

### Comments received in response to request for comments on Non-tailored Advice in the Order Execution Only Channel

On December 13, 2024, CIRO issued [Administrative Bulletin 24-0367](#) requesting comments on whether CIRO investment dealers offering order execution only account services (**OEO Dealers**) can provide decision-making supports to meet the needs of do-it-yourself (**DIY**) investors. We received 28 comment letters from the following commenters:

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| • Arthur H. Ross ( <b>Ross</b> )                                       | • Investment Industry Association of Canada ( <b>IIAC</b> )      |
| • Aviso Financial Inc. ( <b>Aviso</b> )                                | • Kenmar Associates ( <b>Kenmar</b> )                            |
| • BlackRock Asset Management Canada Limited ( <b>BlackRock</b> )       | • Morningstar  |
| • Canadian Advocacy Council of CFA Societies Canada ( <b>CAC</b> )     | • Mouvement Desjardins ( <b>Desjardins</b> )                     |
| • Canadian Association of Retired Persons ( <b>CARP</b> )              | • National Bank Financial Inc ( <b>NBF</b> )                     |
| • Canadian Bankers Association ( <b>CBA</b> )                          | • Ombudsman for Banking Services and Investments ( <b>OBSI</b> ) |
| • Canadian Independent Finance and Innovation Counsel ( <b>CIFIC</b> ) | • OSC’s Investor Advisory Panel ( <b>OSC IAP</b> )               |
| • Coinsquare Capital Markets Ltd. ( <b>Coinsquare</b> )                | • Osgoode Investor Protection Clinic ( <b>IPC</b> )              |
| • FAIR Canada ( <b>FAIR</b> )  | • Purpose Investments ( <b>PI</b> )                              |
| • Federation of Independent Dealers ( <b>FID</b> )                     | • PW Portfolio Analytics Inc. ( <b>PWPA</b> )                    |
| • Groupe Financier PEAK ( <b>PEAK</b> )                                | • Questrade Inc. ( <b>QI</b> )                                   |
| • Harvey Naglie ( <b>Naglie</b> )                                      | • RBC Direct Investing Inc. ( <b>RBC</b> )                       |
| • Independent Trading Group Inc. ( <b>ITG</b> )                        | • TD Waterhouse Canada Inc. ( <b>TDW</b> )                       |
| • Investment Funds Institute of Canada ( <b>IFIC</b> )                 | • Wealthsimple Investments Inc. ( <b>WSI</b> )                   |

Copies of these letters are publicly available on [CIRO’s website](#).

The following table summarizes these comments and our responses:

| SUMMARY OF COMMENTS  | CIRO RESPONSE   |
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| <b>General Comments</b>  |   |
| <p>Several commenters generally support CIRO's initiative to enhance investor protection and improve the OEO framework, recognizing the evolving needs of DIY investors and the importance of providing high-quality information and tools. <b>(Aviso, BlackRock, CAC, CARP, CBA, CIFIC, Desjardins, FAIR, IFIC, IIAC, IPC, ITG, Kenmar, Morningstar, Naglie, NBF, OBSI, OSC IAP, PI, PWPA, RBC, Ross, TDW, WSI)</b></p> | <p>We acknowledge the comments.</p>   |
| <p>Several commenters further emphasize the importance of ensuring such tools and information provided do not function as recommendations, maintaining investor protection, and strengthening compliance oversight. <b>(Aviso, BlackRock, CAC, CARP, CIFIC, FAIR, FID, IFIC, ITG, Kenmar, Morningstar, Naglie, NBF, OBSI, IPC, RBC, TDW, WSI)</b></p>  | <p>We acknowledge the comments.</p>   |
| <p>Several commenters emphasize the need for modernizing regulations to support OEO Dealers in providing timely, relevant, high-quality, information and non-tailored advice. They believe this approach fosters competition, innovation, and better decision-making for DIY investors. <b>(BlackRock, CAC, CARP, CIFIC, Desjardins, IFIC, IIAC, Kenmar, Morningstar, Naglie, OBSI, Ross, RBC, TDW, WSI)</b></p>         | <p>This initiative aims to enhance investor protection by ensuring access to high-quality information from verified sources and allowing the use of decision-making supports (including notifications, alerts, and tools) designed to help investors make better investment decisions. We also believe this may help reduce DIY investors' dependence on social media and other non-regulated information sources.</p> <p>Our objective in the proposed guidance is to clarify the existing ability of OEO Dealers to provide reliable and timely information to their clients. In our view, clearer guidance in this area will support the ability of Dealer Members to provide valuable information to investors in a manner that respects the business boundaries of the OEO channel, the regulatory requirements to which this business model is subject, and enable DIY investors to</p> |

| SUMMARY OF COMMENTS  | CIRO RESPONSE   |
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|  | invest with greater confidence and in a more informed manner.   |
| <p>Many commenters highlight the importance of maintaining clear distinctions between different types of advice to protect investors. They emphasize the need to ensure that tools and information provided by OEO Dealers do not constitute personalized recommendations or investment advice. They stress the importance of clear disclaimers and the avoidance of any false impressions of personalized recommendations. <b>(FID, FAIR, OSC IAP, Desjardins, PEAK, and CBA)</b></p> | <p>We agree the proposed guidance needs to be clear to ensure that investors understand that OEO Dealers cannot offer personalized recommendations or investment advice. We are mindful of the potential for confusion in this area.</p> <p>This initiative also aims to ensure that decision-making supports that may be offered by OEO Dealers do not diminish the value of established, robust advisory channels, thereby preventing any potential confusion between the two.</p> <p>As such, the proposed guidance clarifies what constitutes a prohibited recommendation in the OEO channel. The proposed guidance intentionally uses the terms “information” and “decision-making supports” to distinguish between permissible communications and the concept of tailored investment advice.</p> <p>The proposed guidance also reiterates OEO Dealers’ responsibilities to clients (including the need to ensure account type appropriateness) and sets out key safeguards (such as thorough and clear disclaimers offered alongside decision-making supports) to limit the risk of any client confusion between OEO and advisory channels.</p> |
| <b>Concept of “Recommendation”</b>   |   |
| <p>One commenter advocates for a principles-based approach to defining "recommendation", which would be easier for OEO Dealers to apply and</p>  | <p>In the proposed guidance, we clarify that a recommendation is prohibited in the OEO channel if it endorses a specific investment decision for a client. The</p>  |

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| <p>would benefit DIY investors by enabling OEO Dealers to provide more tools and information about specific securities.</p> <p>They suggest for a definition of "recommendation" that aligns with securities law exemptions and encompasses only advice tailored to the needs of the recipient. <b>(WSI)</b></p> <p>Similarly, another commenter believes a recommendation occurs when a specific action with respect to a security is directed to a client based on their individual circumstances. <b>(RBC)</b></p> <p>Another commenter suggests distinguishing between information, recommendation, and education to ensure appropriate disclosures and protection for investors. <b>(IPC)</b></p> <p>Another commenter emphasizes that the term "recommendation" needs clearer definition. The current broad language creates confusion and restricts proactive, factual market updates from dealers. They propose revisiting the term to align with modern communication channels and tools. <b>(QI)</b></p> | <p>endorsement of a specific investment decision to a client is distinct from providing decision-making supports that are intended to assist clients in making better decisions for themselves.</p> <p>As such, the proposed guidance sets out a principle-based approach that allows OEO Dealers to provide high-quality information and decision-making supports designed to help investors make better investment decisions.</p> <p>For example, as a result of these proposals, OEO Dealers would be able to provide decision-making supports in the form of tools without these being considered a prohibited recommendation (as long as the decision-making supports are consistent with the proposed guidance).</p> |
| <p>One commenter questions the use of the term "advice" for OEO Dealers, suggesting it may cause confusion. They recommend that tools provided to DIY investors should not be referred to as "advice" to avoid blurring the lines between OEO and advisory channels. <b>(CIFIC)</b></p> <p>Similarly, another commenter highlights the ambiguity around what constitutes a "recommendation" and suggests that clearer definitions are needed. They recommend using an alternative term like "enhanced information" to avoid confusion. <b>(IFIC)</b></p>   | <p>To prevent any such confusion, we have moved away from the use of the term "advice" in the proposed guidance. Instead, The proposed guidance uses the collective term "decision-making supports" to encompass the various types of communications that OEO Dealers may offer to clients in the form of alerts, notifications, educational resources, self-help tools, etc.</p> <p>We acknowledge the comment regarding ambiguity around what constitutes a recommendation. The proposed guidance sets out a revised scope of what constitutes a prohibited recommendation.</p>  |

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| <b>Investor Protection and Compliance</b>   |   |
| <p>Many commenters emphasize the need for robust measures to protect investors. This includes suggestions for preventing conflicts of interest, ensuring clear distinctions between OEO and advisory accounts, and providing clear and concise client disclosures when integrating third-party platforms (<b>Aviso, CAC, CIFIC, Desjardins, FAIR, FID, IPC, PEAK, Morningstar, OBSI, OSC IAP</b>)</p> | <p>We agree. We believe the proposed guidance carefully manages investor protection concerns by setting out key safeguards to ensure investors understand that the decision-making supports provided by OEO Dealers do not constitute personalized advice, and to ensure that OEO Dealers address any material conflicts of interest in the best interests of the client or avoid them.</p> |
| <p>Some commenters highlight that non-tailored advice should not impose additional regulatory obligations like suitability and KYC requirements. (<b>ITG, IIAC, NBF, PI, PWPA, TDW</b>)</p>   | <p>OEO Dealers are exempt from collecting personalized information used for making suitability determinations. The proposed guidance does not impose additional regulatory obligations in this regard.</p>  |
| <p>Four commenters emphasize the need for clear disclaimers and robust compliance measures to clarify the nature of non-tailored advice and reinforce client responsibility for investment decisions. (<b>CBA, IIAC, Kenmar, Naglie, WSI</b>)</p>   | <p>We agree. The importance of clear disclosure and other key safeguards is paramount to ensure investors understand that decision-making supports provided by an OEO Dealer do not constitute tailored advice and are distinct from established, robust advisory channels.</p>   |
| <p>One commenter recommends risk warning pop-ups, regulatory spot audits, and targeted reviews of influencers to enhance investor protection. (<b>OSC IAP</b>)</p> <p>Another commenter suggests more rigorous requirements for account appropriateness assessments and prohibiting harmful digital engagement practices (DEPs). (<b>FAIR</b>)</p>  | <p>We acknowledge the comment.</p> <p>Key safeguards that address risk/warning disclosures and pop-ups are discussed in the proposed guidance, as are account appropriateness requirements.</p>   |
| <p>One commenter emphasizes that OEO Dealers should not be required to conduct additional “appropriateness” analyses (i.e., an appropriateness analysis of product, services, account relationships), as it would blur the line between OEO and advisory services. (<b>CIFIC</b>)</p>   | <p>The proposed guidance discusses the requirements regarding account appropriateness that apply to OEO Dealers under the IDPC Rules. The proposed guidance</p>   |

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|   | does not impose additional regulatory obligations in this regard.  |
| <b>Investor Awareness and Literacy</b>  |  |
| <p>Several commenters emphasize the importance of providing educational information and tools to help investors make informed decisions. These tools include self-assessment questionnaires, filtering mechanisms, alerts, and educational content, which aim to improve financial literacy and informed decision-making. <b>(BlackRock CBA, Desjardins, FAIR, IFIC, IIAC, IPC, ITG, Morningstar, OBSI, OSC IAP, PEAK, PI, PWPA, QI, RBC, TDW, WSI)</b></p> | <p>We agree. We support decision-making supports (such as information, tools and other resources) that are consistent with the proposed guidance and are intended to improve financial literacy, investor awareness and assist clients in making better decisions for themselves.</p>  |
| <p>Two commenters recommend public awareness campaigns and collaboration with advocacy groups to clarify the role and limitations of OEO Dealers. They suggest using educational videos and self-assessment questionnaires to help potential DIY investors understand their responsibilities before opening an account. <b>(Naglie, Ross)</b></p>   | <p>We believe in the importance of comprehensive educational initiatives to empower investors and enhance their financial literacy.</p> <p>On July 2, 2025, CIRO’s Office of the Investor published a qualitative research report titled <i><b>DIY Investing: New investors and the role of social media</b></i> (referred to in this document as the <b>DIY Investing Report</b>). The DIY Investing Report addressed a series of research questions regarding the do-it-yourself investor category and the role of social media in their investment decisions. CIRO considered these findings when drafting the proposed guidance, particularly in respect of the discussion on OEO Dealers’ responsibilities regarding conflicts of interest, key safeguards, and influencers.</p> <p>The proposed guidance also encourages OEO Dealers to provide informative resources alongside decision-making supports to ensure that clients understand their responsibilities, and the OEO Dealer’s inherent limitations, in an OEO account.</p> |

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| <p>Two commenters emphasize investor vulnerability and the need for proper safeguards on OEO platforms. They provide case studies highlighting the significant losses incurred by investors due to a lack of experience, unfamiliarity with platform settings, and misunderstandings of trading requirements. <b>(IPC and OBSI)</b></p> <p><b>IPC</b> specifically highlights the vulnerability of retail investors to financial harm on OEO platforms, emphasizing the need for measures to address these risks. <b>OBSI's</b> case studies further illustrate the potential for losses due to overestimating investment knowledge and account confusion, reinforcing the need for alerts and clear guidance.</p>  | <p>We recognize the vulnerability of DIY investors on OEO platforms. At the same time, DIY investors have indicated a desire for access to high-quality information and resources to empower them to make better-informed investment decisions for themselves (see the DIY Investing Report, referenced above).</p> <p>To balance these two aspects, the proposed guidance allows OEO Dealers to provide decision-making supports while also setting out key safeguards to clearly inform clients who make use of these resources.</p>   |
| <p><b>Notifications and alerts</b></p>  |  |
| <p>Several commenters support OEO dealers providing alerts and notifications to enhance investor protection and decision-making. They advocate for various types of alerts, including those related to significant price movements, market volatility, high-risk and complex products, and major economic events. These alerts are seen as tools to keep investors informed and help them manage risks effectively. <b>(CAC, Coinsquare, Desjardins, FAIR, IPC, ITG, Morningstar, OBSI, OSC IAP, PI, QI, TDW, WSI)</b></p> <p>However, the emphasis varies among the supporters. Some, like <b>TDW</b> and <b>WSI</b>, stress that alerts should be informational without expressing opinions or judgments. Others, such as <b>ITG</b> and <b>IPC</b>, suggest more proactive measures like issuing trade ideas and alerts about known scams and risky behaviors.</p> | <p>We believe OEO should be allowed to provide clients with factual information in the form of alerts or notifications. Under the proposed guidance, OEO Dealers can proactively provide clients with factual, objective information through alerts or notifications.</p> <p>Consistent with a principle-based approach, the proposed guidance does not set out a comprehensive list of all permissible types of alerts or notifications. However, as described in the accompanying <b>Bulletin 25-0227</b>, examples of factual information that could be sent to clients in the form of an alert or notification may include: updates regarding news (such as earnings reports, regulatory actions, press releases, market trends, interest rate decisions, employment), stock reorganizations, dividend announcements, product expirations, price movement, market volatility, and portfolio performance. We note that any such alerts or</p> |

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|  | <p>notifications would need to be consistent with the recommendation prohibition and the proposed guidance.</p> <p>As set out in the proposed guidance, OEO Dealers should develop policies and procedures for alerts and notifications, provide clear disclosure to clients about why an alert has been triggered. These measures are outlined in the proposed guidance.</p> <p>We also agree that there is a distinction between purely informative content delivered in the form of notifications and alerts, in contrast to communications that convey an endorsement by an OEO Dealer. Under the proposed guidance, purely objective, factual information that does not convey an endorsement (and that a reasonable client would not perceive as an endorsement) will generally not be considered a prohibited recommendation.</p> |
| <p>Several commenters suggest that alerts provided should be objective, factual, and limited to significant events or regulatory changes. Many commenters, including <b>Coinsquare</b>, <b>PEAK</b>, and <b>PI</b>, emphasize the importance of flexibility and client feedback in shaping these alerts. They advocate for alerts to remain non-prescriptive to encourage innovation.</p> <p>Additionally, there is strong support for customizable alerts, allowing investors to set their own preferences rather than relying on pre-configured notifications. <b>CIFIC</b> and <b>RBC</b> support tools that enable investors to personalize their alerts and opt out of informational alerts if desired.</p> <p>Furthermore, commenters like <b>Morningstar</b> and <b>OSC IAP</b> suggest that alerts should incorporate risk and knowledge-based criteria, addressing complexity, leverage, liquidity, and financial implications. <b>PWPA</b>, <b>OBSI</b>, and <b>Desjardins</b> advocate for investor-centric criteria, tailoring alerts to</p> | <p>See the above response. Overall, we believe alerts and notifications should be intended to assist clients in making better decisions for themselves.</p> <p>The proposed guidance is not intended to be exhaustive. We do not prescribe the types of content or information that may be included in alerts or notifications, as long as the communication is not a prohibited recommendation.</p> <p>As a result, the proposed guidance provides the necessary flexibility so that OEO Dealers may develop their own approach. Whether the alerts or notifications are pre-configured by OEO Dealers, or can be set up by the clients themselves, is left up to the OEO Dealers to decide (as long as they remain consistent with the proposed guidance). Whether to offer alerts or</p>  |

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| <p>the investor's choices, knowledge, and behavior, and considering client holdings, preferences, and secure communication. <b>CAC</b> supports a mix of pre-configured and user-configurable alerts, promoting positive investor concepts like diversification and risk optimization without encouraging speculative services.</p>   | <p>notifications that are relevant to a particular client is also left up to OEO Dealers.</p>  |
| <p>Many commenters oppose requiring OEO dealers to issue alerts or notifications about specific securities. They express concerns about the potential negative consequences, such as undue reliance on alerts, civil liability claims, and the influence on investor outcomes. These organizations argue that OEO dealers should not be responsible for issuing alerts beyond existing regulatory standards, as this could lead to significant judgment challenges and risks of investing gamification. <b>(Aviso, CBA, FID, IIAC, NBF, TDW)</b></p> <p>Additionally, other commenters emphasize that investor alerts and warnings should be managed by regulatory bodies such as the Canadian Securities Administrators (CSA) or CIRO, rather than OEO dealers. This approach is seen as a way to maintain consistency and avoid the potential pitfalls associated with dealer-issued alerts. <b>(CBA, IIAC)</b></p> | <p>As set out above, we believe investors would benefit from factual, objective alerts or notifications (including those about specific securities, such as price movements or unusual activity).</p> <p>However, there is no regulatory requirement that OEO Dealers must offer these kinds of alerts. Under the proposed guidance, it is up to the OEO Dealer to decide whether to provide these alerts.</p> |
| <p>Many commenters believe OEO Dealers should be permitted but not required to deliver alerts or proactive information due to potential operational costs, compliance, and legal risks. They believe the decision to issue alerts should rest solely with the OEO dealer. <b>(IFIC, RBC, TDW, WSI)</b></p>  | <p>We agree that it should be up to the OEO Dealers to offer any services to clients beyond order execution only.</p> <p>If an OEO Dealer does choose to offer alerts and notifications, they should do so in a manner that is consistent with the parameters and key safeguards set out in the proposed guidance.</p>   |
| <p>Two commenters support various tools and practices aimed at enhancing investor protection and information such as risk warning pop-ups, e-alerts, reviewing influencers, and restricting digital engagement practices and gamification to protect investors. <b>(OBSI, OSC IAP)</b></p>  | <p>As set out in our above responses, we believe investors would benefit from factual, objective alerts or notifications. This could include risk warning pop-ups about market activity or e-alerts about idle money. It is</p>  |

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| <p><b>Another</b> emphasizes that the Canadian Securities Administrators (CSA) should disclose its criteria for investor alerts and consider expanding them as needed to ensure clarity and consistency in investor communications. (IIAC)</p> <p>Additionally, two commenters, <b>CARP and Kenmar</b>, emphasize the importance of providing alerts for complex products and significant changes. They advocate for the inclusion of educational materials and tools, such as model portfolios and self-assessment questionnaires, to help investors make informed decisions. Examples include alerts related to RRSP contribution room and idle money.</p> |   | <p>up to the OEO Dealers to decide whether to provide these types of alerts.</p> <p>We acknowledge the comment regarding the issues of gamification and the negative uses of digital engagement practices. These issues extend are of utmost importance to investor protection across the industry, beyond just the OEO channel. As such, regulatory efforts to address these issues would be dealt with as part of another project, outside of the proposed OEO guidance.</p> |
| <b>Self-help tools</b>   |   |  |
| <b>Specific Tools</b>  | <p>Several commenters emphasize the importance of providing specific tools and enhancing investor education through general educational tools like calculators, market analyses, self-assessment tools, portfolio building, model portfolios, filtering tools, to help investors make informed decisions. (Aviso, BlackRock, CAC, CARP, CIFIC, Coinsquare, Desjardins, FID, IFIC, IIAC, IPC, ITG, Kenmar, Morningstar, Naglie, NBF, OBSI, OSC IAP, PI, QI, RBC, TDW, WSI)</p> | <p>We agree that OEO Dealers should be allowed to provide tools designed to help investors make better investment decisions for themselves. Limiting the availability of tools could drive investors to unregistered channels, including social media platforms.</p> <p>The proposed guidance provides a non-exhaustive discussion of the range of decision-making supports, including self-help tools, that OEO Dealers can provide.</p>                                      |
|  | <p>Many commenters emphasize the need for tools that help investors understand their preferences for sustainable investments, promoting capital flow into sustainable projects. Others support a broad range of investment tools, including market research, securities screeners, trading platforms, automatic rebalancing, algorithmic trading, educational resources, portfolio tracking, and financial planning tools. (CBA, CIFIC, IFIC, IIAC, Morningstar, RBC)</p>     | <p>See our above response.</p> <p>We agree that OEO Dealers should be allowed to provide tools designed to help investors make better investment decisions for themselves, which may include tools relating to sustainable investment.</p>   |

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|                         | <p>Four commenters support the provision of educational tools and resources to help OEO clients understand portfolio construction, diversification, and risk management. Some advocate for the use of generative artificial intelligence (GenAI) in investor tools, focusing on educational purposes with verified sources and explicit warnings. <b>(Aviso, FID, ITG, Morningstar)</b></p>   | <p>See our above response. We support educational tools or other resources that help OEO clients understand portfolio construction, diversification, and risk management.</p> <p>The use of generative artificial intelligence should be made in accordance with securities laws. Please refer to CSA <a href="#"><u>Staff Notice and Consultation 11-348 Applicability of Canadian Securities Laws and the Use of Artificial Intelligence Systems in Capital Markets</u></a>, which provides clarity on how existing securities laws apply to AI systems.</p> |
|                         | <p>Three commenters support a principle-based approach to offering tools, allowing any tool that is not considered a recommendation and enabling adaptation to new technology and evolving investment products. <b>(CAC, NBF, WSI)</b></p>  | <p>The proposed guidance takes a principle-based approach by clarifying the scope of the recommendation prohibition and providing a non-exhaustive overview of the decision-making supports that OEO Dealers can offer (subject to the and key safeguards outlined in the proposed guidance).</p>  |
| <b>Model Portfolios</b> | <p>Several commenters support model portfolios that reference specific securities, provided they do not include personalized recommendations and are accompanied by standard disclaimers. They emphasize the importance of ensuring these portfolios are not tailored to individual clients and include clear disclaimers and conditions. This approach is highlighted for its potential to offer high-quality investment options while maintaining non-personalized and unbiased tools. Additionally, there is support for model portfolios referencing specific securities, with safeguards against conflicts of interest. OEO Dealers should act neutrally and provide a range of acceptable</p> | <p>Note that in the proposed guidance, we use the term ‘sample portfolios’ rather than ‘model portfolios’ to describe examples of portfolios. This is to clearly distinguish sample portfolios from model portfolios, which are offered by full-service dealers and portfolio managers.</p> <p>The proposed guidance states that OEO Dealers should not select specific investment products for sample portfolios because doing so would imply the endorsement of a specific investment decision and</p>   |

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|                     | <p>alternative securities. (<b>Aviso, BlackRock, CAC, CBA, CIFIC, Desjardins, IFIC, IIAC, Morningstar, NBF, PI, PWPA, QI, RBC, TDW, WSI</b>)</p>   | <p>would consequently be considered a prohibited recommendation.</p> <p>However, OEO Dealers can provide sample portfolios that set out asset allocations and may also provide filtering tools that allow clients to select investment products to fill in the asset allocations of those sample portfolios (subject to the requirements and key safeguards set out in the proposed guidance).</p> <p>We believe this approach strikes the appropriate balance between allowing OEO Dealers to offer general information regarding asset allocation in a client’s portfolio, thus reducing investors’ reliance on influencers and other unregulated channels for this type of information, without constituting a prohibited recommendation under the IDPC Rules.</p>                                    |
|                     | <p>Five commenters express concerns regarding model portfolios referencing specific securities. Opposition centers on avoiding the blurring of lines between OEO services and investment recommendations, as well as mitigating risks of these portfolios being perceived as investment advice. Additional worries include regulatory challenges, investor protection, and conflicts of interest, with a strong emphasis on ensuring transparency, regular updates, and neutrality, particularly for proprietary products. (<b>FAIR, ITG, Naglie, OBSI, OSC IAP</b>)</p> | <p>We acknowledge these concerns. We believe the proposed guidance mitigates these risks by enumerating a (non-exhaustive) discussion of the key safeguards that would need to accompany any sample portfolios offered by OEO Dealers to not constitute a prohibited recommendation.</p> <p>These key safeguards include (but are not limited to) measures such as clear and comprehensive disclaimers to clients regarding the selection criteria of the sample portfolios, its risk metrics and warnings, and the OEO Dealer’s obligation to explicitly disclose and either address material conflicts of interest (including any proprietary, affiliated, or investment products for which the OEO Dealer has any financial incentive) in the best interests of the client or avoid the conflict.</p> |

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| <b>Self-assessment tools</b> | <p>Several commenters support self-assessment tools, emphasizing their role in helping investors understand their risk tolerance, investment knowledge, and objectives. Many suggest these tools should assist clients with asset allocation, product selection, and risk management strategies. Some recommend making their use mandatory before an investor's first trade to ensure proper understanding and application. Additionally, these tools are highlighted as important for enhancing investor education, self-help capabilities, and determining investor profiles or classes.</p> <p>There is also a consensus on the need for clear guidance, plain language descriptors, and disclosures to ensure proper interpretation and application. Combining self-assessment tools with features like filtering and generative AI is noted as beneficial. <b>(CAC, CBA, CIFIC, Coinsquare, Desjardins, IFIC, IIAC, ITG, Morningstar, NBF, OBSI, OSC IAP, PEAK, PI, PWPA, QI, RBC, TDW)</b></p> | <p>We believe that self-assessment tools can be beneficial for investors, allowing them to determine their class or segment, aiding in the selection of appropriate asset allocation.</p> <p>We also believe that there must be key safeguards in place when OEO Dealers choose to offer these types of decision-making supports to ensure that investors are using these tools to make their own, informed investment decisions. These safeguards include (but are not limited to): clear descriptors and transparent methodology, objective criteria, clear disclosures and disclaimers, the management or avoidance of any material potential conflict of interest, regular monitoring and updates to the tool, and providing educational resources alongside with the tool.</p> <p>We discuss these tools and provide a (non-exhaustive) discussion of these key safeguards in the proposed guidance.</p> |
| <b>Filtering Tools</b>       | <p>Several commenters support filtering tools, with consensus on allowing data-driven, customizable filters without limits on specificity, provided the criteria are clearly defined and reproducible. These tools are seen as valuable for improving market transparency, investor autonomy, and alignment with investor objectives. Additionally, the inclusion of appropriate warnings and risk metrics is emphasized to prevent implicit recommendations, while maintaining flexibility and customization in their application. The focus remains on delivering detailed, unbiased information to help investors find suitable</p>   | <p>We believe filtering tools can support investors by simplifying investors' investment selection process, providing results that align with individual preferences, and allowing investors to make informed decisions regarding the various products that meet the criteria they seek.</p> <p>The proposed guidance sets out that, like other decision-making supports, OEO Dealers who choose to offer filtering tools must do so with key safeguards in place. One of these key considerations is that OEO Dealers must ensure they manage or avoid any potential conflicts of</p>  |

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|                     | investments. (CAC, CBA, CIFIC, Desjardins, IIAC, ITG, Morningstar, OBSI, OSC IAP, PI, PWPA, QI, RBC, TDW)   | interest in filtering results, such as avoiding any bias in filtering results towards proprietary or affiliate products, or products for which the OEO Dealer receives any financial incentives.   |
| Combining Tools     | <p>Several commenters support combining multiple tools to enhance investor decision-making and create a comprehensive framework. The combination of tools, such as self-assessment, asset allocation, securities filters, and rebalancing, is seen as both efficient and empowering for DIY investors, helping them make more informed decisions. This approach is praised for its ability to provide a holistic and structured pathway aligned with investor goals and risk profiles, while also promoting investor education.</p> <p>To ensure proper use, there is agreement that combined tools should include clear disclaimers to avoid being perceived as investment advice. Tools should deliver unbiased, consistent guidance, and safeguards should address potential issues, such as frequent trading without consideration of fees. (CAC, CBA, Coinsquare, Desjardins, IFIC, IIAC, ITG, Morningstar, OBSI, OSC IAP, PI, PWPA, QI, TDW, WSI)</p> | <p>We support the view that combining tools is a positive step toward fostering investment expertise and encouraging good behaviors. A comprehensive framework of tools can empower investors to make informed decisions, aligning their actions with long-term goals and risk profiles.</p> <p>The proposed guidance sets out that OEO Dealers may offer multiple decision-making supports, which may also be combined to better assist investors in their independent decision-making. The proposed guidance does not attempt to consider every possible permutation and combination of possible supports that could be offered by OEO Dealers. Instead, when determining whether the combined effect of various decision-making supports amounts to a prohibited recommendation, the same considerations as when assessing an individual decision-making support still apply. All of the applicable key safeguards that apply to the applicable individual decision-making supports should also be considered.</p> <p>We believe this approach maintains the flexibility to allow advanced configurations of decision-making supports without imposing unnecessary limitations or an overly-perspective approach.</p> |

| SUMMARY OF COMMENTS                        |   | CIRO RESPONSE  |
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| <b>Limited client-specific information</b> | <p>Several commenters support using limited client-specific information to enhance investor education and personalize platforms. This approach is valued for its ability to provide educational content, tailor platforms to trading activities and tool engagement, and offer warnings about excessive trading or high-risk products. It is seen as a way to help investors make informed decisions aligned with their goals, while ensuring that the information remains unbiased and does not constitute a recommendation.</p> <p>Additionally, using limited client-specific information is supported for encouraging positive behaviors, such as reducing cash drag, and for highlighting the benefits of investing cash holdings. There is consensus that such use should include safeguards to prevent recommendations or reliance on KYC information. <b>(Aviso, CAC, CIFIC, Coinsquare, FAIR, IFIC, Morningstar, NBF, OBSI, PWPA, QI, RBC)</b></p> | <p>We agree that the use of limited client-specific information should prioritize enhancing investor education and encouraging objectively positive investment behaviours. These efforts help empower investors to align their decisions with their own financial goals.</p> <p>At the same time, we emphasize the importance of maintaining a clear boundary between informative decision-making supports and personalized investment advice.</p> <p>As such, the proposed guidance provides flexibility for OEO Dealers to use limited client-specific information (subject to the parameters and key safeguards set out in the guidance) to support positive investor behaviors without crossing into advisory territory.</p> |
| <b>Finfluencers</b>                        |   |  |
|  | <p>Several commenters agree that influencer partnerships must adhere to stringent standards similar to those for dealer communications. Robust due diligence, clear disclosures, and strict monitoring obligations are essential to ensure investor confidence and address regulatory concerns. Partnerships with finfluencers should include safeguards to mitigate risks such as fraud, misinformation, and conflicts of interest. Additional recommendations include limiting partnerships to registered finfluencers within a regulatory framework and prohibiting referrals to unregistered</p>  | <p>We recognize the importance of addressing partnerships with finfluencers to uphold investor confidence and ensure compliance with regulatory standards. We also recognize the growing influence of finfluencers and the challenges they present.</p> <p>OEO Dealers are responsible for ensuring that the activities in which they engage comply with the regulatory obligations to which they are subject under</p>  |

| SUMMARY OF COMMENTS  | CIRO RESPONSE  |
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| <p>individuals. <b>(CAC, CIFIC, Coinsquare, Desjardins, FAIR, IFIC, IIAC, PEAK, PI, QI, RBC)</b></p>   | <p>CIRO Rules and securities legislation. Further, OEO Dealers must consider whether they could be making prohibited recommendations or facilitating registerable activity by unregistered others (such as “finfluencers”) if they link to, host or provide third-party content, or enter into referral arrangements.</p> <p>OEO Dealers should be mindful of any applicable guidance that CIRO or the CSA may issue specifically concerning such practices.</p> |
| <p>Many commenters underline the growing influence of finfluencers and advocate for a structured regulatory framework to address their lack of qualifications, potential conflicts of interest, and risks of herd behavior, which can lead to impulsive and poorly informed decisions. There is also support for applying existing advertising guidance to finfluencers while conducting a separate consultation process to address the unique challenges posed by social media in the financial industry. <b>(FAIR, FID, OSC IAP, TDW, Wealthsimple)</b></p>          | <p>See the response immediately above.</p> <p>Please note that CIRO has provided guidance in Guidance Note 3600-21-002 <i>Review of Advertisements, Sales Literature and Correspondence</i>, and other related topics (such as conflicts of interest) to address these practices.</p>  |
| <p>Stakeholders emphasize the importance of thorough initial assessments, continuous oversight, and transparency to ensure regulatory compliance and protect investors. This includes using tools like portfolio analyzers, monitoring trading behavior to identify harmful trends, and addressing impulsive trading behavior, especially with features like "Trade Now." These measures are seen as crucial for maintaining investor protection and safeguarding the integrity of financial advice. <b>(Aviso, Coinsquare, FAIR, IIAC, ITG, NBDB, OBSI, PWPA)</b></p> | <p>We fully endorse the importance of thorough initial assessments and ongoing monitoring and oversight by OEO Dealers to ensure investor protection and compliance with regulatory standards. These measures play a critical role in identifying and mitigating harmful trends or potential misconduct while fostering trust and transparency in the financial industry.</p>  |
| <b>Copy Trading</b>  |  |
| <p>Several commenters emphasize the importance of implementing strong oversight and transparency measures to ensure the safe and effective use</p>   | <p>OEO Dealers are responsible for ensuring that the activities in which they engage comply with the regulatory obligations to which they are subject under</p>  |

| SUMMARY OF COMMENTS   | CIRO RESPONSE  |
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| <p>of copy trading. Recommendations include limiting copy trading to non-leveraged instruments, requiring clear disclosures about risks, costs, and performance, and mandating investors to review trades prior to execution. Enhanced safeguards, such as monitoring risk exposure, setting position limits, and periodic approval renewals, are also suggested to protect investors and promote responsible trading practices. <b>(CAC, CIFIC, Coinsquare, IIAC, ITG, Morningstar, NBDB, OBSI, PI, PWPA, QI, RBC)</b></p>   | <p>CIRO Rules and securities legislation. Further, OEO Dealers must consider whether they could be making prohibited recommendations or facilitating registerable activity by unregistered others if they facilitate copy-trading functionality. OEO Dealers should be mindful of any applicable guidance that CIRO or the CSA may issue specifically concerning such practices.</p> |
| <p>Many commenters express support for OEO Dealers offering copy-trading functionality, emphasizing its potential to democratize access to advanced trading strategies and provide non-tailored advice, particularly for less experienced investors. However, they stress the importance of implementing robust safeguards, including clear disclosures on risks and limitations, transparency in trade selection, educational measures, and mechanisms for investors to assess their suitability. These measures aim to protect investors while enabling the beneficial use of copy trading. <b>(CBA, Coinsquare, IFIC, IIAC, PI, WSI)</b></p> | <p>See the response immediately above.</p>   |
| <p>Many commenters oppose copy trading, citing significant risks to investors such as reliance on unregistered traders' strategies, excessive risk-taking, market manipulation, and impulsive decision-making. These concerns highlight the potential for inappropriate investments and the lack of proper oversight. There is a shared view that automated copy trading should be considered a registerable activity, with portfolios managed by registered portfolio managers under stringent regulatory safeguards, including disclaimers and educational measures. (CBA, Desjardins, FAIR, FID, PEAK, TDW.)</p>                             | <p>See the response immediately above.</p>   |
| <p><b>Delivery of Tools and Information</b></p>   |  |
| <p>Many commenters support using multiple communication channels to enhance accessibility, engagement, and timely updates for investors. Stakeholders advocate for technology-neutral guidance, ensuring</p>  | <p>We believe that OEO Dealers should be allowed to use various communication channels to provide timely and accurate information to investors.</p>  |

| SUMMARY OF COMMENTS  | CIRO RESPONSE  |
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| <p>consistency in the information provided across platforms without imposing different regulatory requirements. Concerns are raised about potential risks, such as blurring the line between non-tailored advice and registrable activities. Clear and factual communication across all platforms is considered essential to maintain transparency and objectivity. <b>(CBA, CI, Desjardins, FID, IIAC, OBSI, QI, WSI.)</b></p>  | <p>The proposed guidance is technology-neutral and allows OEO Dealers flexibility to communicate with clients in iterative ways, provided those communications adhere to the CIRO requirements and the proposed guidance.</p>  |
| <p>Some commenters emphasize on distinguishing between the platforms and channels OEO Dealers use to provide tools and information, such as websites, emails, apps, and social media. They highlight that the medium can affect how information is perceived and utilized, and they recommend making investment-related tools accessible through secure, controlled platforms with options for notifications across digital channels. However, some stakeholders argue that the delivery method should not influence how recommendations or tools are treated, as the content's reliability and accuracy remain the primary factors. <b>(CI, Coinsquare, ITG, NBF, PWPA)</b></p> | <p>To safeguard investors, we believe self-help investment tools should be limited to the OEO Dealers' trading platforms, ensuring consistency and security in their use.</p>  |
| <p>Some commenters believe the degree of control OEO Dealers have over tool delivery should influence the level of regulatory requirements applied. Robust regulations are deemed necessary for tools provided through OEO Dealer websites and apps to ensure reliability and credibility. Stakeholders emphasize that the medium of delivery is secondary to maintaining the accuracy and consistency of information, along with mechanisms to combat misinformation and enhance access to trustworthy information. <b>(CAC, CIFIC, IFIC, RBC)</b></p>  | <p>OEO Dealers are responsible for the activities in which they engage.</p> <p>OEO Dealers' communications with clients, including decision-making supports, are subject to the CIRO requirements and key safeguards set out in the proposed guidance, regardless of the manner in which those communications are delivered.</p> |