

June 12, 2026

**Canadian Investment Regulatory Organization (CIRO)**

BY EMAIL TO:

**Member Regulation Policy**

Canadian Investment Regulatory Organization  
Suite 2600  
40 Temperance Street  
Toronto, Ontario M5H 0B4  
e-mail: [memberpolicymailbox@ciro.ca](mailto:memberpolicymailbox@ciro.ca)

**Canadian Securities Administrators (CSA)**

Trading and Markets  
Ontario Securities Commission  
Suite 2200  
20 Queen Street West Toronto, Ontario M5H 3S8  
e-mail: [TradingandMarkets@osc.gov.on.ca](mailto:TradingandMarkets@osc.gov.on.ca)

and

**Market Oversight**

Alberta Securities Commission  
Suite 600  
250-5th Street SW, Calgary, Alberta T2P 0R4  
email: [CIRO-Reporting@asc.ca](mailto:CIRO-Reporting@asc.ca)

**RE: Rule Consolidation Project – Proposed CIRO Rules**

---

Dear Sirs/Mesdames

Worldsource Wealth Management Inc. (WWM Inc.) operates under the business names Worldsource Securities, Desjardins Financial Security Investments and SFL Wealth Management, and is a multi-registered firm; registered as a Mutual Fund Dealer, an Exempt Market Dealer and an Investment Dealer in all Canadian provinces and territories. WWM Inc. is also registered as a financial planning firm in Quebec. WWM Inc. operates under two divisions: a Mutual Fund Dealer and Exempt Market Dealer division, and an Investment Dealer Division.

WWM Inc. and its Representatives offer a range of investment products, including mutual funds, alternative mutual funds, exchange-traded funds (ETFs), guaranteed investment certificates (GICs), labour-sponsored funds, structured products, including principal-protected notes, equities, including stocks, rights and warrants, derivatives such as options and exempt market products including hedge funds.

WWM Inc.'s Representatives are backed by dedicated professionals and organizations throughout Canada, all working together and with our clients to help them meet their financial objectives.

**General comments**

We appreciate the opportunity to provide comments on the: *Rule Consolidation Project* (the “Proposed CIRO Rules”), as published on February 12, 2026.

We recognize the work CIRO has undertaken, including industry engagement efforts, to integrate IIROC and MFDA functions and develop a consolidated rulebook (the “Rules”), which at this stage has been released in proposed form. We agree that to fully operationalize CIRO’s vision to efficiently supervise and regulate the activities of both Mutual Fund and Investment Dealers in a similar way, CIRO must understand and balance the needs of both models. However, generally, CIRO and the industry have identified that Mutual Fund Dealers will likely feel the most impact. We suggest that wherever possible, “grandfathering” and extended transition times should be granted to ease them into the new consolidated regulatory framework.

**Responses to the consultation questions**

*Question #1 – Implementation approach*

*Are there any additional rules that should be considered for extended implementation?*

We would suggest that additional consideration be given to extending the implementation of Rules (including potential 24-month implementation periods) that require meaningful operational changes, particularly where IT systems, governance, and supervisory models have historically differed.

Further, phased implementation may be required in some cases due to the need for further Rule clarification and potential guidance from CIRO.

For example, under Rule 3700 (complaints, internal investigations, and reporting) key concepts such as “substantial compensation” may rely on dealer-by-dealer interpretation which could lead to inconsistent applications of the Rules. Further, the extension of complaint requirements to employees creates challenges in identifying in-scope roles, particularly in environments with shared or centralized functions with a related entity. We recommend the Rules clearly define an “employee” (e.g., an unlicensed employee of a Registered Representative or Dealing Representative who is not also an employee of the dealer, or an employee of a related company of the dealer who offers services to the dealer, etc.).

Other considerations:

- Supervisory and documentation requirements: Considering supervisory models differ in structure, scale, and approach (i.e., mutual fund supervision: formerly prescriptive, moving towards a more principles-based interpretation and policies of application).
- Client reporting, complaint handling (as noted earlier), and recordkeeping requirements: Considering new requirements, deadlines, scope and definitions and where harmonization may require technology changes and vendor dependency.
- Risk management, internal controls, and compliance monitoring frameworks: Again, considering Mutual Fund Dealer members will need to evolve from a more prescriptive rules-based system to a more principle-based approach consistent with the Proposed CIRO Rules.

#### Question #2 – Proficiency for Mutual Fund Dealer Member Supervisors

*As set out in section 3.3.3 of this bulletin, we have assessed the Supervisor proficiency requirements under the Proficiency Model to also be appropriate for Supervisors of Mutual Fund Dealer Members. We reiterate that the exam(s) are based on competencies that will be carried under the Proposed CIRO Rules and are not intended to be product-specific. [Materials are available for Dealer Members’ review here.](#)*

*Do commenters agree or disagree that these exam(s) are appropriate to assess the proficiency of Supervisors of Mutual Fund Dealer Members? If so, which materials/topics specifically do not appear to be appropriate?*

We understand CIRO’s approach to supervisory competencies and proficiencies in alignment with its consolidated rules mandate and in accordance with the Proposed CIRO Rules. We also acknowledge CIRO’s efforts to create exams that are competency based rather than product specific. However, the results may be a competency model better suited to Investment Dealer supervisors or those supervising investment and mutual fund divisions for dual platform dealers, and not those overseeing in traditional mutual fund distribution models.

For example:

- Marketplaces and trading venues (exchanges, ATS, crypto platforms)
- Trading and market rules (UMIR, best execution, settlement procedures)
- Margin account agreements
- Monitoring and supervision of margin accounts (margins calls, use of collateral)
- Derivatives and oversight of derivatives
- Institutional clients and client accounts
- Order execution-only (OEO) accounts and supervision
- Market surveillance (short selling, frontrunning, insider trading)
- Research reports, etc.

While we see the benefit of all supervisors having a capital-markets skillset, we are concerned that an unintended consequence may be a reduction in the pool of qualified supervisors, and a competitive disadvantage for mutual fund-only firms. We also recommend allowing for the recognition of relevant experience for existing supervisors to ensure continuity and avoid disruption to current supervisory capacities.

We would encourage CRO to ongoingly assess content balances to ensure that proficiency assessments are proportionate, role aligned, and reflective of actual supervisory risk profiles to which these requirements apply, particularly for supervisors whose scope is limited to Mutual Fund Dealer activities. Further, supervisory competencies linked to client outcomes, regulatory knowledge, suitability, conflict of interest management, sales practices, and advice supervision, are core to both Investment Dealer and Mutual Fund Dealer operations and could be leveraged to better balance profiles.

*Question #3 – Feedback regarding impact of new or amended requirements for Mutual Fund Dealer Members*

*We recognize that Mutual Fund Dealer Members may require material changes to their governance, operations, policies and procedures and resourcing requirements under the Proposed CRO Rules. We have proposed what we believe are substantial mitigation factors in helping Mutual Fund Dealer Members to ingest these changes, including but not limited to extended transition periods, grandfathering and other approaches to reduce the impacts to Mutual Fund Dealer Members.*

*Further, in many cases, we have outlined in our proposals where Mutual Fund Dealer Members' existing business or compliance framework meets the spirit of the more principle-based Proposed CRO Rules. In such cases, we expect that updates will need to be made to policies and procedures, but not result in extensive operational changes.*

*With this in mind, are there any key impacts to Mutual Fund Dealer Members that we have not considered and which would prohibit such Dealer Members from being in a position to comply with the requirements by the coming-into-force date (and applicable transition period deadlines)? If so, what are these impacts? We*

*are particularly interested in understanding operational impacts and/or impacts that could be cost-prohibitive to implement in the proposed timeframe.*

We appreciate CIRO's recognition that Mutual Fund Dealer Members will require material changes to their governance, operations, and resourcing models, and we support any mitigation measures proposed, including extended transition periods and "grandfathering". We would like to draw CIRO's attention to the following to consider before finalizing transition provisions:

- Technology redevelopment represents a significant challenge. Many dealers rely on third party service providers whose implementation timelines may not align with CIRO's proposed coming into force dates. Transition times in the Proposed CIRO Rules must take into consideration the time dealers require to request budget for enhancements from boards of directors, procure contracts with new reputable third-party providers (or allow existing providers the time needed to make updates), implement new systems, and transition employees or Representatives which cannot begin in a meaningful way until the final rules are published.
- Transitions to more principle-based regulation may necessitate acquiring additional compliance resources and expertise, legal interpretation to help inform and determine dealer-business positions, and new supervisory training, which could be costly and require more time than is currently allotted in the proposals.
- Aligning committee structures, and supervisory reporting lines across multiple platforms further to Proposed CIRO Rules will take time and may require board level approvals and governance redesigning.

As noted earlier, we suggest further consideration of additional use of a 24-month implementation period where possible to ensure the Proposed CIRO Rules can be implemented while preserving investor protection outcomes.

*Question #4 – Overall feedback*

*Now that we have consolidated all five previous publication phases, and revised our proposals according to stakeholder feedback, do you have any overall feedback on the Proposed CIRO Rules?*

*Are there any requirements in which you believe the interests of Dealer Members, the capital markets, and the public interest have not been fairly balanced?*

We support the overall objective of establishing a single, harmonized rulebook, however, as noted earlier in this response, there are areas that may lack clarity regarding the application and scope of certain Rules and more specifically, in some areas, a potential lack of clarity regarding expected outcomes for **mutual fund only Representatives operating in an integrated firm**, including:

- Expectations around non-client account openings and monitoring.
- Expectations around sales communication monitoring.

- Interpretation and proportionate application of other supervisory expectations under Rule 3900.

We suggest a generous phased implementation, accompanied by CRO guidance where possible, for each Mutual Fund-only Dealers, Investment-only Dealers, and Integrated Dealers (i.e., Investment Dealers operating with a mutual fund division) to minimize any potential negative client impacts and to ensure the consistent interpretation and application of the Rules.

Transition periods could coincide with the publication of any accompanying guidance, and take into consideration implementation dependencies such as technological, compliance resources, legal resources, board of director approvals, and updated governance structures.

We would like to thank you for giving us the opportunity to share our thoughts on the Proposed CRO Rules.

Sincerely,

*Doce Tomic*

Doce Tomic  
UDP and President, Worldsource Wealth Management Inc.

Cc: Patrick Galarneau  
Senior Director, Independent Network Distribution Compliance Department,  
Risk Management, Desjardins Group

Natasa Morfesis  
Senior Vice President, Dealer Compliance and Chief Compliance Officer,  
Worldsource Wealth Management Inc.