Appendix 1 – Summary of comments received on initial proposals and CIRO responses

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Comments received in response to CIRO Rules Bulletin 25-0199, *Modernization of requirements for account transfers and bulk account movements (IDPC Rule 4800 and MFD Rule 2.12)*

On July 10, 2025, CIRO issued **Rules Bulletin 25-0199** requesting comments on proposed amendments to Investment Dealer and Partially Consolidated (**IDPC**) Rule 4800 and Mutual Fund Dealer (**MFD**) Rule 2.12 relating to account transfers and bulk account movements.

CIRO received 23 comment letters from the following commenters:

- Anonymous (**Anon**)
- Canadian Bankers Association (**CBA**)
- Canadian Forum for Financial Markets (**CFFiM**)
- Canadian Independent Finance and Innovation Council (**CIFIC**)
- Desjardins Group (**Desjardins**)
- FAIR Canada (**FAIR**)
- Federation of Independent Dealers (**FID**)
- Fidelity Clearing Canada ULC (**FCC**)
- Fundserv Inc. (**Fundserv**)
- IG Wealth Management Inc. (**IG**)
- Investia Financial Services Inc. and iA Private Wealth Inc. (together **iA Wealth**)
- Kenmar Associates (**Kenmar**)
- MICA Capital Inc. (**MICA**)
- Ombudsman for Banking Services and Insurance (**OBSI**)
- Ontario Securities Commission's Investor Advisory Panel (**Panel**)
- PEAK Financial Group (**PEAK**)
- Portfolio Management Association of Canada (**PMAC**)
- PFSL Investments Canada Ltd. (**PFSL**)
- Questrade Financial Group Inc. (**Questrade**)
- Rick Price (**Price**)
- Securities and Investment Management Association (**SIMA**)
- Steadyhand Investment Funds Inc. (**SIFI**)
- Wealthsimple (**WS**)

Copies of these comment letters are available on CIRO's website.

Appendix 1 – Prior publication comments received and CIRO responses

The following table summarizes these comments and our responses:

Comment	CIRO Response
General Comments	
1. We generally support CIRO's intentions to improve the timeliness of account transfers (**Anon, CBA, CFFiM, CIFIC, FAIR, FCC, Fundserv, iA Wealth, Kenmar, MICA, OBSI, Panel, PMAC, Questrade, SIFI**)	We thank commenters for their general support of these proposals.
2. We generally support harmonization of account transfer processes across the financial services industry (**Anon, CBA, CFFiM, CIFIC, FAIR, FCC, Fundserv, iA Wealth, Kenmar, MICA, OBSI, Panel, PMAC, Questrade**)	We thank commenters for their general support of our desire to move to harmonized account transfer processes across the financial services industry.
Comments on proposed account transfer rule amendments	
Temporary holds	
3. We believe the proposed amendments should be revised to ensure that an account cannot be transferred in order to avoid a temporary hold (**IG**)	We agree. It was never intended that a client account or related positions that are subject to a temporary hold could be transferred to another firm in order to avoid that hold. To address this comment, we have revised the proposed rules to clarify that a dealer must not transfer a client account or related positions where a temporary hold is in place. *(Proposed IDPC Rule section 4852; and MFD Rule 2.12.2)*
Environments addressed by proposed rules	
4. The rule proposals assume an environment of nominee name positions and do not adequately address the client name business model (**FID, SIMA**)	We agree that how these proposed rules apply to client named positions in certain investment products requires further clarification. Refer to response to Comment #5(a) below for further details of the rule clarifications we propose to make to address this comment.
5. Specific to client name positions; (a) the rule proposals do not address the three party nature of a book based client name mutual fund position transfer (i.e., initiating dealer, relinquishing dealer, fund company) (**FID**)	To address the transfer of investment product positions that require the delivering Dealer to provide transfer instructions to the investment product issuer, we have revised the proposed amendments to clarify that there may be cases where the delivering Dealer must communicate with an investment product issuer (or their agent) in order to arrange for and complete the transfer of the position. *(Proposed IDPC Rule section 4860; and MFD Rule 2.12.10)*

<table>
<tr><th>Comment</th><th>CIRO Response</th></tr>
<tr><td>(b) the rule proposals do not address the issues faced by Type 1 or Type 2 mutual fund dealers who are dealing with client name positions and are not permitted to hold client funds. Without the ability to hold client funds, the dealer must rely on their fund manager to help facilitate the movement of funds. We recommend that the proposed rules address this and other issues associated with the transfer of client name positions. (PFSL)</td><td>To address other comments relating to the transfer of client name positions, we have clarified within the rules that there may be cases where the delivering Dealer must communicate with an investment product issuer (or their agent) in order to arrange for and complete the transfer of the position. We do not propose to make an exception to enable Type 1 and Type 2 mutual fund dealers to redeem and transfer the proceeds of client name mutual fund positions.
(Proposed IDPC Rule section 4860; and MFD Rule 2.12.10)</td></tr>
<tr><td colspan="2">Terms used with the proposed rules</td></tr>
<tr><td>6. “clearing day” - we recommend that this term “clearing day” be defined to clarify CIRO’s expectations (SIMA)</td><td>The term “clearing day” is defined within the current IDPC Rules. Within this definition are references to “CDS” and “acceptable clearing corporation”, which are other terms defined within the current IDPC Rules. None of the terms “clearing day”, “CDS” or “acceptable clearing corporation” are defined within the current MFD Rules.
To address the comment, we have adopted substantively the same “clearing day” definition within MFD Rules without also introducing defined terms for “CDS” or “acceptable clearing corporation”.
(Proposed IDPC Rule subsection 1202(1); and MFD Rule 1A, Definitions)</td></tr>
<tr><td>7. “electronic communication” - we recommend that this term “electronic communication” be defined to exclude emails and faxes (SIMA)</td><td>See response to Comment #12.</td></tr>
<tr><td>8. “impediment” - we recommend that the term “impediment” be defined (IG, SIMA)</td><td>It is not intended that the rule requirements identify and set out prescriptive requirements to be met in addressing each specific type of transfer impediment. Also, we do not see the value of introducing a principles-based definition, which would be along the lines of the following:
<table><tr><td>“impediment”</td><td>A circumstance where a cash balance or one or more positions cannot be:</td></tr></table></td></tr>
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<tr><th>Comment</th><th>CIRO Response</th></tr>
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<tr><td></td><td>(i) transferred, or
(ii) cannot be transferred within the standard account transfer settlement period
from the delivering Dealer to the receiving Dealer.</td></tr>
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For these reasons we have chosen to not introduce a definition for the term “impediment” with the proposed rules.
</td></tr>
<tr><td>9. “recognized account transfer facility”
(a) We do not support CIRO involvement in determining facilities that may be used to transfer accounts (CIFIC)
(b) We believe there should be more opportunity to provide feedback on the concept of having CIRO approved account transfer facilities (IG)
(c) We are concerned about CIRO’s proposed involvement in determining facilities that may be used to transfer accounts and whether this involvement will affect CIRO Dealer Member fees (SIMA)
(d) We acknowledge there may be benefits to CIRO’s involvement in determining facilities, such as ensuring that these facilities are held accountable for their systems solutions, rather than holding dealers accountable should a facility fail (SIMA)
(e) We ask that CIRO specify its intended recognition criteria and oversight role regarding recognized account transfer facilities (SIMA)</td><td>As both a firm conduct and solvency regulator, CIRO has a long track record of making high-level assessments of various organizations that CIRO members interact with to satisfy itself that the risks associated with the services these organizations provide are generally manageable for our Dealer Members to assume. Organizations currently subject to these high-level CIRO assessments include:
• clearing corporations
• depositories
• inter-dealer bond brokers
• trade matching utilities
The intentions of the relevant proposed amendments are to:
• eliminate the current rule requirement that a firm must use a recognized depository to transfer client accounts whenever possible
• eliminate the current specific rule references to the account transfer facility operated by CDS Clearing and Depository Services Inc.
• permit different types of firms to qualify to transfer client accounts (through the introduction of the “recognized account transfer facility” defined term)
• enable CIRO to perform a high-level assessment on behalf of the industry to satisfy itself that each account transfer facility meets baseline solvency and data security requirements and is capable of passing the industry agreed-upon transfer request and transfer position data that is necessary to efficiently complete a transfer
We believe that CIRO’s performance of advance high-level assessments of transfer facilities will not unduly limit a</td></tr>
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Comment	CIRO Response
(f) We support the expansion of recognized account transfer facilities (**iA Wealth**) (g) Recognized clearing agencies should automatically qualify as a “recognized account transfer facility” (**Fundserv**)	Dealer Member’s ability to choose the facility it wants to choose, provided the facility adheres to basic solvency, data security and transfer-related data requirements.
Communications between dealers	
10. We are supportive of the communication security requirements (**FAIR**) (***Note: These are existing IDPC Rule requirements***)	We thank the commenter for their support.
11. We are supportive of making digital communication mandatory (**WS**)	We thank the commenter for their support.
12. We recommend that the term “electronic communications” be defined to exclude emails and faxes (**SIMA**)	The term “electronic communications” is not used within the proposed rule amendments and we believe that replacing phrase “electronic delivery through a *recognized account transfer facility*” with the term “electronic communication” throughout the proposals would not improve clarity.
13. We recommend that the proposed communications-related amendments be further strengthened to require that, where communications take place through a recognized account transfer facility, no additional records must be requested (unless required by law) and the communications must be relied upon (**Fundserv**)	The proposed rules already require the use of a recognized account transfer facility wherever possible. However, it is not clear to us why communications and records passed through a recognized account transfer facility would be more reliable than communications and records passed outside of a recognized account transfer facility. Rather, we believe that account transfer communications and records involving Dealer Members should be generally relied upon unless there is reason to not rely on the communications / records, such as under a suspected account intrusion situation. Because there will be situations where reliance on another Dealer Member may be misplaced, we do not believe it would be appropriate to amend the rules to require reliance in all cases involving a recognized account transfer facility. *(Proposed IDPC Rule section 4853; and MFD Rule 2.12.3)*
14. We suggest that there should be a more express requirement to use	We have adopted this suggestion. *(Proposed IDPC Rule section 4854 and MFD Rule 2.12.4.)*

Comment	CIRO Response
electronic communications, including where the positions being transferred cannot be transferred through a recognized account transfer facility (**CFFiM**)	
15. We suggest that the rules should explicitly prohibit the practice of the delivering Dealer insisting on direct client contact for privacy or confirming instructions reasons (**Questrade**)	Although the client may not want to talk to the delivering Dealer once they have decided to transfer their account, there are specific circumstances under which it would be important that a delivering Dealer is able to contact the client (such as a transfer request relating to a suspected account intrusion). Specifically, as both dealers owe a duty of care to the client once an account transfer request has been initiated (but not yet completed), we do not believe it would be appropriate to prohibit the delivering Deliver from contacting transferring clients in all instances. However, we do believe it is important that the rules are revised to prohibit the practice of tying the opening or maintenance of an account for the client to the client agreeing to be contacted in the event they request to transfer their account elsewhere. We have revised the proposed rules to prohibit this practice. *(Proposed IDPC Rule subsection 4856(4); and MFD Rule 2.12.6(d))*
Receiving Dealer responsibilities	
16. We recommend that a deadline of one clearing day be established for receiving Dealers to deliver account transfer requests to the delivering Dealer (**CFFiM**)	We have adopted this suggestion. *(Proposed IDPC Rule section 4855; and MFD Rule 2.12.5.)*
17. To avoid the required use and ongoing reliance on static forms, we recommend that the term "form" be removed within the section discussing the client authorization of the transfer request (and throughout the proposed amendments) (**Fundserv, SIMA**)	We have adopted this suggestion by replacing all references to word "form" with a reference to the relevant data that must be provided or passed. Specifically, revisions have been made to: • *IDPC Rule section 4855 and MFD Rule 2.12.5*, where a reference to a "transfer authorization form" has been changed to refer to "transfer request information" • *IDPC Rule section 4860 and MFD Rule 2.12.10*, where a reference to a "transfer form" has been changed to refer to "position transfer information"

Comment	CIRO Response
18. We recommend changing the terminology from “request for transfer” to “pre transfer request” since CIRO is reordering the sequencing of the account transfer steps to address impediments up front (**SIMA**)	We believe it is already well understood that the sending of the request for a transfer occurs before that transfer of relevant cash balances and positions takes place and so we have not proposed to revise the proposed rule language to address this comment.
Delivering Dealer response	
19. We recommend that the proposed rules be clarified to require an immediate acknowledgement from the delivering Dealer that the transfer request has been received (**IG**)	We have adopted this suggestion. *(Proposed IDPC Rule section 4856; and MFD Rule 2.12.6.)*
20. We recommend that the proposed rules be amended to contemplate three possible delivering Dealer responses to the request for transfer as follows: (a) ***accept*** as transfer request that is in good order (b) ***clarify*** [NEW] to: (i) correct inaccurate client, account or position information, or (ii) identify foreseeable impediments (c) ***reject*** as transfer request that is not in good order (**SIMA**)	This recommendation would permit that, where a delivering Dealer identifies a transfer impediment, they could request to clarify or reject the related transfer request. We disagree with this recommendation. Under the current rule requirements, the spirit of which we do not intend to change, the only circumstance under which a transfer request can be rejected is where the client cannot be identified or the client information associated with the transfer request is incomplete or incorrect. To elaborate upon our view: • a client transfer request should never be rejected or delayed by the delivering Dealer due to their identification of an impediment, and • the decision to cancel or delay an account transfer should be a client decision, not a delivering Dealer or receiving Dealer decision.
Transfer impediments	
21. We recommend requiring dealers to provide information to clients at the commencement of the relationship on whether their investments can be transferred in kind and the fees and length of time involved should a client decide to transfer their account (**Kenmar, Price**)	**“In kind” related disclosures** Whether or not investments can be transferred from one Dealer Member to another is a function of the commonality of the investment products and services offered by the delivering Dealer and the receiving Dealer. So, while the delivering Dealer may be able to identify positions in certain investments that they definitely will not be able to transfer in kind, it will not be known whether positions in other investments will be transferable

Comment	CIRO Response
	in kind until it is known whether the receiving Dealer can accommodate the receipt of these positions. Guidance on the matters to think about when considering transferring accounts between firms is currently set out on CIRO's website. We will expand this guidance to include further details on transfer impediments. **Account transfer fee disclosure** Current IDPC Rule section 3216 already requires disclosure of all account service and transaction fees at the commencement of the client relationship. This current requirement covers all account transfer related fees. **Length of time account transfer process disclosure** Guidance on the matters to think about when considering transferring accounts between firms is currently set out on CIRO's website. We will expand this guidance to include further details on expected length of time an account transfer should take.
22. As some transfer impediments are more easily identifiable and resolvable than others, we suggest revising the proposed amendments to require that impediments be resolved as soon as practically possible and on a best efforts basis (**CFFiM, FCC**)	We have adopted this suggestion. *(Proposed IDPC Rule section 4857; and MFD Rule 2.12.7.)*
23. We do not believe that where a dealer only provides order execution only account services that they should be required to provide their clients with the options (and impacts of each option) they have to resolve each impediment (**SIMA**)	**Providing clients with impediment resolution options** Providing the client with the options they have to resolve an impediment is not a form of advice or a type of recommendation as there is no requirement to advise on or recommend the best impediment resolution option. **Providing clients with impediment resolution option impacts** Similarly providing clients with information on the likely impacts of pursuing each impediment resolution option is not a form of advice or a type of recommendation.
24. As the impacts (including tax impacts) of each transfer impediment resolution option may not be easily determined at the time of transfer, and the requirement is overly broad and onerous, we	While we appreciate the commenters concern that not all impacts of each impediment resolution option are easily determined at the time of transfer, we believe it is important to provide clients with whatever impact information is available at the time.

Comment	CIRO Response
recommend that this requirement be eliminated (**CBA, CFFiM, IG**)	Specific to providing clients with tax information, we are not expecting that clients be provided with personalized tax advice. Rather, for example, where one of the options is to liquidate the position with the impediment, the client should at least be informed of the general tax result of pursuing this option. We do not believe this expectation is onerous and this basic information could be important to a client in deciding on which impediment resolution option to pursue. To clarify our expectations, we have revised the provisions within the proposed rules to limit the disclosure of impacts to those that can be realistically identified. *(Proposed IDPC Rule section 4857; and MFD Rule 2.12.7)*
25. While the rules requiring that clients be informed of taxation and other impacts improve disclosure, we believe they do not resolve the fundamental issue of non-transferrable products, as the legal risk of clients claiming financial losses due to forced sales remains (**Questrade**)	We agree with the comment.
26. We recommend that clients be provided with a pre-transfer form to clearly set out tax implications (**PEAK**)	The proposals mandate disclosure of the impediment resolution options, along with the taxation and other impacts of each option. We do not believe it is necessary to prescribe the format of this disclosure.
27. To address transfer impediments, we suggest CIRO consider:	
(a) requiring the receiving Dealer to accept (where operationally feasible) the entire account (**CIFIC**)	It is not clear to us how this suggestion would work operationally or be appropriate from a regulatory fairness standpoint. Specifically, if this suggestion was pursued, CIRO in essence would be mandating that the receiving Dealer support the holding of investment product positions that: • may not have been subjected to firm product due diligence or that may have failed the firm's product due diligence assessment • are not otherwise on their product shelf, or • the receiving Dealer may not be currently capable of holding in custody.

Comment	CIRO Response
(b) assigning responsibility for non-qualifying securities, such as proprietary funds, to the new investment advisor at the receiving Dealer (**CIFIC**)	It is not clear to us how this could be operationally accommodated without the delivering Dealer (or its affiliate) permitting the receiving Dealer to hold positions in its proprietary funds.
(c) permitting the delivering institution to liquidate the unaccepted securities and transfer the resulting cash to the receiving institution. (**CIFIC**)	The decision on whether to liquidate a client position should be a client decision and not a delivering Dealer decision.
28. We recommend CIRO publish an educational guide for investors on transfer impediments and how to avoid them (**Kenmar**)	Guidance on the matters to think about when considering **transferring accounts between firms** is currently set out on CIRO's website. We will expand this guidance to include further details on transfer impediments.
Commencement of account transfer	
29. We believe there is a lack of clarity in the proposed rule amendments as to when the transfer of positions that cannot be transferred through a recognized account transfer facility must commence and settle (**SIMA**)	We disagree. All positions, whether or not they are transferred through a recognized account transfer facility are subject to the same account transfer timelines.
30. I believe the rule amendments need to specifically address the transfer of cash and require that funds must be transferred by EFT (**Price**)	We believe it is sufficient to require that the transfer of cash and positions be settled within a specific period of time.
Settlement standard	
31. As some transfer requests are more easily facilitated than others, we suggest revising the proposed amendments to require transfer settlement "as soon as practically possible" (**CFFiM**)	We agree and have proposed to make the relevant changes to adopt this suggestion. *(Proposed IDPC Rule section 4859; and MFR Rule 2.12.9.)*
Transfers involving product manufacturers	
32. We suggest that the rule requirements for investment products that are not traded on a marketplace need to be revised to consider transfer situations where the delivering Dealer arranges for the transfer to the receiving Dealer	We agree and have proposed to make the relevant changes to adopt this suggestion. *(Proposed IDPC Rule section 4860 and MFR Rule 2.12.10.)*

Comment	CIRO Response
by providing instructions to the product manufacturer (**Fundserv**)	
Debit balances / margin	
33. We recommend that debit balances should be expressly addressed as part of the transfer process (**CIFIC**)	The existing and proposed rule requirements specifically address under-margined account situations, which would include situations where the account has an under-secured debit balance. We do not believe that, in addition to under-margined account situations, the rules also need to expressly address situations where an account has a fully-secured debit balance, as we think it is clear that in these situations the receiving Dealer has the choice of either taking over responsibility for a fully-secured margin loan or requiring that the client repay this loan.
Fees and charges	
34. We are concerned that the proposed revisions to the fees and charges requirements could ultimately ending up delaying transfers by requiring that fees and charges be finalized during the initial stages of the transfer process (**FCC**)	The intention of the proposed fee/charge-related rule requirements is to prevent dealers from holding up the account transfer process because of delays in the calculation of the account transfer-related fees.
35. We are concerned that a dealer may not be able to deduct account transfer fees within the standard 10-clearing day settlement period due to liquidity issues, thereby preventing dealers from collecting these fees (**SIMA**)	It is not an intention of the proposed fee/charge-related rule requirements to enable clients to avoid fees for which they are liable.
Interest and dividends	
36. We request that CIRO clarify when the 25-clearing date period to settle interest and dividend receivable balances starts (**SIMA**)	We have clarified the proposed rules to address this request *(IDPC Rule section 4861; and MFR Rule 2.12.11)*
Positions with unique challenges	
37. The proposed rules do not address the unique issues associated with the holding of physical assets. We suggest the formation of an industry working group dedicated to developing targeted	The issues associated with the holding of physical assets are much broader in scope than those associated with the transfer of physical assets. The focus of our rulemaking within these proposals is on promoting more timely account position transfers generally.

Comment	CIRO Response
recommendations for physical assets (**CIFIC**)	
38. We believe specific rules are needed to address fractional share transfers (**CIFIC**)	While we appreciate that the existence of fractional share holdings may create an impediment in situations where the delivering Dealer supports fractional share holdings and the receiving Dealer does not, we do not believe, at this stage, that CIRO should be developing prescriptive rules to be followed where fractional share-related impediments arise.
39. While not within the scope of the proposed amendments, we believe there are unique challenges associated with the transfer of futures contract positions (**CIFIC**)	Noted.
40. The proposed rules should specifically address the unique issues associated with the holding of proprietary products, which include their lack of transferability and the additional conflicts of interest associated with transacting on non-arm's length investment products (**PEAK**)	One of the commenter recommendations in Comment #21 was that dealers provide information to clients at the commencement of the account relationship on whether their investments can be transferred in kind. **Lack of transferability** Guidance on the matters to think about when considering transferring accounts between firms is currently set out on CIRO's website. We will expand this guidance to include further details on transfer impediments. **Conflicts of interest** Existing rule requirements mandate that the conflicts of interest associated with the offering of proprietary products must be assessed to determine whether the offering of these products to clients is in their best interests. Further, where it is determined that offering them to clients is in their best interests, the conflicts of interest must be adequately managed and disclosed within: • the relationship disclosure information provided to clients at the commencement of the account relationship *(IDPC Rule section 3216; and MFD Rule 2.2.7)*, and • the trade confirmation issued for a proprietary product trade *(IDPC Rule 3816; and MFD Rule 5.4.3)*

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<tr><th>Comment</th><th>CIRO Response</th></tr>
<tr><td colspan="2">Comments in response to consultation questions</td></tr>
<tr><td colspan="2">Question #1 – proposed up front resolution of transfer impediments</td></tr>
<tr><td>41. We agree (or agree in principle) with proposed change to require resolution of proposed transfer impediments up-front (CBA, CFFiM, CIFIC, Desjardins, FAIR, Kenmar, MICA, OBSI, Panel, PEAK, PMAC, Questrade, SIFI, WS)</td><td>We thank these commenters for their support.</td></tr>
<tr><td>42. We suggest that all transfer impediments be resolved before the standard account transfer settlement timeline commences (CIFIC)</td><td>We appreciate this suggestion; if we adopt it:
• the incentive for dealers to encourage their clients to make timely decisions on resolving any impediments may be reduced
• the standard account transfer settlement timeline would need to be reduced significantly as all account transfers would need to be “in good order” before the account transfer settlement timeline commenced
To address the commenter’s concern, we have:
• maintained the existing proposed pre-transfer timelines for:
  ○ the provision of the account asset list
  ○ identifying account impediments and obtaining client resolution instructions
• unbundled the transfer settlement timeline from the pre-transfer timeline
• set a post impediment resolution timeline at 5 clearing days
By making these changes our intention is to not hold the Dealer Members involved responsible for uncontrollable pre-transfer delays (such as delays in obtaining client impediment resolution instructions) while continuing to hold Dealer Members involved responsible for controllable pre-transfer and transfer delays
(Proposed IDPC Rule section 4859; and MFD Rule section 2.12.9)</td></tr>
<tr><td>43. Open banking-type technological developments will be required to ensure the full implementation of this proposal (Desjardins)</td><td>We thank the commenter for this contribution.</td></tr>
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Comment	CIRO Response
44. We are concerned that the rule revision as drafted may result in the repeat handling of the same transfer request (**CBA**)	Once the client name and account-related information is confirmed there should be no repeat handling of the transfer request.
45. We believe that CIRO should adopt a standardized eligibility checklist covering positions and documentation, to be included in every transfer request (**PEAK**)	This standardization will be looked at as part of the technology piece of this project.
46. We believe that firms should be transparent about their asset acceptance policies, including specifying which assets they are unable or unwilling to accept (**Panel, Questrade**)	The proposals would require that the client be informed by the receiving Dealer of the account positions they are unable or unwilling to accept through the upfront impediment resolution process that must engage in with the client.
47. We recommend that guidance be issued or other steps be taken to establish best practices for account transfer-related client communications (**Panel, Price**)	In our response to Comment #28 we have agreed to expand our guidance to investors on account transfer impediments. We will also examine whether pre-transfer communications (in addition to the specific at time of transfer communications mandated under the proposed rules) would be helpful to clients.
48. We believe the term "impediments" needs to be defined and that the rule requirements should only apply to foreseeable impediments (**IG, SIMA**)	See response to Comment #08
Question #2 – specified time to identify and inform the client of transfer impediments	
49. We believe a 1 clearing day timeline should be imposed (**Panel**)	We thank the commenter for conveying their views as to what the timeline to resolve transfer impediments should be.
50. We agree with proposed 2 clearing day timeline (**CFFiM, CIFIC, Desjardins, FAIR, OBSI, Questrade, SIFI**)	We thank commenters for conveying their views as to what the timeline to resolve transfer impediments should be.
51. We recommend that the 2 clearing day timeline apply only to impediments that are foreseeable (**SIMA**)	We have received suggestions to segment impediments by: • forseeability (i.e., foreseeable versus non-foreseeable) – Comment #51 • complexity (i.e., complex versus simple) – Comment #55

Comment	CIRO Response
	• levels of dealer activity (i.e., peak periods versus non-peak periods) – Comment #60 and that a different impediment resolution period be set for each of these segments. We believe that adopting these suggestions, either individually or collectively would introduce significant complexity to the resolution of impediments and would not help with the objective of this project, which is to achieve more timely account transfers in a cost effective manner.
52. We are concerned that the 2 clearing day timeline could prevent advisor from being able to address client's concerns, in the case where there client is requesting to change advisors (**CIFIC, iA Wealth**)	In arriving at the 2-day timeline, our focus was on incentivizing a timely account transfer in accordance with the client's wishes. An existing advisor's desire to address client concerns and retain the client's account should not take priority over the client's decision to transfer their account.
53. We believe that meeting this 2 clearing day timeline is contingent on the industry's ability to automate (**IG**)	We thank the commenter for conveying their views regarding the proposed timeline to resolve transfer impediments.
54. We do not believe it is reasonable to have communicated and resolved the impediments within 2 clearing days (**IG**)	We thank the commenter for conveying their views regarding the proposed timeline to resolve transfer impediments.
55. We are concerned that the 2 clearing day timeline may be too short in complex situations such a when transferring illiquid positions, dealing with third-party constraints and in manually intensive transfer situations (**iA Wealth, IG, PEAK, Questrade**)	We have received suggestions to segment impediments by: • forseeability (i.e., foreseeable versus non-foreseeable) – Comment #51 • complexity (i.e., complex versus simple) – Comment #55 • levels of dealer activity (i.e., peak periods versus non-peak periods) – Comment #60 and that a different impediment resolution period be set for each of these segments. We believe that adopting these suggestions, either individually or collectively would introduce significant complexity to the resolution of impediments and would not help with the objective of this project, which is to achieve more timely account transfers in a cost effective manner.
56. As most portfolio managers rely on third party custodians to manage account transfers and, depending upon the arrangement, the	The proposed rules will apply to Dealer Members who provide custodial services for portfolio manager clients; they will not directly apply to the portfolio managers themselves.

Comment	CIRO Response
responsibility to inform the client of transfer impediments could fall on either the portfolio manager or the custodian, there are instances the portfolio manager will have no control over the ability to contact the client – we believe there should be a carve-out from the 2-day timeline where compliance with it depends upon a third-party service provider, until such time as a uniform technology solution is available (**PMAC**)	That being said, we do not agree with the commenter's suggestion that there are account transfer scenarios where the receiving portfolio manager would not be responsible for or would not have control over communicating with the client. In our view the receiving portfolio manager would always be responsible for communicating with the client, even in those instances where a third-party custodian has agreed to communicate with the client on their behalf.
57. We do not support the imposition of a separate impediment notification period (as a subsect of the overall standard account transfer settlement period) as that is not the way that the workflow of operations teams typically happens (**SIMA**)	The existing operations workflow was developed to comply with current rule requirements that permit the transfer process to start before the client is informed of any transfer impediments. Resolving transfer impediments up front with the client, which commenters have agreed is welcome change, will require that changes be made to the existing account transfer operations workflow.
58. We believe a period of 5 clearing days would be more appropriate (**IG, FID**)	We thank the commenter for conveying their views regarding the proposed timeline to resolve transfer impediments.
59. We suggest development of a centralized, electronic impediment notification mechanism that is accessible to all participating dealers or, failing that, a separate 5 clearing day impediment notification period (**CBA**)	How impediment information will be passed between dealers will be looked at as part of the development of the technology solution. We thank the commenter for conveying their views regarding the proposed timeline to resolve transfer impediments.
60. We support an even longer impediment-specific timeline (i.e., longer than their suggested 5 clearing days) during peak periods (**CBA**)	We have received suggestions to segment impediments by: • forseeability (i.e., foreseeable versus non-foreseeable) – Comment #51 • complexity (i.e., complex versus simple) – Comment #55 • levels of dealer activity (i.e., peak periods versus non-peak periods) – Comment #60 and that a different impediment resolution period be set for each of these segments. We believe that adopting these suggestions, either individually or collectively would introduce significant complexity to the resolution of impediments and would not help with the objective of this

Comment	CIRO Response
	project, which is to achieve more timely account transfers in a cost effective manner.
61. We believe a period of 10 clearing days would be more appropriate (**MICA**)	We thank the commenter for conveying their views regarding the proposed timeline to resolve transfer impediments.
Question #3 – standard account transfer settlement period	
62. I believe a 1 to 3-clearing day standard account settlement period should be imposed 18 months after the rule amendments come into effect (**Price**)	We thank the commenter for their suggestion.
63. We believe a 4-clearing day standard account settlement period should be imposed (**Panel**)	We thank the commenter for their suggestion.
64. We agree with proposed 10-clearing day standard account settlement period (**CFFiM, CIFIC, Desjardins, FAIR, Kenmar, OBSI, Price, Questrade, SIFI, WS**)	We thank to commenters for their support of the proposed 10-clearing day standard account settlement period.
65. We believe that meeting this standard is contingent on the industry's ability to automate key elements of the transfer process (**CIFIC, SIMA**)	We thank the commenters for conveying their views regarding the proposed 10-clearing day standard account settlement period.
66. We are supportive of future reductions of the standard account settlement period (**CFFiM, FAIR, Kenmar, OBSI, Questrade**)	We thank the commenters for conveying their views regarding the proposed 10-clearing day standard account settlement period.
67. We believe a standard 10-clearing day settlement period is not workable; a 10-clearing day period is workable for transfers without impediments (**IG, MICA, PEAK, PFSL, SIMA**)	We thank the commenters for conveying their views regarding the proposed 10-clearing day standard account settlement period.
68. We believe the standard 10-clearing day settlement period should only begin when the transfer request is in good order (**FID, IG**)	We thank the commenters for conveying their views regarding the proposed 10-clearing day standard account settlement period.

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69. We are concerned whether the 10-clearing day timeline "is operationally feasible, particularly when impediments are present" (**CBA**)	We thank the commenter for conveying their views regarding the proposed 10-clearing day standard account settlement period. Given the commenter is expressing concern about the feasibility of complying with the 10-clearing day timeline for both "in good order" transfers and those with impediments, they are in substance expressing concern about the ability of investment dealers to comply with the current account transfer rule requirements. Not even complying with the current rule requirements is simply not good enough to address this important client service issue.
70. Where third parties are involved (such as third-party custodians) a 10-clearing day period may not be feasible (**PMAC**)	The proposed rules will apply to Dealer Members who provide custodial services for portfolio manager clients; they will not directly apply to the portfolio managers themselves. However, since a portfolio manager should always consider the impact of their pending decisions on their clients (and potential clients), in our view it would be expected that a portfolio manager would consider and discuss in advance with the client (or potential client) the impact of: • transferring in an account from another firm • changing one of its custodians Given this expectation, it is not clear to us why the commenter believes a 10-clearing day period may not be feasible.
71. We believe that extended timelines or exclusions from the standard account transfer settlement period should be available where transfer delays occur that are beyond the dealer's control (**FCC**)	There will always be delays that are beyond the dealer's control. However, it is still important to have rules that incentivize dealers to deal with these delays in a timely fashion. Our experience with the current rule is that the building in of exceptions for transfers with impediments of any form does not encourage timely resolution of the impediment or timely completion of the transfer.
72. We support the proposed 10-clearing day standard provided exceptions are provided for non-electronic positions and positions with third-party constraints (**iA Wealth**)	Consistent with our response to other comments relating to the resolution of transfer impediments, we do not see the value to clients who are seeking more timely account transfers in introducing different standard settlement periods for different segments of account transfer requests.

Comment	CIRO Response
73. We recommend CIRO develop a list of "complex transfer scenarios" where product positions held that are subject to one of these scenarios are not subject to the proposed 10-day standard (**SIMA**)	Consistent with our response to other comments relating to the resolution of transfer impediments, we do not see the value to clients who are seeking more timely account transfers in introducing different standard settlement periods for different segments of account transfer requests.
74. The existing core systems like ATON, Fundserv and CANNEX lack interoperability and each have functional limitations. If the industry technology solution faces delays, high adoption costs or insufficient functionality, the new prescriptive timelines could become a significant source of non-compliance and legal risk for firms struggling to meet them (**Questrade**)	We thank the commenter for conveying their views regarding the functional limitations of the existing account transfer facilities. The issues raised will be looked at as part of the development / selection of the technology solution.
75. Our understanding is that multiple recent mutual fund dealer requests to use ATON have been declined and that this stance is not expected to change in the near term and that Fundserv's proposed transfer offering does not contemplate facilitating client name transfers at this time. Without technological improvements on the way, we cannot agree with an all-inclusive 10-clearing day timeline (**FID**)	We thank the commenter for conveying their views regarding the functional limitations of the existing account transfer facilities. The issues raised will be looked at as part of the development / selection of the technology solution.
Comments regarding rule amendments implementation date	
76. We recommend that the enhanced account transfers system be operational before new account transfer rules come into effect (**CIFIC**)	We thank the commenter for their suggestion.
77. We recommend a phased implementation schedule, supported by clear technical guidance, to avoid disproportionate burdens on firms with fewer internal technology resources (**CIFIC**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.

Comment	CIRO Response
78. We recommend that CIRO provide an adequate implementation period that allows firms to assess, design and implement the appropriate solutions to comply with the proposed rules (**CBA**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.
79. We recommend that the implementation period chosen for the proposed rule amendments take into consideration the period of time it will take for CIRO to recognize additional account transfer facilities (**iA Wealth**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.
80. As the proposed changes will have a greater impact on mutual fund dealers than investment dealers, we recommended that an extended implementation period be provided for mutual fund dealers (**SIMA**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.
81. We recommend an implementation period of at least 18 months (**IG**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.
82. We recommend that CIRO mandate automation and electronic communication within 12-18 months and subsequently phase out manual processes and reduce the standard account transfer settlement period to 3 clearing days by 2027 (**WS**)	We thank the commenter for their suggestion. This suggestion will be considered as part of our work to determine the implementation period and implementation date for the rule amendment proposals.
Comments regarding bulk account movement requirements	
83. We recommend that CIRO establish clear and consistent standards for bulk account movements going forward (**CIFIC**)	The current (and proposed revised) rule requirements for bulk account movements codify CIRO's willingness to give dealers more time to complete the documentation requirements when they have received in a large group of accounts by way of a bulk account transfer. They do not prescribe processes to be followed to ensure the timely movement of accounts (and related positions) from a financial institution to a Dealer Member. We agree that there should be greater clarity regarding: • the information that impacted clients are provided, and

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	• the obligations that the Dealer Member receiving these accounts have to the impacted clients. To introduce this clarity, we have added new IDPC Rule section 4871 and renumbered the remaining related provisions as sections 4872 and 4873.
84. We recommend that CIRO continue allowing the bulk movement of accounts when an individual advisor changes firms (as set out in MFDA Staff Notice 0079) and extend this process to investment dealers (**iA Wealth**)	MFDA Staff Notice 0079 does not refer to a bulk account movement process being available to mutual fund dealing representatives who are in the process of changing firms. Rather, the notice details regulatory concerns with certain activities and behaviours that have been observed when a mutual fund dealing representative is about to change firms.
85. We believe the provision of exemptive relief should involve the delivering Dealer (or equivalent) to ensure that clients have valid agreements in place during the transition, to ensure client rights are protected and to determine who bears responsibility for operational execution and related costs (**CBA, SIMA**)	IDPC Rule subsection 4873(2) sets out two principles-based requirements which must be satisfied before CIRO will grant an exemption relating to bulk account movements. One of these requirements is that “granting the exemption would not prejudice the interests of the Dealer’s clients, the public or the member”. Ensuring that clients have a valid interim account agreement in place during the period from date of bulk account transfer to date of completion of new account documentation is an important step in satisfying this requirement. Also, see response to Comment #83 Regarding the suggestion that the dealer giving up the accounts should be involved in the provision of exemptive relief to the dealer receiving the accounts, we do not believe this is necessary and, we are concerned that, because not all bulk account movement situations are amicable, requiring this mandatory involvement would not be constructive.
86. Given that any exemptive relief from the requirement to collect account opening documents within a prescribed period of time involves relying on existing account documents for an extended period of time, the delivering Dealer should be provided with and be permitted to comment on the exemptive relief application and provided with a copy of any exemptive relief order that is granted (**SIMA**)	See response to Comments #83 and #85. Regarding the suggestion that the dealer giving up the accounts be provided with and be permitted to comment on the exemptive relief application and provided with a copy of any exemptive relief order that is granted, we do not believe this would be necessary once the dealer receiving the accounts has assumed the obligations of the dealer giving up the accounts.

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87. It is essential to “acknowledge and differentiate between a change in ‘back-office relationship’ versus change in custodian in a non-Introducing Broker (IB) / Carrying Broker (CB) arrangement, as is the case of CSA registered Portfolio Managers (PM)” (**SIMA**)	While we acknowledge that different arrangements exist, the rules for firm-initiated bulk account movements only apply to investment dealers and firms registered as both investment dealers and mutual fund dealers (**dual-registered firms**), including investment dealers and dual-registered firms that provide custodial services to portfolio manager clients; they do not directly apply to the portfolio managers themselves.
88. We believe the bulk transfer rules should establish clear, consistent standards for bulk transfers and should consider the diverse structures and needs of firms affected by these transfers (**CBA**)	The rules for firm-initiated bulk account movements were introduced for the sole purpose of granting firms additional time where the receipt of a large volume of accounts makes it unfeasible to collect all of the required new account documentation within the standard 25 business day requirement set out in IDPC Rule 3200, Part B. CIRO staff routinely consider the types of accounts involved in any exemption request (i.e., custody account, order execution only account, advisory account, managed account, margin accounts, accounts with guarantees, etc.) in determining whether an exemption request has merit and, if so, the length of time given to collect the new account documentation.
89. It would be helpful to understand why the proposed amendments to MFD Rule 2.12 do not contain amendments addressing bulk transfer requests (**CBA, SIMA**)	MFD Rule 2.2.2(b) requires that the collection of all required new account documentation be “duly completed” but, unlike the IDPC rule requirement, does not prescribe a standard completion period. For this reason, bulk transfer requests involving mutual fund dealers generally involve interpreting whether the period of time to be taken satisfies the “duly completed” requirement.
90. It would be helpful to understand why the definition of the term “bulk account movement” is limited to movements from “a firm to a dealer” and why it does not align with CIRO guidance which refers to “Dealer to Dealer” account movements (**SIMA**)	The scope of the existing IDPC Rules for firm-initiated bulk account movements encompasses “…a bulk account movement situation, where a Dealer Member is receiving in a significant number of client accounts…”. As such is the case, the scope of current rule captures “firm to Dealer” situations, not just “Dealer to Dealer” situations. The current CIRO guidance was specifically drafted to focus on “Dealer to Dealer” bulk account movements but this does not mean that the exemptive relief for other “firm to Dealer” situations can’t be granted. As there may be more considerations associated with the granting of exemptive relief for other “firm to Dealer” bulk account movements, the guidance includes the following text:

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	"This Guidance deals primarily with bulk account movements between two Dealers, as opposed to between a Dealer and another securities registrant such as a portfolio manager or a mutual fund dealer. Please speak with your Business Conduct Compliance or Financial Operations Compliance manager about bulk account movements involving non-Dealers as there may be additional considerations not contemplated by this Guidance."
Other comments	
Other changes that should be pursued	
91. We believe that rules should be further amended to require delivering Dealers to expedite the account transfer process by adopting additional measures including adding terms requiring expedited account transfers in the firm's "client relationship disclosure agreements" (**Panel**)	It is unclear to us how the commenter's suggested expedited account transfer process would work in a situation where an account involved has one or more impediments (either sourced at the delivering Dealer or the receiving Dealer). Specifically, we would not favour use of an expedited account transfer process where the client negatively consents at the relationship commencement stage to positions with impediments being automatically liquidated during any subsequent account transfer. Also, even with positive consent at the relationship commencement stage, the client would only be aware at that stage of potential impediments caused by the delivering Dealer (and would not be aware of potential impediments caused by the not yet known receiving Dealer).
92. We recommend that the practice of charging fees for account transfers be reviewed (**Panel**)	We are not considering prohibiting the charging of account transfer fees at this time; however, the matter is under study. An issue of concern to us relating to any account transfer fee prohibition is that, where there are account transfer-related costs incurred by the delivering Dealer, an account transfer fee prohibition results in substance in the remaining clients paying for these costs. As with all transaction and account-related fees, we do expect that any fees charged are reasonable in relation to the account transfer costs incurred by the delivering Dealer.
93. We recommend that there be more precise requirements relating to the disclosure of transfer fees and	The current rule requirements:

Comment	CIRO Response

potential transfer fee reimbursements, including who must provide these disclosures (**PEAK**)	• require the Dealer disclosure of all fees they may charge their clients (including account transfer fees):
	  ○ at the commencement of the account relationship *(pursuant to the relationship information disclosure requirements set out in IDPC Rule section 3216 and MFD Rule 2.2.7)*, and
	  ○ in advance of any subsequent fee increase *(IDPC Rule section 3504 and MFD Rule 2.4.3)*.
	• do not require the Dealer disclosure of any potential or actual reimbursements they pay/may pay to their clients
	Specific to fees, it would be most common for the delivering Dealer to charge an account transfer fee and for a receiving Dealer not to charge an account transfer fee, as receiving Dealers generally absorb any expenses they incur in obtaining new client accounts. Where in rare circumstances the receiving Dealer charges an account transfer fee they would be subject to the same fee disclosure requirements that apply to the delivering Dealer.
	Specific to reimbursements, where a reimbursement is offered, it would be most common for the receiving Dealer to make this offer. However, there are no current rule requirements that require:
	• that account transfer fee reimbursements be offered, or
	• where account transfer fee reimbursements are voluntarily offered, that the existence of these reimbursements be disclosed prior to the voluntary offer being made
	Further, for those receiving Dealers that offer fee reimbursements, there is no obligation that the reimbursement be determined using the same rate or formula for all clients transferring in accounts.
	Taking all this into consideration, we would not be in favour of mandating that Dealers must disclose their account transfer fee reimbursement policy. That being said, we would have no concerns if Dealers voluntarily disclosed their policy.

94. A number of rulemaking changes are recommended to incentivize dealers to promptly transfer out accounts. Some of these recommendations	We thank the commenter for their suggestions. Our focus at this stage is on modernizing the general account transfer rule framework, rather than engaging in

Comment	CIRO Response
suggest that certain actions be taken without notice to or consent by the client (such as the automatic termination of a fee-based program) (**Anon**)	rulemaking that prohibits specific firm or advisor delaying behaviour.
95. A number of Fundserv process changes are also recommended as there are many products on the Fundserv platform that fail to deliver or redeem automatically (**Anon**)	We thank the commenter for their suggestions. Our focus at this stage is on modernizing the general account transfer rule framework.
96. A number of manufacturer-related process changes are recommended as well (including amending the agreements between Fundserv and the dealers and between Fundserv and the manufacturers to allow that any asset can be transferred in kind with the approval of the client and the receiving Dealer (**Anon**)	We thank the commenter for their suggestions. Our focus at this stage is on modernizing the general account transfer rule framework.
97. We believe the rules need to be amended to require that any financial incentives paid to advisors, where they move to another firm, need to be disclosed to clients (**PEAK**)	We thank the commenter for their suggestion. Our focus at this stage is on modernizing the general account transfer rule framework.
98. We believe the role of issuers in the transfer of book-based client name positions needs to be clarified within the rules to ensure that the existing dealer of record is notified when an issuer-involved transfer is initiated (**PEAK**)	It is our understanding that dealer of record information can only be amended by the issuer of a book-based client name investment product position where: • the client makes a direct request to the issuer to remove the dealer of record information • the delivering Dealer, supported by a client authorized account transfer request, makes a request to the issuer to change the dealer of record to the name of the receiving Dealer Further, where the client makes a direct request to the issuer to remove dealer of record information, since the client is the legal owner of the position, the issuer has no obligation to inform the delivering Dealer (i.e., the current dealer of record) that this client request has been received. Based on this understanding we see no reason the dealer of record should be informed in advance of a client

Comment	CIRO Response
	request to remove dealer of record information where the investment product is legally owned by the client, held in custody by the issuer and the dealer is promptly informed after the client request has been carried out.
99. We believe the rules need to be amended to clarify when the obligations of the delivering Dealer end where an account is being transferred (**PEAK**)	We have revised the proposed rules to adopt this suggestion. *(Proposed IDPC Rule section 4863; and MFD Rule 2.12.13)*
100. We believe the rules need to be amended to ensure that the confidentiality of and access to client data is properly controlled where an advisor is moving from one dealer to another (**PEAK**)	We believe that the confidentiality of and access to client data needs properly controlled in all situations, including where an advisor moves from one dealer to another. The existing IDPC and MFD rules both generally address these issues, but in different ways. IDPC Rule section 1406 requires compliance with applicable laws, which includes privacy legislation. MFD Rule 2.1.3 specifically addresses the confidentiality of and access to client data. Both approaches mandate the need to limit access to and maintain confidentiality of client information. Neither approach specifies what access to client and client information controls must be in place where an advisor is moving from one dealer to another. As we expect that both the dealers and advisor involved will act in the best interests of the impacted clients, we do not believe it would be appropriate for us to prescribe what the departing advisor can discuss with impacted clients and when departing advisor discussions that take place on behalf of the current dealer must cease. Where such matters are covered by a contract between the existing dealer and the departing advisor, we would expect that: • the contract requirements are not contrary to the best interests of the impacted clients, and • the dealer and the advisor comply with the contract requirements.
Technology changes	
101. We believe the technology changes should be industry driven. Each dealer should be free to choose their own technology vendor (**CIFIC, SIMA**)	We believe that the technology changes should be primarily industry driven. Pursuing technology changes without any regulator involvement could introduce vendor-specific risks to the account transfer process where the vendor:

Comment	CIRO Response
	• fails to meet baseline solvency and data security requirements or • is not capable of passing the industry agreed upon transfer request and transfer position data that is necessary to efficiently complete a transfer
102. We have concerns about the transparency and independence of RPF approach set out in the related CIRO White Paper as:	
(a) all bodies to be involved in the RFP review are within CIRO's governance structure and this creates the appearance that CIRO has some role in the review, assessment and selection of the preferred technology vendor (**SIMA**)	The initiative to develop a technology solution is being led by investment dealer and mutual fund dealer representatives who are Dealer Members of CIRO. CIRO's role is solely to help facilitate this Dealer Member work. CIRO has no role in the review, assessment and selection of the preferred technology vendor.
(b) the lack of transparency of the advisory committee evaluating each RFP vendor proposal may call into question whether each vendor applicant is allowed to compete fairly within the RFP review process being used (**SIMA**)	This comment has been forwarded to the Dealer Member representatives involved in the review, assessment and selection of the preferred technology for their consideration. Also, it should be noted that: • the Dealer Member representatives involved in the vendor evaluation established a working group on their own (which any CIRO Dealer Member may join) to carry out this work • in order to be transparent to all Dealer Members on the evaluation work being performed, this working group provides periodic updates on their work to various CIRO advisory committees • the CIRO advisory committees have no role in the vendor evaluation.
103. We believe that CIRO should maintain strong, consistent oversight of the technology development part of this project (**Questrade**)	We agree. We believe that our role regarding the technology development part is to help facilitate it and to be assistive.
104. We believe the receiving Dealer should have the ability to preview assets and validate account information before initiating a transfer so that it can clearly inform	We agree. Obtaining transfer authorization from the client and being provided with an asset list by the delivering Dealer are already set out within the current rule requirements. The change being proposed is to inform the

Comment	CIRO Response
the client upfront about what can and cannot be transferred (**CBA**)	client much earlier on in the transfer process about what can and cannot be transferred.
105. We believe the technology providers' systems solutions need to address privacy concerns associated with sharing client data (**SIMA**)	We agree that privacy concerns should always be addressed but we are not aware of any specific incremental privacy concerns that arise where the client initiates an account transfer request and as part of the request the client voluntarily: • provides client account and personal information subject to privacy legislation as part of the request • authorizes the provision of position information (i.e., the asset list) to the receiving Dealer. We a more concerned about each vendor's ability to restrict access to client data and to adhere to industry set data security requirements.
Technology costs	
106. We recommend that smaller investment dealers, whose annual volume of account transfers is minimal, should not be required to incur any costs for accessing the systems (**CIFIC**)	We agree that the technological solution must be cost effective and that the costs should be fairly allocated.
107. We believe that any technology changes should be developed by existing industry vendors at no additional cost to dealers (**MICA**)	Whether or not costs can and will be borne by industry vendors will need to be determined by dealer community discussions with vendors.
108. We believe that CIRO is envisioning "unequal new powers for ID firms to punitively add costs against MFD firms for transfer delays, with most causes for delay being structurally outside of their control" (**FID**)	We disagree with the commenter's unfounded and unfortunate comment that the development and implementation of account transfer technology is an attempt by CIRO (or investment dealers) to increase the cost structure of mutual fund dealers. Rather, we believe it is no longer acceptable for investment dealers and mutual fund dealers to blame others for account transfer delays or argue that others alone should pay for the costs of a more automated and efficient account transfer process. There is also a case to be made that account transfer automation will reduce in-house dealer costs as currently a significant amount of dealer resources are dedicated towards supporting manual account transfer processes.

Comment	CIRO Response
109. We request that CIRO undertake a comprehensive cost benefit analysis on the value of building, adopting and operating new technological solutions (**PFSL**)	As part of Phase 2 of our technological solutions work we will be examining the costs Dealer Members currently incur for largely manual transfer processes. This information will be used to assemble a business case for proceeding with the industry-chosen technological solutions that compares current and future account transfer related costs and details the important benefits to clients.
110. We believe that any technological solution that is developed must be cost effective, so as not to disadvantage dealers that serve certain market segments. For firms that operate with smaller account sizes, the cost structure will have a significant impact on the viability of serving small accounts. (**PFSL**)	We agree that the technological solution must be cost effective and that the costs should be fairly allocated to CIRO Dealer Members. In order to ensure a fair allocation of costs we believe that: • the costs that Dealer Members currently incur for largely manual transfer processes should be considered, and • the costs of technological solutions should be allocated amongst those Dealers that benefit from them
Transfer-related data to be passed	
111. CIRO should publish for industry review the data that must be contained in a transfer request (**Fundserv**)	The intention is that standards will be developed by the industry (not CIRO) to specify: • the data that must be contained within a transfer request • the data that must be passed during a transfer.
112. The data that must be contained in a transfer request should be standardized (**CBA, Fundserv, MICA**)	We agree. To ensure standardization occurs, once an industry standard for the data that must be contained within a transfer request is set, CIRO will adopt this standard as one of the criteria it will use in determining whether a vendor qualifies as a recognized account transfer facility.
113. The data that is passed during a transfer should be standardized (**CBA**)	We agree. To ensure standardization occurs, once an industry standard for the data that must be passed during a transfer is set, CIRO will adopt this standard as one of the criteria it will use in determining whether a vendor qualifies as a recognized account transfer facility.
114. The data that is passed during the account transfer should include complete position cost information (**CIFIC, SIMA**)	In the case of positions transferred into a new account at the receiving Dealer, the current rules give the receiving Dealer the options of reporting as position cost either: • the position cost amount that has been calculated since the original date of purchase of the position, or • the market value of the position as at the date of transfer

Comment	CIRO Response
	The option to report market value of the position as at the date of transfer as position cost was given to enable the receiving Dealer (if it so chooses) the option to provide the client with performance information only for the period for which it is responsible for account performance (i.e., from date of transfer onwards). Also, as it cannot be assumed that positions being transferred to the receiving Dealer have not been previously transferred, it cannot be assumed that the current delivering Dealer has "complete" position cost information available to pass to the receiving Dealer. Taking all this information into account: • we do not believe we need to amend our existing rule requirements to require that complete position cost information be provided to clients, and • we will leave it to our Dealer Members to decide whether they want to mandate the passing of complete position cost information when an account transfer takes place.
Ability to monitor transfer progress and timeliness	
115. We believe that firms need the ability to monitor the progress of an account transfer and proactively communicate with the client (**CIFIC**)	Thank you for your comment. This suggestion will be looked at as part of the development / selection of the technology solution.
116. I believe that clients should have access to transfer status information including flagging any issues that require their attention before the transfer can be completed (**Price**)	Thank you for your comment. This suggestion will be looked at as part of the development / selection of the technology solution.
117. We believe that dealers should be required to publish transfer-related service level information (**WS**)	Thank you for your comment. The timeliness of a transfer is a function of the responsiveness of: • the delivering Dealer, • the receiving Dealer and, • in the case of transfers with impediments, the client. Parsing out and disclosing dealer-specific service level information requires looking at the timeliness of specific account transfer steps (completion and delivery of transfer request, delivery of asset list, identification of impediments, resolution of impediments, post-impediment resolution completion of account transfer) and may not provide a complete picture of the time it has taken to

Comment	CIRO Response
	transfer the account. This is a suggestion we will study but not one we believe we should pursue at this time.
Transfer cancellation requests	
118. CIRO should publish guidance on the handling of account transfer cancellation requests, particularly those initiated by the client with the delivering Dealer (**Fundserv**)	The account transfer rule requirements require that the client provide an authorization to the receiving Dealer when they wish to initiate an account transfer request. Where a client changes their mind and no longer wishes to initiate an account transfer request (such as where there are excessive transfer impediments or where promises of improved existing dealer services have been made or for other reasons), the documentation maintained for the client needs to be revised to reflect this change in client wishes. The questions that arise relate to timing of the cancellation request and who must be informed of the cancellation request. Guidance can be issued to clarify that: • given the overall objective of facilitating more timely account transfers it would not be reasonable to expect that a transfer request can be cancelled once it has been assessed as being in “good order” • it would be reasonable to expect that only transfer requests that have just been initiated, that are in the process of being assessed for impediments or are waiting a client decision on how to resolve identified transfer impediments can be cancelled • for those transfer requests that can be cancelled, the client can inform either the receiving Dealer or the delivering Dealer of their of their decision to cancel the account transfer request, on the condition that documentation is provided to the delivering Dealer and the receiving Dealer in support of this request
Transfer delay penalties	
119. We suggest the imposition of financial penalties to be paid by delivering Dealers who do not meet timelines (**Anon, MICA, Panel, Price**)	We thank the commenters for their suggestion. Our focus at this stage is to make the account transfer process more efficient. Once this has been done we will examine whether there is a need to also impose financial penalties.
120. We suggest that any financial penalties imposed be paid to the impacted clients (**Panel, Price**)	We thank the commenters for their suggestion. If financial penalties are introduced we will study whether these penalties should be paid to the impacted clients.
CIRO advisory committee participation	

Comment	CIRO Response
121. We request that CIRO consider and where needed adjust the balance between ID and MFD firms on all of its advisory committees (**FID**)	Since the launch of CIRO we have regularly and frequently canvassed the mutual fund dealer community to encourage their participation in CIRO's advisory committees. As a result of these efforts, the mutual fund dealer community is represented on the following CIRO advisory committees and regional councils: • Conduct, Compliance and Legal Advisory Section (CCLS) • CCLS Anti Money Laundering Subcommittee • CCLS Retail Subcommittee • CCLS Order Execution Only Subcommittee • Financial and Operations Advisory Section (FOAS) • FOAS Mutual Funds Subcommittee • FOAS Operations Subcommittee • Alberta, Atlantic, Manitoba, Ontario, Pacific, Quebec and Saskatchewan Regional Councils We will continue our efforts to further increase mutual fund dealer participation in these and other advisory committees.