

Comments Received in Response to Rules Bulletin 25-0271 – Request for Comments – re: Proposed Amendment of Approved Person Fees Component within the Annual Fee of Dealer Member Fee Model

On October 8, 2025, CIRO issued [Notice 25-0271](#) requesting comments on the Proposed Amendment of Approved Person Fees Component within the Annual Fee of Dealer Member Fee Model. Comments were due by November 7, 2025. CIRO received 4 comment letters from:

The Canadian Forum for Financial Markets (CFFiM)
PEAK Financial Group
PFSL Investments Canada Ltd.
Securities and Investment Management Association (SIMA)

These comments are publicly available on [CIRO's website](http://www.ciro.ca) (www.ciro.ca). We have summarized these comments and provided our responses in the table below.



Summary of Comment	CIRO Response
Guiding Principles	
<p>1. Fee Duplication</p> <p>Two comments expressed concerns of fee duplication due to lack of harmonization between CIRO and provincial securities regulators, resulting in a lack of regulatory predictability.</p> <p>More specifically, a comment noted that CIRO’s FY2025 fee schedule indicated a portion of the fee increase was related to the new registration functions, yet there have been no corresponding reductions (nor transitional fee-neutralization mechanisms) from provincial securities regulators.</p>	<p>As part of CIRO’s effort for fee harmonization, starting April 1, 2026, CIRO will cease collecting National Registration Database (NRD) fees¹ and end cost recovery arrangements with certain provincial securities regulators.² This measure is part of a broader move to a simplified, harmonized fee model that recovers costs through the Annual Dealer Member Fee. Please refer to comment #3 for further NRD fee and cost recovery details.</p> <p>CIRO started to incur incremental costs commensurate with additional delegation activities in FY2026. However, no fee increase was embedded related to that additional delegation. As a transitional measure to provide fee relief for members, the CIRO Board of Directors approved \$2M of CIRO’s reserves to fund a deficit related to these activities.</p> <p>CIRO has passed on comments regarding fee duplication and harmonization to the CSA.</p>

¹ Include CIRO’s activity-based fees for the initial registration of individuals, reactivation and reinstatement of individuals, adding jurisdictions or an additional sponsoring firm, changing or surrendering categories, and ending registration or permitted individual status.

CIRO will continue to collect through the NRD:

- Exemption applications fees, including as per the Investment Dealer and Partially Consolidated Rules 2626(3) and 2806(3).
- Late filing fees, including as per the Investment Dealer and Partially Consolidated Rules 2806(2)ii.
- Any other-registration related fees established by the provincial securities regulatory authorities, such as for registrant acquisitions.
- In Québec, NRD fees for MFD members, until full transition of MFD members with Québec-based revenues and dealing representatives.

² In Québec, until CIRO begins conducting all oversight activities related to MFDs and the individuals acting on their behalf, and receives approval from the AMF, the applicable CIRO NRD fees will continue to apply, along with the transitional measures in Section 2.2 under the Integrated Fee Model will remain in effect.

In Ontario, we will continue to receive the OSC’s NRD fees related to ID and MFD registration activities until March 31, 2027.



Summary of Comment	CIRO Response
<p>2. Proportionality, Serving the Public Interest</p> <p>Two comments expressed concerns that a fee structure based on Approved Persons (AP) disproportionately affects MFDs with higher AP count but narrower profit margins.</p> <p>The comment also stated that a fee structure with a uniform per AP rate will push firms towards high net-worth, high-revenue clients, thus creating a barrier to entry for dealers serving middle-income market.</p> <p>Further, the comments suggested potential AP rate modifications, including adjusting fees for MFDs with narrower margins, APs serving smaller accounts, different types of APs (based on consumption of regulatory services), and new entrants.</p>	<p>CIRO’s Integrated Fee Model includes both a Revenue Component and an AP Component, and both are factors that reflect the size of a Member and therefore are drivers of regulatory cost. With the proposed fee increase, 70% of total fees are driven by the Revenue Component. With the majority of Member fees driven by the Revenue Component demonstrates the Guiding Principle of Proportionality in that those with a larger revenue base bear a reasonably higher share of fees.</p> <p>The purpose of this proposal is to recover the incremental costs for delegation of registration activities, which are driven by changes in the AP base. Compared to Investment Dealers (IDs), Mutual Fund Dealer (MFD) registration filings are historically higher in volumes, and therefore while not complex, do require a significant share of regulatory resources, and is therefore aligned with the Guiding Principle of Proportionality.</p> <p>CIRO did not conduct any registration activity for MFD firms or individuals prior to the additional delegations in FY2026. Most of the additional registration functions delegated and assigned to CIRO are for MFDs, therefore, it is appropriate that MFDs bear a higher share of the incremental fees.</p> <p>The nature of the costs for CIRO to perform registration function regulatory activities is largely fixed and is not differentiated based on different types of APs. As previously noted in the response to public comments for the Integrated Fee Model, alternatives were considered such as a reduced rate for APs or setting different rates for ID and MFD Members. However, this resulted in a much larger weighting on the Revenue Component, which further increased the fee redistribution from MFD to ID Members.</p> <p>It would be against the Guiding Principles of Consistency and Practicality to base a fee model on the specific profiles of AP types and/or the profit margins of MFDs. Doing so would be a complex and resource intensive exercise, especially as both AP profiles and Member profit margins are not static.</p> <p>Finally, it is not economically feasible to set a lower fee rate for new entrants, as initial registration filings require a higher degree of due diligence.</p>



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<p>3. Transparency</p> <p>Two comments expressed disclosure concerns, including the level of detail of the delegation costs incurred by CIRO, how such costs are distributed based on the types of AP, fee and cost sharing arrangements between CIRO and the provincial securities regulators, and impact analyses (by dealer category).</p>	<p>The estimated annual incremental costs resulting from the additional delegation and assignment are \$4.6M, comprising of staffing, background & detrimental checks and related IT support. Specific costs for filing type or AP category are not feasible.</p> <p>In FY2025 (prior to additional delegation and assignment), CIRO collected \$1.8M of Registration Fees, including fees collected through NRD, cost recoveries from three provincial securities regulators, and administrative fees for file copies. CIRO also collected \$0.2M of registration-related fines, which is recorded in CIRO’s Restricted Fund. The proposal includes cessation of most fees that CIRO collected through NRD (with exceptions as noted in footnote 1) and cost recoveries from three provincial securities regulators.</p> <p>Appendix A includes a breakdown of the fees collected in FY2025.</p> <p>The relevant dealer categories for assessing the fee methodology change are IDs and MFDs. MFDs typically have a higher proportion of approved or registered persons. Dealers can also be grouped by size: small, medium, and large. We have included the impact analysis based on these categories within the bulletin. Another standardized regulatory classification exists based on back-office arrangements: for MFDs, Levels 1-4; and for IDs, Types 1-4 introducing brokers. However, these classifications are not meaningful for evaluating registration costs. For example, a firm could have a large number of APs or be a large dealer while still being classified as a Type 2 or Level 2 dealer.</p> <p>CIRO also provided separate communication to materially impacted members³ with information on the directional impact of the proposal shortly after the publication of the proposed amendment.</p>

³ Materially impacted members are those that are estimated to have >\$10,000 and >10% increase of total CIRO fees as a result of the proposal.



Summary of Comment		CIRO Response
Process		
4.	<p>Two comments suggest that the 30-day consultation period was insufficient and recommended up to 90 days.</p> <p>Further, one comment also suggested that the impact analysis should be shared before, rather than after, the consultation period.</p>	<p>The AP Fee Component, included under the Annual Fee, is part of CIRO’s Dealer Member Fee Model. This proposal does not alter the existing method of cost allocation. Rather, its objective is to rebalance the cost recovery related to Registration Delegation so that CIRO continues to be aligned with its Guiding Principle of Proportionality.</p> <p>To ensure Sustainability, CIRO is required to recover the full cost of registration delegation starting FY2027. Without the proposed amendment, the additional fees will be recovered by increasing the Revenue Rate in the Revenue Component of the Annual Dealer Member Fees, resulting in almost 90% of the additional fees being borne by ID members.</p> <p>Relevant impact analysis detailed by ID/MFD and size was shared in the consultation. Materially impacted members were contacted promptly the day after publication, allowing them time to review and understand the proposal beforehand and engage with full context.</p> <p>The 30-day consultation period is consistent with CIRO’s standard practice for fee amendments of this scale and nature.</p>
5.	<p>One comment suggested that the fee increase was not communicated to the industry on a timely basis, and that it was published after most of the industry had already planned their 2026 budgets.</p>	<p>CIRO was only delegated and assigned additional registration functions on April 1, July 1, and October 1, 2025. Additional delegation in the remaining jurisdiction is anticipated to be granted by Spring 2026. CIRO, in coordination with the CSA, has been working on an accelerated timeline to ensure its fee model continues to align with its Guiding Principles.</p>
6.	<p>One comment noted that the proposal introduced another significant fee increase only a few months after the new Integrated Fee Model took</p>	<p>The goal of the new Integrated Fee Model is to have a consistent and harmonized approach to collecting fees for cost recovery to all members. Separately, the objective of this proposal is to recover the costs of delivering the expanded registration delegation mandate.</p>



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<p>effective, and that regulatory efficiencies have not materialized in terms of regulatory fees post the creation of CIRO.</p>	<p>Benefits, of the integration – both in terms of operational efficiencies and service delivery – will be realized by Members (and their end investors) through the on-going harmonization and standardization of regulatory practices, including enhanced investor access and protection.</p> <p>Absolute cost reduction was not a primary objective of the amalgamation. Headcount efficiencies have been achieved post-amalgamation and additional efficiency efforts are underway. However, these reductions were offset by increases in expanded scope of work through the enhanced delegation function, along with growing industry volumes and regulatory complexity.</p> <p>As CIRO works with the CSAs and its Members across Canada, we will continue to seek efficiency opportunities, while delivering upon our mission of protecting investors and promoting healthy capital markets by regulating fairly and effectively.</p>



Summary of Comment		CIRO Response
Other		
7.	One comment recommended CIRO to update its registration function procedure to eliminate duplication in the registration process when APs move from MFD to ID.	We acknowledge your comment and will consider it as we continue to harmonize and seek opportunities for procedural efficiencies.
8.	One comment urged CIRO to establish service standards for responses and approvals related to registration functions.	<p>We acknowledge your comment.</p> <p>On February 28, 2025, CIRO published service standards associated with new Member applications and material business changes for current Members (see Member Bulletin 25-0067).</p> <p>We are currently developing service standards for registration submissions related to individuals, which we are aiming to publish in April 2026.</p>
9.	One comment requested revisions to the CIRO Rules (the Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules) to reflect CIRO's intention to cease collecting NRD fees.	<p>CIRO is currently engaged in a Rule Consolidation Project aimed at consolidating the IDPC Rules and MFD Rules into one set of CIRO Rules. Revisions will be incorporated to align with the updated Integrated Fee Model.</p> <p>The proposal includes cessation of most fees that CIRO collected through NRD (with exceptions as noted in footnote 1) and stop the cost recoveries from three provincial securities regulators. CIRO cannot comment on NRD fees collected and set by the provincial securities regulators.</p> <p>Once the registration delegation and assignment across all jurisdictions have taken effect, CIRO will make appropriate revisions to Appendix B, Part II of the Fee Model to reflect the fees related to registration matters.</p> <p>Regarding the specific IDPC rules mentioned in the comment:</p> <p>2803(1)(i) relates to the NRD enrollment fee which is collected and set by the securities regulatory authorities, and therefore is not part of this proposal.</p> <p>2806(1) relates to the NRD system fee payable to the securities regulatory</p>



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	<p>authorities, and therefore is not part of this proposal.</p> <p>2806(2)(ii) relates to fines for failing to file any notification within the time specified. As noted in footnote 1, such fines will continue to apply.</p> <p>Therefore, no revision is needed for the IDPC rules mentioned in the comment.</p>



Appendix A – FY2025 CIRO Registration Fee Details

Fee Category	(\$000s)
Registration Fees - NRD	
33-109F2 - Change or Surrender of Individual Categories	98
Apply for an Exemption	32
Change National Information	0
Initial Registration	298
Proficiency Information Change	0
Quebec Notice of Termination	178
Open a Location	0
Reactivation of Registration	239
Registration in an additional jurisdiction	246
Registration with an additional sponsoring firm	19
Reinstatement of Registration	57
Total Registration Fees - NRD	1,168
Total Cost Recovery from Provincial Securities Regulators	631
File Copies	41
Total Registration Fees (As in FY2025 Financial Statements)	1,840
Registration Fines	
Notice of End of Individual Registration or Permitted Individual Status (formerly Notice of Termination)	166
Update/Correct Cessation (Formerly Termination) Information	17
Total Registration Fines	183