From:	Sheppard-Brown, Matthew
To:	Member Regulation Policy; CIRO-Reporting
Subject:	Support for Proposed Adoption of the Incorporated Approved Person Compensation Option
Date:	Thursday, July 16, 2026 1:50:45 PM
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[EXTERNAL EMAIL / COURRIEL EXTERNE]

Dear CIRO Policy Team,

I am writing to express my strong support for the proposed rule amendments relating to the adoption of an Incorporated Approved Person (IAP) compensation option for all client-facing Approved Persons. The proposal represents a thoughtful and necessary modernization of the regulatory framework governing advisor compensation and is an important step toward creating consistency across the Canadian wealth management industry.

As a practice owner in Alberta, I certainly recognize the operational and business planning benefits that incorporation can provide. However, my support for this proposal extends far beyond any personal benefit. I believe the proposed framework will create meaningful advantages for clients, advisors, Dealer Members, and the industry as a whole.

First, the proposal promotes fairness and regulatory harmonization. For years, advisors operating under different registration categories have been subject to different compensation structures, despite often providing similar client services. By introducing a harmonized incorporated compensation option across all client-facing Approved Persons, CIRO is addressing a longstanding inconsistency and creating a more equitable regulatory environment.

Second, incorporation will support greater investment in client service. Running a modern advisory practice requires significant expenditures on technology, compliance systems, cybersecurity, administrative staff, financial planning tools, and client communication resources. A corporate structure provides advisors with greater flexibility to manage and reinvest capital into their practices. When advisors are able to invest more effectively in their businesses, clients benefit through improved service, enhanced planning capabilities, and a more professional overall experience.

Third, the proposal supports business continuity and succession planning. Many advisors operate sophisticated businesses that serve hundreds of households over multiple generations. The ability to operate through an incorporated structure can facilitate succession planning, ownership transitions, and long-term business sustainability. This ultimately benefits clients by improving continuity of advice and reducing disruption when advisors retire or transition their practices.

Fourth, adopting the IAP model helps attract and retain talented professionals within the Canadian financial advice industry. Many other professions, including lawyers, accountants, and physicians, have long been permitted to operate through incorporated entities. Allowing financial advisors similar flexibility recognizes the increasingly professional and entrepreneurial nature of advisory practices and helps ensure the industry remains competitive in attracting experienced and highly qualified practitioners.

Importantly, I support the proposal because it maintains the core investor protection framework. The proposed rules preserve the advisor's regulatory obligations and the sponsoring dealer's oversight responsibilities, ensuring that client protection remains paramount while allowing advisors greater flexibility in their business operations. This strikes an appropriate balance between innovation and regulatory accountability.

In addition, replacing the existing patchwork of compensation approaches with a single, harmonized framework should improve regulatory clarity and reduce complexity for both firms and advisors. Consistency in the rules is likely to result in more efficient compliance supervision and a better understanding of responsibilities across the industry.

For these reasons, I respectfully encourage CIRO and the Canadian Securities Administrators to move forward with the proposed amendments and the corresponding securities legislation changes required for implementation. This proposal represents a forward-looking evolution of the industry that supports advisor professionalism, business stability, client service excellence, and regulatory consistency.

Thank you for the opportunity to comment on this important initiative.

Sincerely,

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