

October 8, 2025

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Re: Modernization of requirements for account transfers and bulk account movements

We are pleased to provide comments on behalf of IG Wealth Management Inc. (“IG”) in response to the Canadian Investment Regulatory Organization’s (“CIRO”) request for comments on the Modernization of requirements for account transfers and bulk account movements (the “Proposed Transfer Rules”).

Our Company

IGM Financial Inc. is a diversified financial services company and one of Canada’s largest managers and distributors of mutual funds, including the exclusive distributor of its own products. We carry out our distribution activities through our subsidiary, IG, a dual registered dealer that operates as an investment dealer with a dedicated mutual fund division. We are committed to comprehensive personal financial planning delivered through long-term client and advisor relationships. The company provides advice and services through a network of advisors located across Canada to over one million clients. We currently have approximately 3,300 advisors registered with CIRO, located across 52 regional offices spanning all provinces throughout Canada. IG has over \$146.7 billion in assets under advisement as of June 30, 2025. We are part of IGM Financial Inc., which is a member of the Power Corporation of Canada group of companies.

General Comments on the Proposed Transfer Rules

IG applauds CIRO for advancing the discussion on how regulators and industry participants can improve the process of client transfers between financial institutions. Client transfers are a complex issue as a result of the differing regulatory requirements for various participants, with differing methods through which transfers may occur resulting in disjointed and confusing processes for clients as to why certain products are delayed or

unable to be transferred to their desired dealer. For example, IG transfers with other CIRO investment dealers on ATON, have significantly shorter timeframes than IG's transfers with other categories of financial institutions using non-ATON transfer processes.

Importantly, as CIRO notes in the Proposed Transfer Rules, the amendments alone will not address all the current barriers to improving the timeliness and efficiency of account transfers. There is a need for coordination among financial institutions outside of CIRO to develop industry wide technology enhancements in order to evolve standards and improve client experience. We encourage CIRO to continue working with other regulators, including the CSA to harmonize transfer requirements.

IG Response to Consultation Questions:

Question #1 - Proposed requirement to proactively address account transfer impediments with the client up front before the account transfer process can commence

IG supports the underlying objective of increased transparency that the Proposed Transfer Rules aim to provide for the client by informing them about potential transfer impediments earlier in the process to enable them to make an informed decision. We also believe these discussions will better align client expectations for the transfer process.

However, depending on the definition of impediment and the requirements to avoid partial transfers, the Proposed Transfer Rules could result in most transfer requests as being considered to have an impediment and that would increase the overall timeline for transfers, due to the additional requirements under Proposed IDPC Rule 4857. If an impediment includes all instances where the transfer cannot occur within 10 clearing days, then many transfers will fall into this category when there is not a true "impediment" preventing the transfer, but instead as a result of circumstances that take the transfer outside of the 10 clearing day requirements; for example instances where a product is only priced periodically and the position can transfer – there is merely a delay in the timing of the transfer for pricing reasons. We recommend CIRO include a definition of impediment in the Proposed Transfer Rules to reduce uncertainty and restrict the definition to instances where there are actual barriers for the client to transfers a security to another dealer, like with respect to proprietary products.

In addition, the Proposed Transfer Rules need to recognize that not all impediments can be identified in advance of the transfer process and some transfer delays may be outside the control of the Dealer. For example, after a transfer has been initiated, a security could be sanctioned by the regulator. We suggest adding the words "foreseeable" to Proposed IDPC Rule 4857(1) and (2), "If there is a *foreseeable* impediment".

Question #2 - Specified time to identify and inform the client of transfer impediments

IG is supportive of enhancing the accountability of Dealers in identifying impediments to transfers and communicating that information to the other Dealer. However, two clearing days without industry wide technology enhancements, including with respect to how dealers communicate transfer requests, is too restrictive a timeline.

One concern is that there are not standard practices as to where transfer requests are delivered (general email or a communication center vs. FundServ or CDS message center), there should be an acknowledgement from the Dealer (or the ability of the requesting Dealer to confirm delivery) to ensure that the request has been received and can be actioned.

Further, two clearing days may only provide Dealers with enough time for an initial review of typical impediments in a positions list (propriety product, GIC close to maturity etc.) and not sufficient for an in-depth review and to outline the requirements in Proposed IDPC Rule 4857.

In addition, with respect to the timeline for the Receiving Dealer, we do not believe it is reasonable to expect that Dealer to have communicated and *resolved* the impediment-related issues with the client within 2 clearing days. The Receiving Dealer should be considered to have satisfied their obligations by providing the client with the IDPC 4857(3) notification details via their preferred means of communication. The Proposed Transfer Rules should not impose unrealistic timelines for advisor – client communications, in particular, where there may be complex decisions required with respect to positions that cannot be transferred to a dealer as a result of restrictions or where the transfer may not be desirable as a result of tax consequences, or the client must provide documentation to facilitate a transfer.

We recommend a timeline of five clearing days to identify impediments and communicate that information to the other CIRO dealer until such time as there is technology to support dealer communications and review of position lists.

With respect to the specific item in IDPC Rule 4857(1) and (2) that requires each Dealer to communicate with each other and in 4857(3) the Receiving Dealer to the client, we strongly recommend that the requirement to identify taxation impacts be removed. It is dealer operations that assess transfers out and provides that information to the Receiving Dealer, and it is on an account level. It is not appropriate for operations to provide tax advice with potentially incomplete information and without context of the client’s full portfolio. Each Dealer has limited information in these situations and should not be providing tax information. If anything, the requirement should be limited to a notation that the client should consult their tax professional.

Question #3 - Standard account transfer settlement period

In principle, IG is supportive of the timeline outlined in the Proposed Transfer Rules. As previously noted, where there is a prescribed transfer facility, such as ATON, 10 clearing days is a reasonable timeframe for transfers, once final client instructions are received. However, this rule would apply to all CIRO dealers and include non-ATON transfers, and without technology enhancements among non-ATON participants or with respect to products that are not ATON eligible, this timeline may be difficult to achieve.

In addition, CIRO needs to provide clarification with respect to when the timeline for 10 clearing days is calculated. Proposed IDPC Rule 4859 states

“... must settle a client account transfer request within 10 clearing days of the delivering Dealer receiving the account transfer request from the receiving Dealer.”

However, if there is an impediment, the Delivering Dealer has two clearing days to notify the Receiving Dealer, who then must notify the client and then receive client instructions before the accounts can be actioned. The timeline for the Delivering Dealer should begin once those client instructions are received and not when the initial request is made as the instructions could impact what is to be transferred. Further, the client may be unavailable or need to consult their lawyer/tax professional to determine how to proceed with a transfer and meeting that 10 day timeline based on the initial request would be out of the control of the Dealers. Further, CIRO has noted that they do not want partial transfers initiated prior to the client having information about impediments

We also believe that Proposed IDPC Rule 4859 should be deemed to be satisfied where the Delivering Dealer informs the Receiving Dealer of the timeline of transfer for certain products that cannot be settled within 10

days and initiates the transfers within the 10 days (i.e. products that price infrequently or require third party coordination). As previously noted, we do not believe that products/account types that can be transferred to another dealer, but merely require a longer timeframe to do so, should be considered an impediment and the Proposed Transfer Rules must be able to account these types of transfers without penalizing the dealer for processing the transfer at a timeline that is beyond their control.

Other Comments on the Proposed Transfer Rules

Temporary Holds and Transfer Requirements

We believe CRO should take into account the impact of Temporary Holds on transfer requests that may be influenced by third parties suspected of financially abusing the client. In such cases, the Relinquishing Dealer should be afforded sufficient time to verify the client's true intentions—consistent with the protections allowed under Temporary Holds. At a minimum, we recommend that CRO provide clear guidance on how the transfer of these accounts should be treated under any new rules introduced.

Recognized Account Transfer Facility

We believe there should be more opportunity to provide feedback about the concept of having CRO approved acceptable account transfer facilities given the concurrent White Paper Consultation. Dealers need to be able to use vendors who are compatible with existing back-office system capabilities and not forced to use a new vendor mandated by CRO. Dealers already have regulatory accountability for the third-party technology providers that we use for compliance with all aspects of our regulatory obligations, including use of technology providers for back-office operational processes. In addition, what type of regulatory oversight may CRO have over these parties? If the recognized account facility is the reason for a transfer delay, will dealers have recourse through CRO?

Enforcement

We believe enforcement related to the Proposed Transfer Rules should be based on systemic issues, as opposed to one-off instances where there is a non-material delay (i.e. 11 days instead of the 10 days). Clients will continue to have normal course compliant mechanisms to address one-off instances where there may be a delay.

Implementation Timeline

We believe an implementation timeline should be developed in consideration of the White Paper and its proposed timeline given the importance of technology for dealers in achieving the proposed timelines for transfers. However, the White Paper notes an expected timeline for the end of 2026 for full adoption of a technology solution and we believe that is not a realistic timeline for the technology solution or to enable dealers to implement system changes to comply with the Proposed Transfer Rules, if the rules were to go into effect first. Dealers should not be expected to develop operational solutions until rules are finalized and if the Proposed Transfer Rules are finalized in early 2026, Dealers should have a minimum of 18 months of before the new rules go into effect.

The suggested 18 month implementation timeline should remain even if technology solutions were developed and adopted by Dealers by the end of 2026, as IDPC Rule 4857 could require new forms to be developed to communicate the required details of impediments, new supervision procedures and policies, new client materials, dealers need to educate advisors on the changes to how transfers are to be communicated and the new information they are required to discuss with their clients with respect to impediments.

We encourage CIRO to continue its collaboration with Dealers and stakeholders on this important initiative and not to rush its implementation, given the significant outstanding decisions on the appropriate model, and potential costs and builds associated with the White Paper.

Conclusion

Thank you for the opportunity to provide comments on the Proposed Transfer Rules.

We would be pleased to engage further with you on this important initiative. Please feel free to contact Adrian Walrath at Adrian.walrath@ig.ca or me if you wish to discuss our feedback further or require additional information.

Yours truly,

IG Wealth Management

Danielle Tetrault

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