment Regulatory Organization's ("CIRO") proposed rule amendments relating to the adoption of an Incorporated Approved Person ("IAP") compensation option.

We commend CIRO for its leadership in advancing this important initiative and for the considerable work undertaken to address a long-standing issue within the Canadian wealth management industry. We recognize the significant effort CIRO has invested in modernizing and harmonizing advisor compensation options across Dealer Members and are pleased to see this important industry priority continue to move forward as part of CIRO's ongoing regulatory agenda.

We welcome the opportunity to provide comments on the proposal.

About iA Financial Group & iA Wealth

iA Financial Group, the parent company of the iA Wealth entities, is one of Canada's largest insurance and wealth management groups. Founded in 1892, and publicly traded since 2000, iA Financial Group is also one of Canada's largest public companies with over $374 billion in assets under management and administration and a market capitalization exceeding $16 billion. iA Financial Group provides iA Wealth with the institutional capabilities, financial strength and long-term perspective needed to support independent advice in Canada.

iA Wealth has over $218 billion in assets under administration and offers wealth management solutions through three advisory models and a network of more than 4,000 advisors across Canada:

- **Investia Financial Services Inc.**, one of Canada's largest independent mutual fund dealers, offering a broad range of products and services related to the distribution of mutual funds and segregated funds;
- **iA Private Wealth Inc.**, a leading independent investment dealer, offering tailored wealth management solutions and focusing on creating and preserving wealth for Canadians; and
- **Richardson Wealth Limited (soon to be Nobelia Wealth Inc.)**[1], a premier investment dealer offering strategic wealth management advice and innovative investment solutions to high-net-worth clients across Canada.

This breadth of wealth management offerings provides iA Wealth with a unique perspective on the practical application of the proposed framework across different business models and advisory structures, including both agent-based and employee-based relationships.

In addition to submitting its own comments, iA Wealth has also contributed to and supports the comments and recommendations submitted by both the Securities and Investment Management Association ("SIMA") and the Canadian Independent Finance and Innovation Counsel ("CIFIC").

In this submission, we seek to:

1. Express our support for the core objectives of the proposal;
2. Identify three areas where greater clarity or flexibility would enhance the effectiveness of the proposed framework; and
3. Provide responses to the consultation questions in **Schedule 1**.

Overall, we support the adoption of the IAP model and encourage CIRO to implement a flexible, client-centric framework that accommodates team-based and multidisciplinary business models, provides greater tax and regulatory certainty, and allows for a practical and coordinated industry transition.

Below are our comments and recommendations in greater detail.

1. We support the adoption of an incorporated approved person compensation model.

This consultation represents a significant milestone for the evolution of the business models available to advisors. By removing barriers to business structures that can deliver greater efficiency, flexibility and sustainability, the proposed framework could provide meaningful benefits to advisors and, ultimately, the clients they serve.

We believe strongly in the critical role of advisors and their delivery of advice to Canadian investors. We believe that all wealth advisors should have access to professional incorporation, consistent with the incorporation opportunities available to insurance advisors, lawyers, doctors, accountants, provincially registered portfolio managers, and other professionals across Canada.

[1] Richardson Wealth will become Nobelia Wealth Inc., on or about November 30, 2026, subject to regulatory approval.

We also welcome this consultation as an important measure towards the harmonization of compensation rules across investment dealers and mutual fund dealers, advancing a key CSA objective following the amalgamation of IIROC and the MFDA.

Our experience operating across multiple advisory and dealer models demonstrates that flexibility is essential to fostering innovation, competition and client choice. We support the continued flexibility afforded by the proposal, including the ability for dealers and advisors to select among the individual agent, employee, and incorporated advisor models, where offered by the Dealer Member, based on the model that best aligns with their business needs and operating arrangements. The final framework should preserve this flexibility by accommodating diverse business models.

We fully support the proposal's foundational objectives of strong investor protection, effective supervision, clear regulatory accountability and robust Dealer Member oversight. We believe this evolution can be achieved while maintaining each of these core principles.

We also support the proposal's objective of reducing the tax uncertainty associated with existing directed commission arrangements and believe it can contribute to the long-term viability and attractiveness of the advice profession.

2. The proposal should evolve to allow multiple members of a team serving clients collaboratively to access the benefits of an IAP structure without undermining the collaborative approach that delivers value to clients.

Team-based advisory models have consistently delivered benefits to clients through service continuity, succession planning and access to complementary expertise, while also supporting the long-term sustainability of advisory practices.

Permitting team members to operate through a common corporation would support uninterrupted client service and orderly succession without altering the Dealer Member's supervisory obligations or any Approved Person's individual regulatory responsibilities. It would also allow clients to continue dealing with the advisory team they know rather than having their service arrangements shaped by an internal corporate restriction that is not related to their needs.

We believe that the objectives of the proposal, including those pertaining to accountability, oversight and investor protection, are compatible with the following proposed adjustments to better accommodate team-based models:

2.1. The ownership structure should allow an IAP to have multiple advisor owners.

We believe that the proposed ownership restrictions are narrower than necessary to achieve CIRO's investor protection objectives. Many advisory practices operate through teams that provide continuity of service, combine complementary expertise and facilitate succession planning.

Requiring each advisor to establish a separate corporation would create unnecessary complexity, both in the short and long term, without a corresponding regulatory benefit.

A separate corporation requirement for each Approved Person would not materially enhance accountability where all participating Approved Persons remain individually registered, subject to CIRO requirements and supervised by the same Dealer Member. It would instead fragment established advisory teams, duplicate governance and administrative requirements, and make it more difficult to preserve continuity when an advisor retires, becomes unavailable or transfers responsibilities within the team. The final framework should therefore permit multiple Approved Persons sponsored by the same Dealer Member to conduct business through an IAP, subject to clear individual accountability and Dealer Member approval and supervision.

2.2. Client-facing activities conducted through an IAP should not be restricted to a single client-facing Approved Person.

The proposed framework should recognize that many clients are served by advisory teams rather than a single advisor. The designation of a principal Approved Person should not prevent other Approved Persons sponsored by the same Dealer Member from participating in client relationships, providing coverage during absences, or contributing specialized expertise.

We recommend that CIRO expressly permit multiple client-facing Approved Persons sponsored by the same Dealer Member to provide services through a single IAP, subject to clear client disclosure, defined accountability and appropriate Dealer Member supervision.

This framework should also permit an IAP to employ other Approved Persons, as non-owner employees, with compensation directed to the IAP employing them. This would provide flexibility in how advisory practices are structured while ensuring all registrable activity remains under Dealer Member supervision, client responsibility is clear, and appropriate employment and corporate agreements are in place.

3. The final framework should support multidisciplinary advisory practices through a single corporation and provide for greater certainty regarding permitted activities.

Many advisors deliver investment, insurance and financial planning services through an integrated client offering. We support the objective of permitting such other activities to be conducted within an IAP.

We believe that further certainty on this topic would be beneficial for the success of the proposal and to lessen the risk of inconsistent interpretation across Members.

For example, the broad definition of “qualified individual financial services advisor” should be revised to expressly permit insurance and financial planning activities within the same corporation. More broadly, we recommend that CIRO provide a non-exhaustive list of qualifying registration categories, licences, and professional activities, together with guidance regarding Member due diligence expectations. Consideration should also be given to publishing and periodically maintaining a list of recognized "regulated Canadian financial services sector" activities to promote consistent application across jurisdictions and reduce implementation uncertainty.

As for “other activities” to be permitted within an IAP, we support a principles-based approach and would welcome CIRO guidance, assessment criteria and practical examples for determining which activities qualify. Activities such as tax preparation and reporting, financial consulting and designation-related services will likely have to be assessed.

For non-securities activities, dealer oversight should be proportionate and should not duplicate oversight performed by other regulators, where applicable. Dealer Members should retain full responsibility for securities-related activities conducted on their behalf through an IAP. For other regulated financial services, oversight should focus on outside activity approval, conflict management and client disclosure, rather than duplicating supervision already provided by another competent regulator.

The experience in Québec may also provide a useful point of reference as, within the AMF's integrated regulatory framework, market participants have long been able to operate multidisciplinary practices. This experience suggests that integrated advisory models can function effectively within a robust regulatory environment that supports consumer protection objectives. In our view, this experience may offer helpful insights in developing a framework that accommodates multidisciplinary practices while maintaining appropriate oversight, regulatory accountability and client safeguards.

The final framework should also avoid creating unintended competitive disadvantages for established team-based and multidisciplinary advisory practices. We encourage CIRO to ensure that the proposal supports business models that have evolved to meet the diverse and increasingly complex needs of clients, rather than including activity restrictions that may inadvertently undermine those models. Advisors should have equitable access to the IAP option regardless of whether services are delivered through an individual practice or a collaborative team structure.

4. The success of the IAP model will depend on greater tax certainty and regulatory coordination

CIRO and the CSA should continue engaging with the CRA and provincial tax authorities and publish any guidance that may assist advisors and Dealer Members in implementing compliant structures. Tax certainty will be critical to the successful adoption of the framework. The final structure should minimize uncertainty regarding the characterization of advisor relationships and should avoid creating circumstances in which the intended benefits of incorporation may be undermined by differing tax interpretations. The final framework should clearly distinguish regulatory approval from tax treatment and should be sufficiently flexible to support legitimate advisor business, estate and succession-planning objectives across different Dealer Member business models.

The framework should also facilitate business structures in which the incorporated entity may carry on the advisory practice and assume responsibility for the related contractual arrangements, business obligations and operating expenses. Greater clarity in this regard would assist advisors and Dealer Members in implementing structures that align with both regulatory and tax requirements.

Implementation should be nationally coordinated and provide sufficient time for industry transition.

The new framework should come into force only after the necessary legislative and regulatory changes are in place. We recommend coordinated national implementation, transitional relief for existing arrangements, standardized documentation and guidance, and a reasonable implementation period, with longer transition periods where required for directed commission arrangements.

We support CIRO's expedited approval process and recommend that it be extended to corporations owned by multiple Approved Persons sponsored by the same Dealer Member and in good regulatory standing. This would reduce administrative burden while maintaining investor protection.

We appreciate the opportunity to provide comments and welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact us.

Sincerely,

iA Financial Group

Stephan Bourbonnais
Executive Vice President, Wealth Management

Investia Financial Services Inc.

e-signed by Louis H. DeConinck
on 04-11-2026 18:36:59 GMT
Louis H. DeConinck
President

iA Private Wealth Inc.

Adam Elliott
President

Richardson Wealth Limited

Julie Gallagher
President

Schedule 1 – Responses to CIRO's Specific Questions

Part A - Questions relating to allowing other business activities within an advisor-owned corporation

A1. Should the proposals restrict the financial services that may be offered from within an advisor-owned corporation to the above detailed financial services?

Response: As noted above, iA Wealth supports a flexible approach that would permit advisors to conduct a range of regulated financial services activities through an advisor-owned corporation, subject to applicable licensing, registration, supervision, and conflict-management requirements.

Many advisors already provide clients with access to a range of financial services through appropriately regulated channels, including insurance, financial planning, estate planning, retirement planning, tax-related planning, and other wealth management services. Restricting the activities that may be carried out within the corporation would reduce the practical benefits of incorporation, create unnecessary structural complexity, and require advisors to operate multiple legal entities to deliver integrated client services.

Provided that all supervision and conflict management requirements continue to apply, advisors should be permitted to conduct any regulated financial services activities for which they are properly authorized.

We also encourage CIRO to provide clear and objective guidance regarding the types of activities that may be conducted through an advisor-owned corporation and to establish a practical mechanism through which additional activities may be recognized over time. Doing so would promote consistent interpretation and implementation across Dealer Members while preserving regulatory flexibility.

A2. Please detail any impact of prohibiting the client-facing Approved Person from providing services other than those detailed above within their corporation on existing activities or legal structures currently used by dealing representatives.

Response: Such a prohibition would have a significant impact on existing advisory practices that provide clients with holistic financial advice across multiple disciplines.

Many advisors have built integrated businesses that combine securities, insurance, financial planning, retirement planning, and other related services. In our view, requiring these activities to be separated among multiple corporations or legal entities would increase administrative costs, legal expenses, compliance complexity, and client confusion, without providing corresponding investor protection benefits. In addition, such operational complexity could undermine one of the key objectives of the proposed framework and discourage adoption by advisors operating established multidisciplinary practices.

A3. What types of financial services other than those listed above should be permitted to be conducted within a corporation by its client-facing Approved Person owner?

Response: The framework should permit any regulated financial services activities for which the advisor is appropriately licensed, registered, certified, or otherwise authorized, including:

- insurance sales and servicing;
- financial planning;

- retirement and estate planning;
- tax planning and tax-related advisory services; and
- other regulated financial services activities authorized by applicable legislation.

The rules should be principles-based and sufficiently flexible to accommodate future developments in the financial services industry.

A4. Should there be any restrictions on the other financial services that may be offered through a corporation owned by a client-facing Approved Person owner that are performed by the same client-facing Approved Person?

Response: iA Wealth does not believe additional restrictions are necessary beyond existing regulatory requirements.

The existing framework for supervising outside activities and client disclosure already provides an appropriate framework for managing risks associated with multiple financial service activities. Imposing additional restrictions solely because activities are conducted through an advisor-owned corporation would create inconsistency between incorporated and non-incorporated advisors without enhancing investor protection.

A5. What level of supervision or oversight over the other financial services related activities conducted by the client-facing Approved Person within their corporation should be performed by the sponsoring Dealer Member?

Response: As noted above, we support maintaining the existing framework for appropriate Dealer Member oversight over outside activities conducted through an advisor-owned corporation. At the same time, we encourage CIRO to recognize that Dealer Members should not be expected to duplicate substantive oversight already exercised by another competent regulator.

In our view, dealer oversight of non-securities activities should continue to focus primarily on approval of the activity, appropriate disclosure, and compliance with applicable outside business activity requirements.

This approach would preserve investor protection while avoiding unnecessary overlap between regulatory regimes.

A6. Are there conflicts of interest that can arise by allowing the client-facing Approved Person to conduct other regulated financial services within their corporation? If there are conflicts, can they be managed in the best interests of their clients?

Response: The possibility of conflicts of interest is not unique to the incorporation model and already exists in connection with various financial services activities provided by the advisor.

iA Wealth believes such conflicts can continue to be appropriately identified, disclosed, managed, and addressed through existing regulatory requirements, including the obligation to address material conflicts of interest in the best interest of the client. The incorporation model does not materially change the nature of these obligations.

A7. Should the proposals be revised to permit an advisor-owned corporation to employ:

- ***a) multiple client-facing Approved Persons sponsored by the same Dealer Member?***
- ***b) one or more qualified individual financial services advisors to provide other financial services to clients?***

Response: As noted above, iA Wealth supports a framework that accommodates team-based advisory practices, including permitting multiple client-facing Approved Persons sponsored by the same Dealer Member to conduct business through a common advisor-owned corporation. The framework should accommodate both owner and non-owner Approved Persons and should permit the IAP to employ one or more qualified financial services professionals providing other financial services.

Modern advisory practices increasingly operate as teams rather than sole practitioners. Many successful businesses involve multiple advisors serving clients collaboratively, developing future advisors, implementing succession plans and sharing operational resources.

Restricting a corporation to a single client-facing Approved Person would significantly reduce the commercial utility of the incorporation model and would not reflect the way many advisory businesses currently operate.

Allowing multiple Approved Persons within the same corporation would:

- better support advisor team structures;
- facilitate recruitment and development of junior advisors;
- improve succession planning;
- promote business continuity for clients;
- create operational efficiencies; and
- align more closely with incorporation models available to other professions.

Appropriate dealer oversight can be maintained by requiring all Approved Persons operating through the corporation to be sponsored by, and subject to supervision of, the same Dealer Member.

We believe the ability to support advisor teams should extend beyond ownership structures. An IAP should be permitted to include multiple Approved Persons sponsored by the Dealer Member, including associate advisors, as well as financial planners, insurance specialists, and other appropriately qualified financial services professionals who contribute to client relationships and practice operations. The final rules should provide flexibility regarding the legal relationship between the IAP and non-owner Approved Persons, provided all registered activities are conducted through the IAP on behalf of the Dealer Member and remain subject to the Dealer Member's direct supervision. Requiring a separate corporation for each Approved Person could create unnecessary administrative complexity and may undermine established team-based advisory models without producing a corresponding investor protection benefit.

In our view, the IAP structure does not require expansion of CIRO's existing complaint-handling framework to include employees or shareholders of the IAP who are not CIRO-registered individuals. The proposed model does not fundamentally alter the manner in which advisory services are delivered to clients. The existing complaints framework provides for regulatory oversight of securities-related conduct involving Dealer Members and their CIRO registered individuals. The responsibility for securities-related activities should continue to rest with the applicable Approved Persons and Dealer Member, while any non-securities activities should remain subject to the oversight of the appropriate regulator. Expanding the

complaint framework beyond registered individuals would add complexity without a corresponding investor protection benefit.

We also encourage CIRO to clarify that, where multiple client-facing Approved Persons work on a team within a branch, all of these Approved Persons may continue to participate in client meetings, service client relationships, provide coverage during absences and contribute to team-based advisory relationships through the IAP. Such clarification would better reflect how many advisory practices currently operate without diminishing accountability or investor protection.

A8. If the proposals are revised to permit an advisor-owned corporation to employ one of more qualified individual financial services advisors to provide other financial services to clients, are there any conflicts, or risks to clients arising from employees being subject to different statutory duty of care standards within the advisor-owned corporation?

Response: No additional material conflicts or client risks arise solely because individuals within the corporation may be subject to different regulatory regimes.

Financial services professionals regularly work together today under different licensing frameworks and standards of care. Existing disclosure, compliance, and supervision requirements provide appropriate safeguards. Any potential conflicts can be effectively managed through existing conflict management obligations and governance processes.

Part B – Questions relating to ownership and control of an advisor-owned corporation

B1. Should a corporation or family trust be allowed to hold shares of the corporation, if the shareholders/beneficiaries are the client-facing Approved Person or their family members? Should the family trust or holding corporation be allowed to hold only non-voting shares or also voting shares, and if voting shares, to hold sufficient voting shares to control the corporation?

Response: As noted above, the IAP option should support legitimate advisor business, estate, and succession planning objectives, including arrangements addressing retirement, disability and death. The final framework should permit reasonable corporate, trust, and ownership structures for those purposes, subject to appropriate Dealer Member approval and supervision, while ensuring effective control remains with client-facing Approved Persons.

iA Wealth supports permitting family trusts and holding corporations to hold ownership of an advisor-owned corporation, subject to the restriction that direct and indirect voting control should be held by an Approved Person. Family trusts and holding corporations are commonly used for tax, estate planning, succession planning and wealth management purposes. Prohibiting their use would unnecessarily limit the benefits associated with professional incorporation and create inconsistency with structures commonly available to other incorporated professionals.

B2. Is the proposed use of the "related person" definition to determine those family members that are allowed to hold non-voting shares of the corporation too restrictive or not restrictive enough? Please provide your rationale.

Response: We encourage CIRO to reconsider whether the proposed definition of "related person" may be unnecessarily restrictive in the context of family-owned advisory businesses and succession planning arrangements.

A more flexible approach could accommodate legitimate family indirect ownership arrangements with voting control held by an Approved Person while preserving transparency, dealer oversight, and regulatory accountability.

Related persons should be permitted to hold non-voting economic interests, but effective voting control should remain with one or more participating client-facing Approved Persons sponsored by the same Dealer Member.

B3. Should "related persons" of the client-facing Approved Person, who are not themselves a client-facing Approved Person of the same sponsoring Dealer Member, be allowed to own shares in the corporation? Should they be allowed to hold only non-voting shares or also voting shares, and if voting shares, to hold sufficient voting shares to control the corporation?

Response: We support permitting related persons of the client-facing Approved Person to own non-voting shares or other economic interests of the corporation, subject to disclosure of legal and beneficial ownership, regardless of whether they are themselves client-facing Approved Persons sponsored by the same Dealer Member.

Such ownership arrangements are common in professional corporations and can facilitate estate planning, tax planning, capital investment, and intergenerational succession. Both voting and non-voting shares should be permitted where appropriate. If voting shares are permitted, related persons who are not themselves client-facing Approved Persons sponsored by the Dealer Member should not hold sufficient voting rights to control the corporation.

Maintaining voting control with one or more participating client-facing Approved Persons would permit legitimate family, estate and succession planning without obscuring responsibility for regulated activities or creating unnecessary supervisory complexity.

B4. Should other client-facing Approved Persons, sponsored by the same Dealer Member, be allowed to do business through, and own shares in the same corporation? Does your answer change if the other client-facing Approved Persons are "related person" family members operating within the corporation?

Response: We strongly support permitting other client-facing Approved Persons sponsored by the same Dealer Member to conduct business through and own shares in the same corporation.

This flexibility would recognize the reality that many advisory practices are team-based businesses operated by multiple advisors. It would also facilitate succession planning, recruitment, retention, and business continuity.

Where the other Approved Persons are related family members, there is an even stronger rationale for permitting shared ownership and operation through the same corporation, as many family succession plans involve the gradual transition of ownership and responsibility between generations.

Provided all Approved Persons remain properly registered and supervised by the same Dealer Member, iA Wealth does not believe investor protection concerns arise from such structures. In our view, permitting multiple Approved Persons to operate through and own interests in the same corporation would support continuity of client relationships, facilitate succession planning and business continuity, and better reflect the manner in which many advisory practices currently operate. Any such ownership arrangements could remain subject to Dealer Member approval and ongoing supervision requirements to ensure continued regulatory oversight and accountability and effective voting control should remain with the client-facing Approved Persons participating in the IAP arrangement.

We also encourage CIRO to adopt a practical approach to situations in which a shareholder ceases to satisfy the ownership requirements, including where an Approved Person changes sponsoring Dealer Members, resigns, retires, becomes subject to a temporary regulatory sanction, or otherwise ceases to be eligible. The final framework should recognize the legal and operational complexities associated with modifying corporate ownership structures and should provide a reasonable period to permit reorganization, transfer or disposition of ownership interests where required.

B5. Should individuals who qualify as a "qualified individual financial services advisor" (as defined within the proposals), who are not themselves a client-facing Approved Person, be allowed to conduct business within and own shares in the same corporation? Should they be allowed to hold only non-voting shares or also voting shares, and if voting shares, to hold sufficient voting shares to control the corporation? Does your answer change if the "qualified individual financial services advisors" are "related persons" of the client-facing Approved Person operating within the corporation?

Response: Qualified individual financial services advisors who are not themselves client-facing Approved Persons should be permitted to conduct approved business within and own shares or economic interests in the same corporation.

Many advisors provide integrated wealth management services through multidisciplinary teams that may include insurance advisors, financial planners, tax specialists and other financial services professionals. Allowing such individuals to participate in ownership and operations would better reflect the reality of modern advisory practices and support comprehensive client service.

Both voting and non-voting share ownership should be permitted. However, effective control of the corporation should remain with one or more client-facing Approved Persons sponsored by the same Dealer Member. Provided the Dealer Member can identify the ultimate beneficial owners, the individuals exercising effective control, and the Approved Person(s) responsible for regulated activities, appropriately qualified financial services professionals should be permitted to hold ownership interests and participate in governance arrangements.

Regulatory oversight should focus on ownership transparency, accountability and effective supervision rather than limiting participation by appropriately qualified professionals in multidisciplinary advisory practices.

Where ownership is shared with qualified financial services professionals, the framework should nevertheless ensure that responsibility for securities-related activities remains clearly attributable to the relevant Approved Person(s) and subject to Dealer Member supervision.

B6. Is the proposed requirement that the client-facing Approved Person must be the sole director of the corporation too restrictive? Please provide your rationale.

Response: In our view, the proposed requirement that the client-facing Approved Person be the sole director of the corporation is overly restrictive.

Advisory businesses often rely on family members, business partners, and succession candidates to participate in corporate governance and strategic decision-making. Allowing additional directors would better support business continuity, succession planning, and operational efficiency.

In our view, governance requirements should support, rather than impede, legitimate team-based ownership, succession planning, and business continuity arrangements. Concerns regarding regulatory accountability can be addressed through requirements relating to ownership, control, sponsorship, and supervision rather than through a sole-director requirement.

Accordingly, iA Wealth recommends permitting additional directors, provided that the client-facing Approved Persons maintain effective control of the corporation and all regulatory obligations remain clearly attributable to the applicable registered individuals.

For greater certainty, we also encourage CIRO to clarify that a corporation should not be required to dissolve solely because it ceases to qualify as an IAP. Subject to applicable legal requirements, the corporation should be permitted to continue operating as a non-IAP entity following retirement, death, incapacity, a change in business activities, or another transition event.

Part C – Questions relating to implementation of proposed amendments

C1. Do you agree there is a need for an implementation period for these proposals and, if so, what do you think would be an appropriate implementation period and why?

Response: While the legal availability of the model is important, its success will ultimately depend on whether it is operationally practical and scalable across compensation administration, supervision, onboarding, reporting, technology systems and advisor support functions.

As noted above, iA Wealth recommends a reasonable implementation period following final approval of the amendments to facilitate an orderly transition.

Dealer Members will require sufficient time to:

- develop and implement new corporate onboarding processes;
- update policies, procedures, and supervisory controls;
- amend advisor agreements and compensation arrangements;
- develop operational and tax reporting processes;
- train compliance, operations, and advisor support staff; and
- onboard existing advisors who wish to transition into the new model.

We also encourage CIRO to publish implementation guidance sufficiently in advance of the effective date, including model agreements or standardized documentation, streamlined approval processes, guidance relating to onboarding expectations, documentation requirements, and interaction with applicable provincial registration requirements.

We further encourage CIRO and the CSA to pursue a coordinated implementation approach across jurisdictions to minimize operational complexity for Dealer Members operating nationally.

C2. Please describe any issues for mutual fund dealing representatives that currently direct commissions to their corporations to transition to the proposed incorporated advisor compensation option. What would be a reasonable transition period to address those issues?

Response: Many mutual fund dealing representatives currently operate under directed commission arrangements and have structured their businesses, compensation practices, and tax planning based on those arrangements.

Transitioning to the proposed incorporated advisor compensation option may require:

- restructuring existing corporate arrangements;
- reviewing and amending contracts and compensation agreements;
- establishing new payroll, accounting and tax reporting processes;
- reviewing GST/HST and provincial tax implications;
- updating dealer operational systems and payment processes;
- reviewing and updating dealer compliance policies and procedures, as well as client disclosures; and
- obtaining professional tax and legal advice.

Clear regulatory guidance regarding the transition of existing directed commission arrangements will be important to facilitate a consistent and efficient implementation of the proposed framework. In particular, guidance regarding the treatment of existing corporate entities, compensation arrangements, contractual relationships, and related approvals would assist advisors and Dealer Members in implementing structures that align with both regulatory expectations and the objectives underlying the proposal.

Accordingly, iA Wealth recommends that any transition period for existing mutual fund dealing representatives align with the general implementation timeline and provide sufficient flexibility for advisors and Dealer Members to migrate from existing directed commission arrangements in an orderly manner. Existing arrangements and corporate entities that satisfy the final ownership, supervision, and investor protection requirements should be eligible for a streamlined transition, supported by clear guidance on any required restructuring, contractual amendments, and approvals.