From: Kern Watts
To: Member Regulation Policy; CIRO-Reporting; TradingandMarkets@osc.ca
Subject: Proposed Adoption of an Incorporated Approved Person compensation option
Date: Wednesday, July 22, 2026 2:42:35 PM

Good day,

As a practicing financial advisor, I am writing to express my support for the proposed rule amendments that would allow Approved Persons to receive compensation through a personal corporation. This proposed change represents a meaningful and necessary evolution in the regulatory framework governing our profession, aligning it more closely with the realities of modern advisory practice and the standards applied to other professional industries in Canada.

In my role, I operate in many respects as a business owner. I am responsible for developing and maintaining client relationships, generating revenue, managing expenses, and investing in the tools and resources required to deliver high-quality financial advice. Despite these responsibilities, the current structure limits my ability to organize my practice in a manner consistent with other professionals such as physicians, lawyers, and accountants, who are permitted to incorporate and manage their business affairs accordingly. Allowing incorporation would better reflect the entrepreneurial nature of advisory work and bring greater consistency across professional sectors.

From an operational standpoint, incorporation would provide the ability to manage income and expenses more effectively, allowing for improved cash flow planning and reinvestment into the practice. This, in turn, supports the delivery of enhanced client service. With greater flexibility in financial management, I would be better positioned to invest in technology, staffing, and ongoing professional development, all of which contribute to a more efficient and client-focused practice. Ultimately, these improvements benefit not only the advisor, but also the clients who rely on consistent, high-quality advice over the long term.

Incorporation also plays an important role in succession planning and business continuity. As advisors, we have a responsibility to ensure that our clients are supported not just today, but well into the future. A corporate structure facilitates the gradual transition of ownership, the integration of junior advisors, and the orderly transfer of client relationships. This provides greater stability for clients and helps ensure that their financial plans remain uninterrupted in the event of retirement or unforeseen circumstances.

Furthermore, permitting incorporation would enhance the attractiveness of the advisory profession. As the industry continues to evolve, it is important that we are able to attract and retain talented individuals who are motivated to build long-term careers. Providing access to structures that support entrepreneurship and financial planning at the business level will help position the profession competitively alongside other established fields.

I fully recognize that any such changes must be implemented with a continued emphasis on investor protection. Incorporation should not, and does not, diminish the responsibility of the advisor. I remain personally accountable for all advice provided, and all regulatory obligations—including suitability, compliance, and ethical conduct—must continue to be upheld. The sponsoring dealer must also retain full supervisory responsibility, ensuring that oversight and compliance standards remain robust. Transparency with clients regarding compensation structures is essential, and clear disclosure requirements should be maintained to preserve trust and confidence.

In conclusion, the proposed adoption of an Incorporated Approved Person compensation option represents a balanced and forward-looking approach to modernizing the advisory landscape. It acknowledges the business realities faced by advisors while maintaining the necessary safeguards to protect investors. From my perspective, this change would strengthen the profession, improve the sustainability of advisory practices, and ultimately enhance the quality of service provided to clients. For these reasons, I strongly support the proposed rule amendments.

Regards,

Kern Watts, B.Sc.BA, CFP®, CIM®
Financial Planner & Investment Advisor
Manulife Wealth Inc.

E kern.watts@manulifewealth.ca
T 780 488 9889 or 1 877 455 3222
D 780 540 7608 or 1 877 231 2244
F 780 482 1099

Melanie Locke – Executive assistant
E melanie.locke@manulifewealth.ca
T 780 488 9889 or 1 877 455 3222
D 780 540 7607 or 1 877 231 2244

201, 6050 Andrews Way SW
Edmonton, AB, T6W 3S9

Manulife
Wealth