October 8, 2025

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

By electronic mail : memberpolicymailbox@ciro.ca

Subject: Comment Letter – Modernization of requirements for account transfers and bulk account movements

Dear Sir/Madam,

We are pleased to submit our comments on Rules Bulletin No. 25-0199 – Request for Comments: Modernization of requirements for account transfers and bulk account movements of the Canadian Investment Regulatory Organization ("**CIRO**"), published on July 10, 2025.

For over 30 years, the PEAK Financial Group Inc. ("**PEAK**") has made a meaningful difference in Canadians' lives by helping them make better use of their money. With more than $17 billion in assets under administration, PEAK is a leader among fully independent multidisciplinary dealers in Canada. Founded in 1992, PEAK enjoys a strong reputation within the financial services industry and supports a network of 1,500 independent advisors and employees established across wealth management, mutual funds, securities, and insurance.

PEAK Financial Group comprises four member companies: PEAK Investment Services Inc., PEAK Financial Services Inc., PEAK Securities Inc., and PEAK Insurance Services Inc. Guided by shared values of integrity, independence, and innovation, PEAK and its network of independent financial advisors have earned the trust of 150,000 investors from coast to coast.

RESPONSES TO QUESTIONS

Q1. Proposed requirement to proactively address account transfer impediments with the client up front before the account transfer process can commence

We are fully supportive of the requirement that transfer impediments be identified, communicated, and addressed before the account transfer process is initiated. Too often, client delays and dissatisfaction stem from identifying obstacles late, after the transfer is underway. At that point, the process is not easily reversible, which can lead to adverse consequences for the client

experience and for the reputations of the firms involved.

Common impediments include non-eligible positions, missing dealer agreements, missing or incomplete documentation regarding the remaining minimum or maximum annual payments under a RRIF or LIF account, as well as powers of attorney that require manual processing. These situations should be systematically detected and resolved up front. This aligns with best-practice due diligence for advisors and would avoid delays, preventable errors, and mid-process remediation.

We further recommend that CIRO adopt a standardized eligibility checklist covering positions and documentation, to be included with every transfer request. In our view, the advisor should be responsible for this preparatory step (while we anticipate that the rules may formally assign the burden to the firm, which should be clarified). Finally, it is essential that all impediments be addressed before initiation so the ten-clearing-day standard can be met.

Q2. Specified time to identify and inform the client of transfer impediments

We agree in principle with a defined timeline to identify and communicate impediments; however, we consider the proposed two clearing days to be overly ambitious under current practices. A uniform two-day standard would encourage transparency, efficiency, and accountability between firms, and the importance of early impediment identification is undeniable to reduce client disruption and avoid costly process reversals.

That said, in more complex cases or those requiring manual processing, two days is unrealistic, for example, estate-related transfers, missing powers of attorney, or proprietary products that the receiving dealer declines to accept. These require additional verification beyond two days unless a mandatory pre-validation step and a clear exception and tracking mechanism (e.g., a centralized dashboard) are implemented. Without these, enforcing such a short timeline would create pressure without materially improving the client experience.

We therefore suggest the implementation of a tiered approach. For standard accounts processed through automated systems, two days may be realistic. For more complex or exceptional accounts, three to four clearing days are more appropriate, provided impediments are flagged promptly and transparently. In this context, we recommend adopting four clearing days rather than two, with the possibility to shorten the standard progressively as automation, up-front validation, and shared technological infrastructure are deployed across the industry.

Q3. Standard account transfer settlement period

We believe the ten-clearing-day standard can only function if all transfer impediments are

addressed before initiation, as noted in response to question 1. Put differently, ten clearing days is realistic only for unimpeded transfers, once pre-checks are complete and issues resolved. Otherwise, the standard will not be met, and delays will be inevitable.

In the securities sector, the ten-clearing-day standard is generally achievable through the use of the ATON system. However, there are still important limitations. The standard can only be met where both the delivering and the receiving dealers are ATON participants, and several product types — such as guaranteed investment certificates (GICs) and certain segregated funds — remain outside the scope of ATON, requiring manual processing.

In practice, the ten-day standard is therefore achievable only if:

1. all relevant products are included on a uniform, automated platform;
2. all impediments have been identified and resolved up front; and
3. operational practices that artificially add delay are eliminated.

GENERAL COMMENTS

CIRO's consultation advances regulatory amendments to modernize account transfers, alongside technology solution concepts described in its White Paper. These initiatives are directionally sound. However, several additional factors directly influence timing and efficiency of transfers but are not addressed in the consultation documents. In our view, these factors must be considered for the modernization objectives to be fully achieved.

1. Conflicts of interest and incentives

We appreciate that the consultation focuses on operational aspects and does not address firm or advisor conduct when changing dealers. However, this dimension is critical, as it remains one of the primary drivers of high-volume account movements.

In particular, signing bonuses offered to advisors changing firms are central to many of these movements. Advisors may be motivated by financial incentives rather than client interests, creating artificial volumes that place significant pressure on operations and inevitably lead to delays.

These incentives should be subject to mandatory disclosure to clients. It remains to be specified who must disclose and when (e.g., at execution of the new client agreement). While conflict-of-interest rules exist, this specific item is not addressed. Such a requirement would not eliminate competition between firms; business practices would remain permitted. The issue is transparency: advisors could continue to receive these incentives, but clients would be fully informed of the

factors at play.

2. Transfer fees and tax impacts

Client transparency should also be materially strengthened beyond impediment disclosures. We recommend a standardized pre-transfer form to clearly set out tax implications, as these are often misunderstood or discovered too late despite directly influencing the client's decision. The rules should specify who must provide this information, when (ideally up front), and in what form.

Similarly, transfer fees and their potential reimbursements should be subject to precise requirements. Today, information varies widely by firm, leaving clients without clear reference points when facing unexpected fees or reimbursement policies they do not understand. To avoid ambiguity, the rules should clearly define who must communicate this information, when, and how.

These rules should also cover particular scenarios, such as a client unilaterally transferring to a do-it-yourself platform without a new advisor involved. The rules should clarify whether the receiving dealer bears the disclosure obligation in such cases. While a significant portion of responsibility rests with the client in that context, the framework should still structure that responsibility.

In short, CIRO should close these gaps by clearly and uniformly defining responsibilities so that clients receive complete information to understand the consequences of their decision and exercise their rights in an informed manner.

3. Product-specific issues

Proprietary products raise two distinct concerns in transfers.

First, transferability is often limited. In many cases, such products are not accepted by the receiving dealer, resulting in rejects and added delay. The client may be forced to liquidate positions (incurring fees or tax impacts) or to maintain residual accounts at the former dealer, further complicating portfolio oversight. A clear up-front disclosure of these transferability limits should be required so clients are informed before initiating the transfer and can assess possible consequences.

Second, some advisors joining a firm that distributes proprietary products may receive additional compensation to favor their sale. This creates a potential conflict of interest that should be disclosed to clients. This requirement should be expressly integrated into the conflict-of-interest disclosure rules, with clear guidance on timing and form (e.g., at execution of the new agreement).

Accordingly, the framework for proprietary products should cover both transferability limits and financial incentives tied to distribution, in order to reduce delays and ensure the transparency needed for an informed decision.

4. Operational impacts

Certain operational realities should also be addressed to ensure process transparency and client protection.

First, the role of issuers in client-name accounts should be better defined. In such cases, issuers may execute transfers, sometimes at the request of the client or the advisor, without informing the dealer of record. This limits the dealer's ability to properly support the client. To remedy this, the rules should require that the dealer of record be systematically notified when an issuer-involved transfer is initiated. That dealer should also be able to communicate with the client to confirm that all relevant information has been provided by the receiving dealer.

Second, certain advisor practices should be better bounded to avoid conflicts of interest. In some cases, at the advisor's request, the client specifies that all transfer-related communications must go exclusively through the advisor. This prevents the dealer from communicating directly with the client and places the advisor in an undesirable gatekeeping role. The rules should therefore specify that transfer-related communications occur directly between the dealer and the client, to ensure transparency and integrity.

5. Confidentiality and data protection

Finally, confidentiality and data protection must be explicitly integrated into the framework.

On one hand, obligations relating to account closure should be clarified. Unlike the United States, where a fiduciary vs. non-fiduciary distinction exists, Canadian dealers remain responsible for all acts of their advisors. This responsibility cannot be indefinite: it is essential to clarify when it ends in the transfer context.

On the other hand, certain practices surrounding an advisor's departure require stricter controls. It is sometimes observed that, just days after a resignation, a large number of transfers are already ready to be executed at the new firm. This raises two concerns. The first relates to confidentiality: if transfers can be prepared so quickly, it suggests that personal information may have been shared or used before clients gave explicit consent. The second is regulatory: where transfers appear to have been prepared before the advisor's official departure, there may be overlap between activities conducted for the current dealer and those undertaken for the future firm. These gray areas must be clarified to protect clients and the integrity of the process.

CONCLUSION

CIRO's efforts to modernize and harmonize account transfers represent an important step toward

improving the investor experience and increasing operational efficiency across the sector. However, for these reforms to fully achieve their objectives, the scope must extend beyond technical aspects alone. Advisor financial incentives, clarity of client disclosures, transferability of proprietary products, certain operational practices, and confidentiality and data protection are all critical factors that directly influence the fluidity of the transfer process and, more broadly, the integrity, resilience, and credibility of the industry as a whole.

By incorporating these elements into the regulatory framework, CIRO will not only reduce delays and strengthen transparency, but also bolster public confidence and help ensure the integrity of the Canadian securities sector overall.

Thank you for considering our comments.

Sincerely,

Erika Tatiana Fernandez
Chief Operating Officer and Vice President, Finance and Control, *PEAK Financial Group Inc.*

Élisabeth Chamberland
Chief Compliance Officer, *Peak Investment Services Inc.* and *PEAK Financial Group Inc.*

Martin Boileau

Martin Boileau, CIM
Chief Compliance Officer, PEAK Securities Inc.

Cc : Trading and Markets, *Ontario Securities Commission*, by electronic mail : tradingandMarkets@osc.gov.on.ca
Capital Markets Regulation, *B.C. Securities Commission*, by electronic mail: CMRdistributionofSROdocuments@bcsc.bc.ca