RAYMOND JAMES®

November 5, 2026
By email: memberpolicymailbox@ciro.ca

Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2600, 40 Temperance Street
Toronto, Ontario M5H 0B4

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

Dear Sirs/Mesdames:

Raymond James Ltd. appreciates the opportunity to provide comments on CIRO's proposed Incorporated Approved Person Compensation Option.

We support CIRO's objective to establish a consistent framework for Incorporated Approved Person compensation across investment dealers, mutual fund dealers and dual-registered firms. Our position is that a properly structured framework that preserves dealer supervision, regulatory accountability and investor protection will help support stronger advisory practices capable of delivering improved access to financial advice for Canadian investors.

Our recommendation is the framework reflect how contemporary advisory practices are structured and operated. It should permit appropriately controlled multi-advisor ownership and legitimate ancillary and regulated Canadian financial services activities, without diminishing the sponsoring Dealer Member's responsibility for registrable securities activity.

EXECUTIVE SUMMARY of RECOMMENDATIONS

- Adopt a nationally harmonized Incorporated Approved Person option.
- Permit two or more Approved Persons to participate in one incorporated entity where the Dealer Member approves and can effectively supervise the structure.
- Allow ancillary and permitted regulated financial services activities under a principles-based framework with clear disclosure, conflicts controls, records and accountability.
- Provide implementation guidance and core contractual expectations to support consistent Dealer Member controls and client communications.

1. Support for the Proposal

The Proposal represents an important modernization of CIRO's compensation framework, promoting greater consistency while preserving the sponsoring Dealer Member's regulatory and supervisory responsibilities.

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A properly structured Incorporated Approved Person option can support investment, continuity and succession within advisory practices, contributing to stronger client service and the long-term sustainability of the advisory profession.

In our view, the Proposal strikes an appropriate balance between structural flexibility and regulatory accountability.

2. Permit Multi-Advisor Incorporated Approved Person Structures
The framework should reflect the team-based structure of many contemporary wealth management practices and permit more than one client-facing Approved Person to hold an ownership interest in, or receive compensation through, the same incorporated entity, subject to Dealer Member approval and appropriate safeguards. Limiting to a single-owner would diminish the operational and succession benefits of the Proposal.

Policy Benefits

- **Client continuity.** Multi-advisor structures can support continuity of service when an advisor is absent, takes parental leave, retires or transitions responsibilities.
- **Succession and advisor development.** Shared ownership can facilitate staged succession, mentorship and the orderly transfer of client relationships and responsibilities, while reducing key-person dependency.
- **Operational alignment.** A common structure can better align investment in people, technology, cybersecurity, premises and service standards across an integrated advisory practice.
- **Competitive neutrality.** The framework should avoid creating incentives for advisors to select a different registration model solely to obtain greater flexibility in practice ownership or compensation arrangements.

Accordingly, we recommend that CIRO adopt a principles-based approach to eligibility rather than prescribe a single ownership model. The appropriate test should be whether the Dealer Member can understand, approve, and effectively supervise the structure, with clear accountability to clients, the Dealer Member and regulators.

3. Permit Ancillary and Related Financial Services
The final rules should permit an Incorporated Approved Person entity to conduct ancillary activities and permitted regulated Canadian financial services activities, including through appropriately approved related entities, provided the scope of regulatory responsibility is clear and registrable securities activity remains subject to the sponsoring Dealer Member's supervision and controls.

Clients' financial needs are interconnected and often span multiple services and generations. Investment advice may intersect with financial planning, insurance, retirement and estate planning, and domestic and cross-border tax coordination. A categorical prohibition could fragment service, create duplicate infrastructure and place CIRO-regulated practices at a competitive disadvantage without producing a commensurate investor protection benefit.

A principles-based approach, supported by minimum controls and Dealer Member discretion, would provide greater flexibility across evolving business models than a prescriptive list of permitted activities.

4. Implementation and Transition
To promote consistent implementation and avoid unnecessary disruption, we recommend that CIRO:

- Provide clear guidance on the principal structural, disclosure and operational requirements.
- Provide model or minimum contractual provisions for agreements among the Dealer Member, the Approved Person and the incorporated entity.
- Coordinate promptly with the Canadian Securities Administrators and provincial authorities to support consistent implementation across Canada. CIRO should then move expeditiously to finalize and implement the framework, supported by clear guidance.

Conclusion
We commend CIRO for advancing a harmonized Incorporated Approved Person option. With the refinements described above, the framework can improve competitive fairness, enable sustainable team-based practices, support succession and help maintain access to financial advice, while preserving the Dealer Member's supervisory role and maintaining clear individual accountability. We encourage CIRO and the Canadian Securities Administrators to complete the necessary work and implement the Proposal as quickly as practicable.

We would welcome the opportunity to discuss these comments with CIRO.

Yours truly,

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