From: Ian McCulloch
To: Member Regulation Policy
Cc: CIRO-Reporting; TradingandMarkets@osc.ca
Subject: Comment Letter – Proposed Incorporated Approved Person Compensation Option
Date: Thursday, July 9, 2026 3:03:56 PM

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Re: CIRO Proposed Incorporated Approved Person Compensation Option

I strongly support the proposed amendments permitting Approved Persons to receive eligible compensation through a professional corporation.

This proposal represents an important modernization of Canada's regulatory framework. Wealth management has evolved into a highly regulated profession whose practitioners build long-term businesses, employ staff, invest in technology, maintain rigorous compliance systems, and provide ongoing relationships with Canadian families over many decades.

Yet, unlike physicians, lawyers, dentists, accountants, engineers, and many other regulated professionals, many investment advisors have historically been unable to receive ongoing compensation through a corporation. This creates an inequitable competitive environment without providing any meaningful additional investor protection.

After more than a decade serving Canadian families, I have seen first-hand the increasing capital required to operate a modern advisory practice. Cybersecurity, technology, staffing, compliance, continuing education, and succession planning all require substantial ongoing investment. Allowing compensation to flow through a corporation would enable advisory firms to reinvest more effectively in these areas, ultimately benefiting Canadian investors through stronger businesses, better service, and greater continuity of advice.

The proposed incorporation option would not reduce regulatory oversight. The individual advisor would remain licensed, personally accountable, subject to CIRO oversight, compliance reviews, proficiency standards, and disciplinary processes. The proposal changes only the method by which compensation is received—not the advisor's professional responsibilities or accountability.

From a public interest perspective, incorporation would:

- Promote fairness by aligning wealth management with other regulated professions.
- Allow advisors to retain capital for technology, cybersecurity, staffing, compliance, and improved client service.

Strengthen succession planning and encourage orderly transitions between generations of advisors.

- Foster stable, well-capitalized advisory firms capable of serving Canadian families over the long term.
- Improve the competitiveness and sustainability of the Canadian financial advice profession.

I also encourage the CSA and CIRO to view this proposal as the beginning of a broader harmonization effort under National Instrument 31-103. Equivalent regulated professionals should be afforded equivalent opportunities to operate through modern business structures where investor protection is fully preserved.

This proposal maintains regulatory oversight while removing an unnecessary structural inequity. It is sound public policy that benefits advisors, their businesses, and—most importantly—the Canadian investors they serve.

Thank you for the opportunity to provide these comments.

Sincerely,

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