MANDEVILLE
PRIVATE CLIENT INC.®

MAKING CLIENTS WEALTHY
OUR MISSION

November 05, 2026

VIA EMAIL

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

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

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

Dear Sirs/Mesdames:

Re: CIRO Bulletin 26-0150 – Request for Comments – Rule Amendments Relating to the Proposed Adoption of an Incorporated Approved Person Compensation Option

We are writing on behalf of Mandeville Private Client Inc. ("**Mandeville**") in response to Bulletin 26-0150 – Request for Comments – Rule Amendments Relating to the Proposed Adoption of an Incorporated Approved Person Compensation Option (the "**Proposed Amendments**") published by the Canadian Investment Regulatory Organization ("**CIRO**") on July 9, 2026. We commend CIRO for its initiative and its consultative approach in developing a harmonized compensation framework for client-facing Approved Persons. We recognize that, in preparing the Proposed Amendments, CIRO must balance investor protection, individual accountability and effective dealer supervision against the cost and complexity of implementation for Dealer Members and Approved Persons, while coordinating the necessary changes to securities legislation and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Mandeville supports a harmonized Incorporated Approved Person ("**IAP**") compensation option that combines meaningful advisor flexibility with investor protection, individual accountability and effective dealer supervision. The framework should enable eligible advisors to build teams, develop future partners, plan succession and create durable advisory businesses. These objectives also have an important client dimension: appropriately structured practices can support continuity of advice and orderly transitions when an advisor retires or steps back.

We encourage CIRO to adopt a framework capable of accommodating evolving advisory practices within clear regulatory boundaries. Restrictions on ownership, governance and permitted activities should be proportionate to the investor-protection risks they address. Where equivalent protection can be achieved through individual accountability, effective supervision, disclosure and conflict management, the framework should favour the less restrictive approach.

In response to the above-noted request, we are pleased to provide the following comments for your consideration.

Capitalized terms used and not otherwise defined herein have the meaning ascribed thereto in the Proposed Amendments.

Questions Relating to Allowable 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?

Yes, in principle, subject to the flexibility described below. We support establishing a defined perimeter for activities conducted through an IAP. However, we believe that the concept of ancillary activities should be sufficiently flexible to accommodate established advisory practices. Insurance and financial planning should be expressly permitted where the applicable licensing requirements are satisfied. CIRO should also provide a principles-based mechanism for approving other regulated financial services, subject to appropriate licensing, conflict management, disclosure and recordkeeping requirements. A defined perimeter keeps the activities conducted within an IAP identifiable and capable of appropriate oversight, while avoiding unnecessary duplication of entities for complementary financial services. We do not support an unrestricted category of other financial services.

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.

We are of the view that an unduly restrictive approach may require Approved Persons to maintain separate corporate entities and contractual arrangements for complementary financial services, resulting in additional costs and administrative complexity without necessarily improving investor protection. Accordingly, we recommend permitting complementary financial services where the applicable regulatory requirements are satisfied and the responsibilities of the relevant parties remain clearly delineated.

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?

We recommend that insurance, to the extent not already included within the permitted regulated financial services category, and financial planning activities be expressly permitted, subject to applicable licensing requirements. Other regulated financial services should be considered on a case-by-case basis, having regard to the nature of the activity, the applicable regulatory framework and the Dealer Member's ability to address any resulting conflicts or compliance concerns. Such approval should not imply that the Dealer Member assumes responsibility for services regulated under a separate statutory regime.

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?

We agree that appropriate safeguards are necessary where an IAP conducts activities in addition to securities-related business. These should include clear disclosure of the capacity in which services are provided, appropriate conflict management, separate records and compensation arrangements where required, compliance with applicable privacy requirements and clear identification of the entity responsible for the services provided. Securities-related client assets and transactions should continue to be handled in accordance with the sponsoring Dealer Member's regulatory obligations, and the Dealer Member should have access to records relating to other activities to the extent relevant to the performance of its securities regulatory and CIRO obligations.

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?

We are of the view that the sponsoring Dealer Member's supervisory obligations should correspond to its responsibilities under applicable securities legislation and CIRO requirements. The Dealer Member should remain responsible for supervising securities-related activities conducted on its behalf and should maintain appropriate approval and oversight controls in respect of other activities to the extent necessary to address conflicts of interest, client confusion, use of dealer information, holding out and compliance with applicable CIRO requirements.

However, approval of an IAP should not, in itself, result in the Dealer Member assuming operational supervision of, or responsibility for, activities regulated under a separate statutory framework. We recommend that the final rules and accompanying guidance expressly distinguish the responsibilities of the individual Approved Person, the IAP and the sponsoring Dealer Member.

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?

We recognize that permitting multiple financial services within an IAP may give rise to conflicts relating to compensation, referrals, cross-selling, overlapping recommendations and the use of client information. We believe these concerns can be appropriately addressed through existing conflict-of-interest requirements, supplemented by clear capacity disclosure and appropriate controls. Where a material conflict cannot be addressed in the client's best interest, the activity or arrangement should not be permitted.

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?

We support permitting multiple client-facing Approved Persons sponsored by the same Dealer Member to operate through a single IAP. In our view, the relevant regulatory considerations should be the individual approval and accountability of each Approved Person, the Dealer Member's ability to exercise effective supervision and the maintenance of appropriate records and controls, rather than a requirement that each corporation be associated with only one Approved Person.

A single-advisor restriction would limit the ability to develop team-based practices, introduce future partners into ownership and implement staged succession arrangements. Permitting eligible same-dealer Approved Persons to operate through one IAP would support these objectives while preserving each individual's regulatory accountability.

Accordingly, we recommend permitting such arrangements subject to prior approval, appropriate ownership and governance requirements and provisions addressing the departure, suspension, incapacity or death of an Approved Person.

(b) one or more qualified individual financial services advisors to provide other financial services to clients?

We support permitting appropriately qualified individual financial services advisors who are not Approved Persons to provide other regulated services through an IAP, where otherwise lawful and appropriately licensed. Such participation should not permit those individuals to conduct securities-related activities requiring registration or compromise the sponsoring Dealer Member's supervisory obligations.
We also recommend that CIRO consider permitting non-voting, non-controlling economic interests for such advisors, subject to appropriate disclosure, approval and conflict-of-interest safeguards.

A8. If the proposals are revised to permit an advisor-owned corporation to employ one or 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?

Yes. Employees subject to different statutory and professional duties of care can create risks of client confusion, unclear responsibility for advice and inconsistent complaint and redress routes. We do not believe these risks should, in themselves, prevent complementary services from being provided through an IAP, provided they are addressed through the measures below.

We recommend that the framework require clear disclosure of the capacity in which each individual acts, the applicable licensing arrangements and the appropriate complaint and dispute-resolution processes. This would preserve the requirements of the respective regulatory regimes without creating unnecessary duplication.

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?

We support permitting holding corporations and family trusts to hold non-voting interests in an IAP, subject to appropriate disclosure and approval requirements. In our view, such arrangements may facilitate legitimate ownership, estate-planning and succession objectives without compromising regulatory accountability.

We recommend that voting control remain directly with eligible client-facing Approved Persons sponsored by the same Dealer Member, with appropriate look-through disclosure of beneficial ownership and changes in ownership.

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.

We are generally supportive of the proposed related-person framework. However, we recommend that CIRO retain discretion to approve narrowly defined alternative arrangements involving estates, incapacity and succession, provided that the relevant ownership interests are transparent and the arrangement does not compromise regulatory control or the Dealer Member's supervisory obligations.

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?

We support permitting eligible related persons to hold non-voting economic interests in an IAP. However, voting control and responsibility for securities-related activities should remain with eligible Approved Persons sponsored by the Dealer Member.
The framework should also address circumstances in which an Approved Person ceases to be eligible, including appropriate requirements for the transfer or disposition of ownership interests.

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?

We support permitting multiple Approved Persons sponsored by the same Dealer Member to own and operate a single IAP, whether or not those individuals are related.

We are of the view that the relevant safeguards should focus on individual regulatory accountability, common dealer sponsorship, effective supervision and appropriate governance arrangements. Requiring Approved Persons to be related would unnecessarily restrict legitimate business partnerships and succession arrangements without necessarily enhancing investor protection.

Shared ownership can facilitate the development of successors and the orderly transfer of ownership over time. These arrangements can also support continuity of advice for clients, subject to applicable disclosure and consent requirements and the client's freedom to choose their advisor.

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?

We recommend permitting qualified individual financial services advisors who are not Approved Persons to participate in an IAP through employment or, subject to appropriate safeguards, non-voting economic interests.

Such participation should not confer control over securities-related activities or interfere with the Dealer Member's supervisory responsibilities. Voting control should remain with eligible client-facing Approved Persons sponsored by the same Dealer Member. Our answer does not change where the qualified individual financial services advisor is a related person of the client-facing Approved Person.

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.

Yes. A mandatory sole-director requirement is unnecessarily restrictive where multiple eligible Approved Persons sponsored by the same Dealer Member own and operate an IAP. Governance arrangements should accommodate their participation in managing the practice and developing successors, provided individual accountability and effective dealer supervision are preserved.

Accordingly, we recommend permitting more than one director where each director is an eligible client-facing Approved Person sponsored by the same Dealer Member. We also recommend narrowly defined temporary arrangements to address death or incapacity, subject to appropriate regulatory approval and safeguards.

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?

We support a reasonable implementation period of 12 to 18 months. However, we recommend that the period commence only after the necessary amendments to securities legislation, National Instrument 31-103 and the final CIRO rules have been completed, and the relevant application forms, guidance and any model agreements have been published.

In our view, Dealer Members and Approved Persons should have sufficient time to assess the final framework, obtain the necessary approvals and implement the required corporate, contractual and operational changes. We also recommend that CIRO consider a phased application process to facilitate an orderly implementation.

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?

We recognize that the transition to the proposed framework may require changes to existing corporate structures, compensation arrangements, agreements, systems and disclosure practices.

We do not propose a specific transition period at this stage because the number and circumstances of affected arrangements, anticipated approval timelines and final registration approach are not yet known. At a minimum, the transition period should commence only when applications for IAP approval can be filed and should permit affected representatives a reasonable opportunity to complete the approval and conversion process.

We recommend that CIRO and the CSA provide appropriate transitional continuation or time-limited grandfathering for existing lawful directed-commission arrangements. Advisors should not be required to discontinue those arrangements solely because of the reform before the replacement framework is legally available and operationally workable and they have had a reasonable opportunity to obtain the necessary approvals and complete conversion. Transitional relief should remain subject to applicable law and continuing compliance, and should address applications submitted on time but still awaiting determination.

We also recommend that CIRO provide guidance concerning pending applications, existing contractual arrangements, ownership structures and the treatment of Approved Persons who are unable to complete the transition within the prescribed period.

Additional Comments

Proportionality and Adaptability

The final framework should accommodate evolving team structures, ownership arrangements, succession models and complementary financial services within clearly defined regulatory boundaries. Restrictions should address identifiable investor-protection risks and should not go further than reasonably necessary to achieve their purpose. CIRO should provide a transparent mechanism for considering new arrangements against consistent eligibility, accountability, supervision and client-protection criteria.

Regulatory Responsibility

We recommend that the final rules clearly distinguish the obligations of the individual Approved Person, the IAP and the sponsoring Dealer Member. In particular, the framework should not impose responsibility on a Dealer Member for activities regulated under separate statutory regimes beyond the obligations otherwise applicable under securities legislation and CIRO requirements.

Harmonized Implementation

We encourage CIRO and the Canadian Securities Administrators to coordinate the required legislative and regulatory amendments to promote a consistent framework across Canadian jurisdictions. A harmonized approach would reduce unnecessary administrative complexity for Dealer Members operating in multiple jurisdictions.

Tax Clarity

We recognize that the tax treatment of an IAP will depend on the applicable legislation and the circumstances of the particular arrangement. We do not suggest that the proposed framework should confer or guarantee any particular tax treatment.

However, we recommend that CIRO coordinate with the relevant securities and tax authorities, where appropriate, to provide clarity concerning the interaction between the proposed regulatory framework and applicable tax requirements.

Privacy and Information Management

We recommend that the framework address the use, access, retention and protection of client information where an IAP conducts multiple regulated activities. Appropriate safeguards should include consent requirements, access controls, incident reporting and arrangements governing the return or deletion of information when an Approved Person ceases to be associated with the Dealer Member.

Insurance

We recommend that CIRO provide guidance concerning appropriate insurance arrangements for IAP structures, including the allocation of coverage between the Dealer Member and the IAP and the treatment of claims arising after an Approved Person ceases to be associated with the Dealer Member.

Succession and Continuity

We recommend that the framework expressly address succession and continuity arrangements involving death, incapacity, suspension, departure, changes in dealer sponsorship and loss of registration. These arrangements should preserve regulatory accountability while permitting an orderly transition of ownership and client relationships.

Implementation Guidance

We recommend that CIRO publish the final application requirements, supervisory expectations and any model tripartite agreement sufficiently in advance of implementation to permit Dealer Members and Approved Persons to establish the necessary procedures and controls.

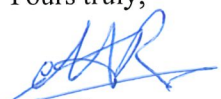
Streamlined Approval

We encourage CIRO and the Canadian Securities Administrators to coordinate a streamlined application and approval process, including standardized application materials and, where appropriate, expedited processing for straightforward ownership structures, with a view to minimizing duplicative regulatory and Dealer Member filing requirements.

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We thank you for the opportunity to provide feedback on the Proposed Amendments. We support CIRO's efforts to establish a harmonized IAP compensation framework and believe that the recommendations outlined above would assist in developing a commercially workable regime that preserves investor protection and regulatory accountability. Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,



Agha Raza
Chief Operating Officer

Cc: Michael Lee-Chin, Chairman, Chief Executive Officer & Ultimate Designated Person
Janice Gowan, Chief Compliance Officer
Ignazio Gulizia, General Counsel