



November 17, 2025

## **Member Regulation Policy**

Canadian Investment Regulatory Organization  
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### **Via e-mail:**

Dear Mesdames/Sirs,

### **Re: Proposed new guidance on order execution only account services and activities**

This comment letter is being submitted by RBC Direct Investing Inc. ("RBCDI"). We are writing in response to the Canadian Investment Regulatory Organization's ("CIRO") request for comments on [Proposed new guidance on order execution only account services and activities](#) (the "Consultation"), published on August 12, 2025.

RBCDI would like to extend its appreciation to CIRO for its timely consideration of the feedback submitted in response to the previous consultation ([Non-tailored advice in the order execution channel](#)), and welcomes the opportunity to comment further on the Consultation. RBC DI commends the initiative of CIRO for continuing to prioritize meaningful reform to the existing guidance ([Guidance on order execution only account services and activities | Canadian Investment Regulatory Organization](#)), ("OEO Guidance").

RBCDI is supportive of the work that has been done to modernize the OEO Guidance and would like to highlight the positive aspects of the Consultation that are appreciated, as well as offer feedback on other aspects of the Consultation where application may prove challenging.

Order execution only ("OEO") dealers are a critical component of the retail investment landscape, providing value to investors and the financial ecosystem through low-cost access to the capital markets, greater investor control and independence, and ultimately choice. Choice of where to invest, how to invest, and what to invest in. Whether an OEO dealer offers an extensive, open product shelf, or is entering the market with a proprietary offering, clients should have the ability, within their chosen firm or firms, to avail themselves of tools and services to help them make the right decisions. In support of that objective, RBC DI commends CIRO's efforts to update and modernize the OEO Guidance in a manner that aligns with the needs of today's digital investors, while remaining principles-based and technology neutral. Allowing OEO dealers to provide customized information that is relevant and useful for promoting financial literacy, as well decision-making supports to foster investor confidence, is a foundational and welcomed change. In particular, RBCDI appreciates key revisions to the OEO Guidance, including:

- **Narrowing the application of the current overly broad recommendation prohibition** to 'the endorsement of a specific investment decision for a client' and enabling OEO dealers to provide factual information that may be relevant, and of use, to an investor.
- **Removing considerations of "push vs pull"** when determining whether a tool or information is considered to be a prohibited recommendation, and noting that the method of delivery is not entirely determinative. Whether content or tools constitute a recommendation is a determination that should consider the intent and context of the content and/or tools.

- **Enabling OEO dealers to provide a greater array of information**, including educational material, decision-making supports, self-help tools, and alerts, in a manner that adheres to existing regulatory requirements, empowers investors to make meaningful and astute investment decisions on their own, and supports positive investing habits.

While generally supportive of the proposed revisions, RBCDI identified some areas of concern within the Consultation and recommends CIRO consider opportunities to improve the OEO Guidance, including:

- **Conflating conflicts of interest with recommendations:** We refer to the characterization of a recommendation in the Consultation: “*A recommendation is prohibited if it endorses a specific investment decision for the client*”. A product offering composed of proprietary products or a product shelf that includes proprietary products does not inherently constitute a recommendation. Neither does the circumstance of an OEO dealer communicating to clients about proprietary/affiliated products. The fact that a conflict of interest may exist does not change the definition of a prohibited recommendation; an endorsement of a specific investment decision is required for the impugned conduct to be considered a prohibited recommendation. An advisor is not restricted from discussing or even recommending proprietary products; similarly, an OEO firm should not be restricted from offering or discussing proprietary products. Conflicts of interest are managed under existing regulatory frameworks that are well-established. Clients require the same degree of information and decision-making supports to help make investment decisions involving proprietary products and non-proprietary products, and should be able to avail themselves of information and decision-making supports irrespective of their OEO dealer’s product shelf. Conflating concepts in this manner will render OEO dealers unable to provide decision-making supports due to confusion arising from the application of the OEO Guidance, and will negatively impact the investing population.
- **Unwitting regulation of OEO dealer product shelf or the size of product shelf:** Closely connected to the previous point, the OEO Guidance as drafted potentially expands the obligation to manage conflicts of interest to the extent that it may restrict or preclude an OEO dealer in offering proprietary products (including products of an affiliate), or otherwise prescribe the construction and size of an OEO dealer’s product shelf. Expanding the obligation in this manner may have the unintended consequence of introducing barriers to entry, hindering commercial enterprise, constraining client autonomy and limiting an investor’s ability to exercise independent judgement. The OEO Guidance should strive to help dealers comply with regulatory requirements, not introduce new requirements that impose obligations beyond the existing regulatory framework.
- **Pre-population of Decision-Making Supports:** OEO dealers should be permitted to enhance the client experience by pre-populating decision-making supports or tools with objective information that has been provided by the client previously, thereby minimizing the need for clients to repeatedly input the same data into different tools within the OEO dealer’s platform. All data that is pre-populated in the tool should be displayed to/reviewed by the client at the outset before the tool can be used, and the client should be able to update/remove data fields as the client deems necessary.
- **Monitoring of self-help tools on an ongoing basis:** Requiring an OEO dealer to regularly review, test and update self-help tools for relevance and accuracy, and to reflect current market conditions, appears to be beyond the expectations enumerated under IDPC rules, and may render the most simple decision-making support obsolete. For example, additional resources would be required to subject an educational article to cumbersome and unnecessary oversight processes, above and beyond those that exist currently to fulfill regulatory obligations. Furthermore, it would be helpful for the purposes of greater clarity and compliance to understand how OEO dealers would navigate this so that the net effect of the decision-making support does not approximate or replicate a full-service, recommendation-based product.
- **Constraints placed on Sample Portfolios:** OEO dealers should be permitted to provide examples of specific securities that could in theory satisfy/fulfill the relevant asset allocation in a sample portfolio, provided such specific securities are not endorsed by the OEO dealer. Providing sample portfolios absent context or examples may lead uninformed investors to use the tool in a manner that is inappropriate or not intended.

**Consultation Questions:**

### **Question 1**

***The Proposed Guidance sets out a non-exhaustive list of key safeguards for OEO Dealers to consider when offering decision-making supports to clients. Are there any additional safeguards you believe should be included to further enhance investor protection in the OEO channel? If so, please specify.***

RBCDI believes that safeguards should apply within the context of the tool/information provided, and should primarily be informed by existing regulatory requirements and guidance; such as those that pertain to managing conflicts of interest, marketing and sales communication practices and product due diligence. Not every decision-making support requires “safeguarding”, and overly prescriptive safeguards could impact an OEO dealer’s ability to provide tools/decision-making supports to clients for fear of falling short of the prescribed standard.

Where disclosure is appropriate, the extent of disclosure required should be commensurate to the complexity of the decision-making support provided. While it is important for OEO dealers to provide clear and comprehensive disclosure with respect to decision-making supports, there is a risk of over-disclosure to the extent that the specific information most relevant to the client gets lost in large volumes required to meet the proposed safeguard. In addition, the OEO Guidance should not impose a requirement to share proprietary or commercially sensitive information, especially where it has no utility to the client.

### **Question 2**

***As discussed in section 2.2.2(d) above, the Proposed Guidance permits OEO Dealers to provide sample portfolios that can be used in combination with filtering tools so that clients can receive support from OEO Dealers on asset allocation at the portfolio level, while still remaining responsible for their own specific investment decisions.***

- 1. Do you agree that this approach appropriately balances OEO Dealers’ desire to provide sample portfolios with investor protection concerns (particularly around conflicts of interest)?***
- 2. If you do not agree with this approach, please describe how can OEO Dealers could provide sample portfolios that reference specific investment products but do not constitute a prohibited recommendation under the revised recommendation prohibition. Recall that (as set out in 2.1 of the Proposed Guidance) OEO Dealers cannot avoid the revised recommendation prohibition by simply stating that a sample portfolio is not tailored to a specific client if, in every other regard, it meets the test of a recommendation.***

RBCDI supports permitting sample portfolios, including their use in combination with filtering tools. Furthermore, we encourage CIRO to broaden the guidance to permit the inclusion of specific securities in sample portfolios, which is invaluable to clients for the purposes of illustration, education, and example. With clearly worded instructions and explanation that sample portfolios do not constitute personalized recommendations, these tools can be effectively utilized without resulting in a prohibited recommendation. Clearly worded disclosures can also reiterate that clients remain responsible for their investment decisions. The difference between a client combining a sample portfolio with a filtering tool, versus being able to reference examples of specific securities in a sample portfolio is a matter of a few steps, rather than a distinction of a material nature.

### **Question 3**

***Consistent with a principle-based approach, we have abstained from listing extensive examples in the Proposed Guidance of decision-making supports and whether or not they would be considered prohibited recommendations. We believe this is crucial for the Proposed Guidance to remain technology-neutral and allowing OEO Dealers to create new decision-making supports without being hindered by a point-in-time, binding analysis in the Proposed Guidance. However, throughout the consultation process, feedback continues to be varied as to whether the industry would benefit from CIRO providing more examples. Would commenters like CIRO to publish an analysis of different decision-making supports as against the revised recommendation prohibition in a supporting document alongside the Proposed Guidance? If so, please submit examples for which you would like that analysis.***

RBCDI appreciates CIRO’s objective of remaining technology-neutral and agrees that providing a list of examples of permissible and/or non-permissible decision-making tools may restrict future innovation, as well as potentially

create more room for interpretation. Any clarifying principles that CIRO considers important for firms to incorporate during their assessments would be welcome, with illustrative examples clearly identified as such.

#### **Question 4**

***In its Executive Summary, the Proposed Guidance indicates that it does not contemplate an OEO Dealer that restricts its product shelf largely to proprietary or affiliate products, or a very limited range of products, because of the revised recommendation prohibition and conflicts of interest implications.***

- 1. Do commenters disagree with this position? If so, please describe in what ways the material conflict that arises in this scenario (such as filtering tools generating results that only reference proprietary or affiliate investment products) could be appropriately addressed in the best interests of the client instead of avoided.***

RBCDI respectfully disagrees with the assumption that offering a restricted product shelf by default constitutes a recommendation or an unmanageable conflict of interest. Offering or making certain products available to investors does not equate to endorsing them for a particular investor. The guidance needs to be flexible to account for new evolving business models and commercial interests, while outlining the expectations on firms to employ the existing regulatory framework for addressing conflicts of interest. With the principles of clear, practical disclosure, clients will be well-armed to conduct their analyses of OEO dealer product shelves and make their own decisions about whether to invest with a particular firm and in the products it offers.

- 2. In the case of an OEO Dealer that offers a very limited range of products, how could an OEO Dealer ensure that decision-making supports do not offer so few options that it ultimately endorses specific investment products? For example, should such OEO Dealers be required to generate a minimum number of options to offer certain tools (such as filtering tools when used in combination with sample portfolios)?***

With respect to decision-making supports that provide filtering/research capabilities, the inputs are client-driven, and it would be challenging to prescribe a minimum number of options as a search result, for example. Filtering tools are based on specific criteria, and if the search results deviate from the criteria entered, the integrity of the tool would not be preserved. Consider for an OEO Dealer with an extensive product offering, if a client were to filter the product shelf for “equities, Canadian-listed, in sector X, with a minimum market cap of Y”, there may only be one valid result from the input criteria. That the filter criteria generate one result does not imply that the OEO Dealer endorses a particular course of action with respect to the result produced. The same logic applies if the tool is used in conjunction with a more limited range of products. Rather than how many product options are available, the determination of whether an endorsement is present should be determined by an analysis of factors such as: is there a bias applied to the tool, does the client have control over inputs, what is the tone of the language, etc.

#### **Conclusion:**

To support the ability of investors to use and combine tools as they see fit, we encourage CIRO to maintain a flexible, principles-based approach to allow OEO dealers to better assist investors and to promote innovation. CIRO should assess each dealer’s approach on its own merits, focusing on whether the tools and safeguards in place effectively achieve the intended regulatory outcomes, rather than mandating a single prescribed model. Firms should correspondingly be permitted to demonstrate compliance through different methods.

RBCDI appreciates the opportunity to provide comments and welcomes the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact the undersigned.

Sincerely,

*“Dimitri Busevs”*

Dimitri Busevs  
President and CEO  
RBC Direct Investing Inc.