

March 25, 2024

Submitted via Email

Attention:

Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2000
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Toronto, Ontario M5H 3T9
Email: memberpolicymailbox@ciro.ca

Dear CIRO:

RE: POLICY OPTIONS FOR LEVELING THE ADVISOR COMPENSATION PLAYING FIELD

The Investment Industry Association of Canada (IIAC) is the national association representing financial services firms of any size and type operating in Canadian and global markets.

The IIAC has carefully reviewed and considered the CIRO Position Paper, “Policy options for leveling the advisor compensation playing field” (the **Policy Paper**) and appreciates CIRO’s interest in addressing harmonization of advisor incorporation options both generally and following IIROC and MFDA consolidation.

We provide the following for CIRO’s consideration:

A. Summary of General Principles:

1. Incorporation options for all dealers and advisors is supported where tax, legal and operational requirements can be met.
2. Any incorporation model should include both registerable and non-registerable activity.
3. Provincial legislation and SRO rules do not appear to clearly prohibit either 1) or 2) above.
4. Regulatory requirements are currently in place for both 1) and 2) above.
5. In light of 1) through 4) above, an interim incorporation approach is not necessary and raises unnecessary operational complexities for dealer and advisors.

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6. It is important that there is consistency and harmonization across all registration categories and provincial jurisdictions and responsible implementation timelines.

B. Details of Considerations

1. The option of incorporation for all dealers and advisors is supported, where tax, legal and operational requirements can be met.

Advisors, like multiple professions, should have the option to incorporate where tax, legal and business requirements can be met.

We have a concern that less optimal incorporation models are being considered in the context of proposed legislative and regulatory amendments as currently described in the Policy Paper, which, in turn, would involve additional time, cost and complexity.

In particular, a directed commission model limited to non-registerable activity:

- Adds difficulty for advisors and dealers in distinguishing between registerable and non-registerable activity, with potential resulting tax liability, and minimizes their tax benefits;
- Lends to advisor and client confusion (fees may need to distinguish for client reporting purposes);
- Raises additional supervisory concerns.

We have received support for both an Incorporated Approved Person and Registered Corporation model. We are mindful that a Registered Corporation model is permitted in the insurance industry, so would better complement insurance licensed advisors in their broader financial planning efforts and generally accommodates advisor teams.

We ask CIRO to consider whether only one incorporation model is necessary and encourage availability of incorporation options so that dealers and advisors may better adjust to their operational, business and client concerns.

2. Any incorporation model should include both registerable and non-registerable activity.

Please see comments at B.1. above.

In addition, for ease of reference, we have enclosed the following schedules:

- I. Excerpt of Mutual Fund Dealer Rules
- II. Excerpt of Investment Dealer Rules
- III. A summary chart of key provisions of all provincial securities legislation.

A review of Schedules I, II, and III suggests that reasonable interpretations may conclude that registerable and non-registerable activities may be included in any incorporation model. We note that British Columbia, Manitoba, New Brunswick, and Newfoundland all currently have specific registration exemptions that allow directed payments for registerable and non-registerable activity in the mutual fund channel, though such exemptions may not be strictly necessary.

3. Provincial legislation and SRO rules do not appear to clearly prohibit either incorporation or the inclusion of both registerable and non-registerable activity.

A review of Schedule III also suggests that reasonable interpretations may conclude incorporation is not explicitly prohibited in most and possibly all provinces. Alternative statutory interpretations may be addressed through “housekeeping” amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, which may include exemptions for and definitions of registered individuals which include incorporation.

We appreciate that any given legislation may also be subject to enhancements, but these may be separately considered from that which is strictly necessary.

4. Regulatory requirements are currently in place for both incorporation and the inclusion of both registerable and non-registerable activity.

Several proposed CIRO rule enhancements do not appear necessary. Regulatory jurisdiction and powers over an incorporated entity are addressed through the current framework.

For example, outside business activities must currently be approved by the dealer. CIRO, along with members of the CSA, investigate outside business activities. In addition, requirements to comply with CIRO rules, supervisory requirements, book and records requirements and dealer advance approval of changes in ownership are elements in the current regulatory framework.

We note that additional supervisory requirements may negatively impact intended tax benefits dependent on arms-length factors.

We also note that the terms of employer/employee and principal/agent agreements are determined by the dealer, who considers their own operational matters, and which terms may include general compliance with legal and regulatory obligations. Similarly, agreements with incorporated entities should be determined by the dealer, as opposed to CIRO, which terms may likewise include general compliance with legal and regulatory obligations. The dealer is similarly able to determine tax and operational considerations specific to the incorporation arrangement and their firm.

As incorporation should include both registerable and non-registerable activities, non-registerable activities within the corporation should not be conducted within the name or trade name of the dealer.

5. An interim incorporation approach is reasonably avoidable. An interim incorporation approach also raises unnecessary and avoidable operational complexities for dealer and advisors.

An interim incorporation approach requires multiple operational builds and additional costs for both dealers and advisors.

6. It is important that there is consistency and harmonization across all registration categories and provincial jurisdictions and that there are responsible implementation timelines.

A consistent and harmonized approach would include an appropriate timeline that takes into account significant system builds and operational changes for all dealers and a uniform start date across the country.

C. Additional Key Considerations

In continued efforts to ensure a level playing field, we ask that incorporation also include employer/employee arrangements in addition to principal/agent arrangements.

Most dealers have employer-employee relationships with advisors. Therefore, there are complex tax, employment and operational issues that need advance consideration for effective implementation of any advisor incorporation model that may deliver the intended tax benefits to advisors. Advance engagement with tax authorities is likely necessary to obtain some assurance of tax benefit. Finalizing rulemaking, without first considering and addressing these issues, could negate the intended benefit to advisors and have significant negative repercussions for the industry.

Respectfully submitted by,

INVESTMENT INDUSTRY ASSOCIATION OF CANADA

Laura Paglia

Per: Laura Paglia, President & Chief Executive Officer

cc.
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SCHEDULE I

Excerpt of Mutual Fund Dealer Rules

MFDA Rules

2.4 .1 Remuneration, Commissions, and Fees

(a) Payable by Member Only

Any remuneration in respect of business conducted by an Approved Person on behalf of a Member must be paid by the Member (or its affiliates or its related Members which have received it from the Member) directly to and in the name of the Approved Person. No Approved Person in respect of a Member shall accept or permit any associate to accept directly or indirectly, any remuneration, gratuity, benefit, or any other consideration from any person other than the Member or its affiliates or its related Members, in respect of the business carried out by such Approved Person on behalf of the Member or its affiliates or its related Members.

(b) Payment of Commissions to Unregistered Corporation

For the purpose of this Rule, “unregistered corporation” shall be understood to mean a corporation that is, itself, not registered under securities legislation. Notwithstanding paragraph (a), where an Approved Person acts as an agent of the Member in compliance with Rule 1.1.5, any remuneration, gratuity, benefit or other consideration in respect of business conducted by the Approved Person on behalf of a Member may be paid by the Member to an unregistered corporation provided that:

(i) such arrangements are not prohibited or otherwise limited by the relevant securities legislation or securities regulatory authorities;

(ii) the corporation is incorporated under the laws of Canada or a province or territory of Canada;

(iii) the Member, Approved Person and the unregistered corporation have entered into an Agreement in writing, in a form prescribed by the Corporation, in favour of the Corporation, the terms of which provide that:

(A) the Member and Approved Person shall comply with applicable By laws and Rules and securities legislation and remain liable to third parties, including clients, irrespective of whether any remuneration, gratuity, benefit or any other consideration is paid to an unregistered corporation and no such payment shall, in and of itself, in any way limit or affect the duties, obligations or liability of the Member or Approved Person under Rules and applicable securities legislation;

(B) the Member shall engage in appropriate supervision with respect to the conduct of the Approved Person and the unregistered corporation to ensure such compliance as referred to in (A), above; and

(C) the Approved Person and the unregistered corporation shall provide the Member, the applicable securities commission and the Corporation with access to all books and records maintained by or on behalf of either of them for the purpose of determining compliance with the Rules and applicable securities legislation.

(c) **Arrangements Prohibited**

Paragraph (b) does not apply in respect of any such remuneration, gratuity, benefit or other consideration derived from a client in Alberta.

1.1 Business Structures

No Member or Approved Person (as defined in Rule 1A) in respect of a Member shall, directly or indirectly, engage in any securities related business (as defined in Rule 1) except in accordance with the following:

- (c) the relationship between the Member and any person conducting securities related business on account of the Member is that of:
 - (i) an employer and employee, in compliance with Rule 1.1.4,
 - (ii) a principal and agent, in compliance with Rule 1.1.5, or
 - (iii) an introducing dealer and carrying dealer, in compliance with Rule 1.1.6;

SCHEDULE II

Excerpt of Investment Dealer Rules

Investment Dealer Rules

Individual Approval

2551(7) Except as set out in subsection 2551(8), an Approved Person **[IIAC note: a natural person under the Rules]** must not accept, nor allow an associate to accept, directly or indirectly, any remuneration, gratuity, benefit, or other consideration from any person other than the Dealer Member, its related companies, or affiliates for any Dealer Member related activities carried out by the Approved Person.

2551(8) Where an individual:

(i) is approved as a Registered Representative dealing in mutual funds only pursuant to clause 2602(3)(vii), and

(ii) acts as an agent of a Dealer Member in compliance with the requirements set out in Rule 2300,

any remuneration, gratuity, benefit, or other consideration in respect of business conducted by the individual on behalf of the Dealer Member may be paid by the Dealer Member to a corporation that is not registered under securities laws provided:

(iii) the arrangement is not prohibited or otherwise limited by the relevant securities laws or securities regulatory authorities,

(iv) the corporation is incorporated under the laws of Canada or a province or territory of Canada, and

(v) the individual, Dealer Member and the unregistered corporation have entered into a written agreement, in a form prescribed by the Corporation, the terms of which provide that:

(a) the individual and Dealer Member have the same:

(I) Obligations to comply with applicable Corporation requirements and securities laws, and

(II) Liabilities to third parties, including clients irrespective of the method by which any remuneration, gratuity, benefit, or other consideration is disbursed,

(b) The Dealer Member shall engage in appropriate supervision with respect to the conduct of the individual and the unregistered corporation to ensure compliance with the requirements in subclause 2551(8)(v)(a) and all other applicable Corporation requirements, and

(c) The individual and the unregistered corporation shall provide the Dealer Member, the Corporation, and the applicable securities regulatory authorities with access to all books and records maintained by or on behalf of either of them for the purpose of ensuring compliance with the Corporation

requirements and securities laws. (9). Subsection 2551(8) does not apply in respect of any remuneration, gratuity, benefit, or other consideration derived from a client in Alberta.

2302. Principal and agent relationships

- (1) An individual who conducts securities related business on behalf of a Dealer Member must be an employee (which includes an agent) of the Dealer Member.
- (2) A Dealer Member must not allow a corporation or other non-individual entity to conduct securities related business on its behalf.



Investment Industry Association of Canada Association canadienne du commerce des valeurs mobilières

SCHEDULE III

Summary Chart of Key Provisions of All Provincial Securities Legislation.

See attached.

Advisor Incorporation for Registered Activities – Relevant Securities Legislation by Jurisdiction

The excerpts below from the *Securities Acts* and *Regulations* of the provinces and territories generally suggest that advisor incorporation for registered activities is not explicitly prohibited by securities legislation. However, please note the following:

Ontario’s *Securities Act* (see #7 below)

- Section 25(1)(b) includes incorporation in its preamble, and a registered adviser can be a company; but, as Section 25(1)(b) is drafted, its interpretation is ambiguous.

Manitoba’s *The Securities Act* (see #3 below)

- The provision regarding registration (Section 6(1)) refers only to the term “person”, which does not include incorporated organizations, or the Act’s defined term “company”, which includes a corporation or other incorporated organization. However, Section 6(9) refers to both a “person” and “company” in regard to registration. Similarly, the Act’s defined terms, “adviser” and “registrant”, include the term “company”, suggesting advisor incorporation for registered activities may be permitted with clarifying amendments.

Quebec’s *Securities Act* and *Regulations* (see #9 below)

- The provision in the Act regarding registration (Section 148) refers to the term “person”. The Act’s defined term, “person”, refers to “legal person”, for which no defined term was located in the Act, or in the *Regulations* included below. However, “legal person” is cited on the Quebec.ca site, on the page, “*Learn About the Different Legal Forms of Enterprises*”, as a “business corporation” or “corporation”. Read together, these suggest that advisor incorporation for registered activities is not explicitly prohibited.

	Province	Act / Regulation	Relevant Sections
1.	Alberta	Securities Act, Revised Statutes of Alberta 2000 Chapter S-4 Links: Alberta King's Printer: or https://canlii.ca/t/81wg	Definitions 1(a) “ adviser ” means a person or company engaging in or holding itself out as engaging in the business of advising in securities or derivatives; (i) “ company ” means any corporation... or other incorporated organization; (z) “ individual ” means a natural person , but does not include (i) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or a trust,...

	Province	Act / Regulation	Relevant Sections
		<p>Advisor incorporation for registered activities not explicitly prohibited by Section 75(1)(b).</p> <p><i>Square-bracketed language added.</i></p>	<p>(mm) “person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;</p> <p>Part 5 – Registration Requirement to be registered</p> <p>75(1) Unless registered in accordance with Alberta securities laws, a person or company shall not act as</p> <ul style="list-style-type: none"> (a) a dealer, (b) an adviser [person or company], or (c) an investment fund manager. <p>75(2) Unless registered in accordance with Alberta securities laws, an individual shall not, directly or indirectly,</p> <ul style="list-style-type: none"> (a) act as a dealer on behalf of a person or company that is required to be registered under subsection (1), (b) act as an adviser [person or company] on behalf of a person or company that is required to be registered under subsection (1), ...
	Alberta	<p>Securities Regulation, Alta Reg 115/1995</p> <p>Link: https://canlii.ca/t/82hr</p>	<i>No applicable sections identified.</i>
2.	BC	<p>Securities Act, RSBC 1996, CHAPTER 418</p> <p>Link: Securities Act (gov.bc.ca)</p> <p>or</p> <p>https://canlii.ca/t/84cb</p>	<p>Part 1 – Interpretation</p> <p>1(1) “adviser” means a person engaging in, or holding themselves out as engaging in, the business of advising another with respect to investment in or the purchase or sale of securities or trades of derivatives;</p> <p>“individual” means a natural person, but does not include</p> <ul style="list-style-type: none"> (a) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, ...

	Province	Act / Regulation	Relevant Sections
			<p>“person” includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law;</p> <p>Part 5 – Registration Persons who must be registered</p>
		Advisor incorporation for registered activities not explicitly prohibited by Section 34(1)(b).	<p>34(1) A person must not</p> <ul style="list-style-type: none"> (a) trade in a security or derivative, (b) act as an adviser, (c) act as an investment fund manager, (d) or act as an underwriter, <p>unless the person is registered in accordance with the regulations and in the category prescribed for the purpose of the activity.</p>
	BC	<p>Securities Regulation, B.C. Reg. 196/97</p> <p>Link: https://canlii.ca/t/850w</p>	<i>No applicable sections identified.</i>
3.	Manitoba	<p>The Securities Act, C.C.S.M., c. S50</p> <p>Link: The Securities Act, C.C.S.M. c. S50 (gov.mb.ca)</p>	<p>Definitions</p> <p>1(1) "adviser" means a person or company that engages in or holds himself, herself or itself out as engaging in the business of advising others with respect to buying, selling or investing in securities or derivatives;</p> <p>"company" means a corporation, ...or other incorporated organization;</p> <p>"individual" means a natural person, but does not include</p> <ul style="list-style-type: none"> (a) a partnership, unincorporated association, unincorporated organization, or unincorporated syndicate; or...

	Province	Act / Regulation	Relevant Sections
		<p>Section 6(1)(b) restricted to a “natural person”; but (i) <u>section 6(9)</u> immediately below refers to registration of a “person or company”, and (ii) see definition of “adviser”.</p>	<p>"person" means an individual, partnership, unincorporated trust, unincorporated association, unincorporated organization, unincorporated syndicate, trustee, executor, administrator or other legal personal representative;</p> <p>"registrant" means a person or company registered or required to be registered under this Act;</p> <p>PART II – REGISTRATION Persons who must be registered</p> <p>6(1) A person must not</p> <ul style="list-style-type: none"> (a) trade in a security or derivative; (b) act as an adviser; (c) act as an investment fund manager; or (d) act as an underwriter; <p>unless the person is registered, in accordance with the regulations, in the category that the regulations prescribe for the activity.</p> <p>Registration in accordance with Act</p> <p>6(9) A person or company shall be conclusively deemed not to be registered unless</p> <ul style="list-style-type: none"> (a) the registration has been made in accordance with this Act and the regulations; and (b) the Director has confirmed the registration. <p>6(12) An individual who is named</p> <ul style="list-style-type: none"> (a) in the registration of a dealer as a person who is authorized to trade in securities or derivatives on the dealer's behalf; or (b) in the registration of an adviser as a person who is authorized to advise on the adviser's behalf; <p>may carry on that activity without a separate registration.</p> <p>Adding new partner, officer or branch manager</p> <p>6(13) After a dealer or adviser is registered, an individual</p>

	Province	Act / Regulation	Relevant Sections
			<p>(a) who becomes a partner, officer or branch manager of the dealer and is not named in the registration as a person who is authorized to trade in securities or derivatives on the dealer's behalf; or</p> <p>(b) who becomes a partner, officer or branch manager of the adviser and is not named in the registration as a person who is authorized to advise on the adviser's behalf;</p> <p>shall not carry on that activity until the registration is amended to name him or her as a person who is authorized to do so.</p>
	Manitoba	Securities Regulation, Man Reg 491/88 R Link: Securities Regulation, M.R. 491/88 R (gov.mb.ca)	<i>No applicable sections identified.</i>
4.	New Brunswick	Securities Act, Chapter S-5.5 Link: S-5.5.pdf (gnb.ca)	Definitions 1(1) “ adviser ” means a person engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investment in or the purchase or sale of securities or derivatives. “ corporation ” includes a company or other body corporate wherever or however incorporated; “ individual ” means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative; “ person ” includes an individual , a corporation , a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization and a trust and a trustee, an executor, an administrator or other legal representative.

	Province	Act / Regulation	Relevant Sections
		Advisor incorporation for registered activities not explicitly prohibited by Section 45(b).	<p>Part 4 – Registration Registration Required</p> <p>45 Unless the person is exempted under the regulations, if a person is not registered in accordance with the regulations in the category that the regulations prescribe for the activity, the person shall not</p> <ul style="list-style-type: none"> (a) trade in a security or derivative, (b) act as an adviser, (c) act as an investment fund manager, or (d) act as an underwriter.
	New Brunswick	<i>No applicable regulations identified.</i>	---
5.	Newfoundland and Labrador	<p>Securities Act, RSNL 1990, Chapter S-13</p> <p>Links: RSNL1990 CHAPTER S-13 - SECURITIES ACT (assembly.nl.ca)</p> <p>or</p> <p>https://canlii.ca/t/8b2b</p>	<p>Interpretation</p> <p>2(a) "adviser" means a person or company engaging in or holding himself, herself or the company out as engaging in the business of advising in securities;</p> <p>(e) "company" means a corporation, ...or other incorporated organization;</p> <p>(r) "individual" means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;</p> <p>(ee) "person" means an individual, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;</p> <p>PART X – REGISTRATION Requirement to be registered</p> <p>26.(1) A person or company shall not act as</p> <ul style="list-style-type: none"> (a) a dealer;

	Province	Act / Regulation	Relevant Sections
		Advisor incorporation for registered activities not explicitly prohibited by Section 26(1)(b).	<p>(b) an adviser; or (c) an investment fund manager unless that person or company is registered in accordance with the securities law of the province.</p> <p>26(2) An individual shall not, directly or indirectly (a) deal in securities on behalf of a person or company required to be registered under subsection (1); (b) advise in securities on behalf of a person or company required to be registered under subsection (1); or (c) perform a prescribed function or duty for a person or company required to be registered under subsection (1) unless that person or company is registered in accordance with the securities law of the province.</p>
	Newfoundland and Labrador	Securities Regulations, CNLR 805/96 Link: https://canlii.ca/t/8bj1	<p>Interpretation</p> <p>2. (1) Every term used in these regulations that is (a) defined in section 2 of the Act is used in these regulations as so defined unless it is otherwise defined in these regulations or the context otherwise requires;</p> <p>Part V – Registration Requirements</p> <p>Categories of advisers</p> <p>87. Every person or company that is required to register as an adviser shall be registered and classified into one or more of the following categories:</p> <p>(a) financial advisers, being persons or companies that engage in or hold themselves out as engaging in the business of advising others as to investing in or the buying or selling of securities on a basis that does not require their classification in another category of adviser;</p>

	Province	Act / Regulation	Relevant Sections
			<p>(b) investment counsel, being persons or companies that engage in or hold themselves out as engaging in the business of advising others as to the investing in or the buying or selling of specific securities or that are primarily engaged in giving continuous advice as to the investment of funds on the basis of the particular objectives of each client;</p> <p>(c) portfolio managers, being persons or companies that are registered for the purpose of managing the investment portfolio of clients through discretionary authority granted by one or more clients;</p> <p>(d) securities advisers, being persons or companies that hold themselves out as engaging in the business of advising others either through direct advice or through publications or writings, as to the investing in or the buying or selling of specific securities, not purporting to be tailored to the needs of specific clients.</p>
6.	Nova Scotia	<p>Securities Act, Chapter 418 of the Revised Statutes, 1989</p> <p>Link: Securities Act (novascotia.ca)</p>	<p>Interpretation</p> <p>(a) “adviser” means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities or derivatives;</p> <p>(f) “company” means any corporation, ... or other incorporated organization;</p> <p>(q) “individual” means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, or a natural person in his capacity as trustee, executor, administrator or other legal representative;</p> <p>(ad) “person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative</p>

	Province	Act / Regulation	Relevant Sections
		<p data-bbox="468 305 789 440">Advisor incorporation for registered activities not explicitly prohibited by Section 31(2)(a).</p>	<p data-bbox="810 232 1062 261">Registration required</p> <p data-bbox="810 297 1822 362">31 (2) No person or company shall act as an adviser unless the person or company is registered as</p> <ul style="list-style-type: none"> <li data-bbox="905 367 1115 396">(a) an adviser; or <li data-bbox="905 399 1745 464">(b) a representative of a registered adviser and is acting on behalf of the registered adviser. <p data-bbox="810 500 1822 597">(4) No person or company shall act as a registered representative, registered dealer, registered adviser or registered investment fund manager unless the registration of the person or company has been made in accordance with Nova Scotia securities laws.</p> <p data-bbox="810 634 884 664">Note:</p> <ul style="list-style-type: none"> <li data-bbox="810 667 1822 732">- “registered adviser” and “registered representative” are not defined in the Nova Scotia <i>Securities Act</i>. <li data-bbox="810 735 1629 764">- “representative” is not defined in the Nova Scotia <i>Securities Act</i>. <li data-bbox="810 768 1707 833">- In other legislation: Nova Scotia <i>Securities Transfer Act, 2010, c. 8, s. 1.</i> (https://nslegislature.ca/sites/default/files/legc/statutes/securtsf.htm): <p data-bbox="905 836 1073 865">Interpretation</p> <p data-bbox="905 868 957 898">2(1)</p> <p data-bbox="905 901 1776 998">(ac) "representative" means a person empowered to act for another, including an agent, an officer of a corporation or association and a trustee, executor or administrator of an estate;</p> <p data-bbox="905 1036 1829 1230">(w) "person" means an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a corporation, a government or agency of a government or another legal or commercial entity;</p> <p data-bbox="905 1268 1293 1297">“individual” not defined in STA.</p>

	Province	Act / Regulation	Relevant Sections
	Nova Scotia	<i>No applicable regulations identified.</i>	---
7.	Ontario	<p>Securities Act, R.S.O. 1990, c. S.5</p> <p>Link: Securities Act, R.S.O. 1990, c. S.5 (ontario.ca)</p> <p>or https://canlii.ca/t/2qs</p>	<p>Definitions</p> <p>1(1) “adviser” means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities;</p> <p>“company” means any corporation, ... or other incorporated organization;</p> <p>“individual” means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;</p> <p>“person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;</p> <p>“representative” means,</p> <p>(a) in respect of a registered dealer, an individual who trades securities on behalf of the dealer, whether or not the individual is employed by the dealer, or</p> <p>(b) in respect of a registered adviser, an individual who provides advice on behalf of the adviser with respect to investing in, buying or selling securities, whether or not the individual is employed by the adviser;</p> <p>PART XI – REGISTRATION Registration</p> <p>Registration</p> <p>Dealers</p>

	Province	Act / Regulation	Relevant Sections
		<p>Note: Section 25(1)(b) includes incorporation in its preamble, and a registered adviser can be a company; but, as Section 25(1)(b) is drafted, its interpretation is ambiguous.</p> <p><i>Square-bracketed language added.</i></p> <p>Advisor incorporation for registered activities not explicitly prohibited by Section 25(3)(a).</p>	<p>25 (1) Unless a person [individual = natural person] or company [corporation] is exempt under Ontario securities law from the requirement to comply with this subsection, the person [individual = natural person] or company [corporation] shall not engage in or hold himself, herself or itself out as engaging in the business of trading in securities unless the person [individual = natural person] or company [corporation],</p> <p>(a) is registered in accordance with Ontario securities law as a dealer; or</p> <p>(b) is a representative [in respect of a registered adviser, which can be a company, is a natural person who provides advice on behalf of that company] registered in accordance with Ontario securities law as a dealing representative of a registered dealer [in respect of a registered adviser (a company) is a natural person who provides advice on behalf of the company] and is acting on behalf of the registered dealer.</p> <p>Same, advisers</p> <p>25 (3) Unless a person or company is exempt under Ontario securities law from the requirement to comply with this subsection, the person or company shall not engage in the business of, or hold himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, buying or selling securities unless the person or company,</p> <p>(a) is registered in accordance with Ontario securities law as an adviser; [or]</p> <p>(b) is a representative registered in accordance with Ontario securities law as an advising representative of a registered adviser and is acting on behalf of the registered adviser; or...</p>
	Ontario	<p>General, RRO 1990, Reg 1015</p> <p>Link: https://canlii.ca/t/t3r</p>	<p><i>No applicable sections identified.</i></p>

	Province	Act / Regulation	Relevant Sections
8.	PEI	<p>Securities Act, Chapter S-3.1</p> <p>Links: Securities Act (princeedwardisland.ca)</p> <p>or</p> <p>RSPEI 1988, c S-3.1 Securities Act CanLII</p>	<p>Definitions</p> <p>1(1)</p> <p>(a) “adviser” means a person engaging in, or holding himself, herself or itself out as engaging in the business of advising others with respect to investment in or the purchase or sale of securities;</p> <p>(x) “individual” means a natural person, but does not include</p> <p style="padding-left: 20px;">(i) a partnership, trust, fund or an association, syndicate, organization or other organized group, whether incorporated or not, ...</p> <p>(pp) “person” includes</p> <p style="padding-left: 20px;">(i) an individual,</p> <p style="padding-left: 20px;">(ii) a corporation,</p> <p style="padding-left: 20px;">(iii) ... [an] organization or other organized group of persons, whether incorporated or not, ...</p> <p>PART 8 – REGISTRATION</p> <p>86. Dealers or advisers</p> <p>(1) No person shall</p> <p style="padding-left: 20px;">(a) act as a dealer unless the person is registered as a dealer, or is registered as a representative of a registered dealer and is acting on behalf of the dealer; or</p> <p style="padding-left: 20px;">(b) act as an adviser unless the person is registered as an adviser, or is registered as a representative of a registered adviser and is acting on behalf of the adviser,</p> <p>and the registration has been made in accordance with Prince Edward Island securities laws.</p>
		<p>Advisor incorporation for registered activities not explicitly prohibited by Section 86(1)(b).</p>	

	Province	Act / Regulation	Relevant Sections
			<p>Note:</p> <ul style="list-style-type: none"> - “registered adviser” and “representative” are not defined in the PEI <i>Securities Act</i>. - In other legislation: PEI <i>Securities Transfer Act</i>. CHAPTER S-3.2. (https://www.princeedwardisland.ca/sites/default/files/legislation/s-03-2-securities_transfer_act_0.pdf): <ul style="list-style-type: none"> (bb) “representative” means any person empowered to act for another, including an agent, an officer of a corporation or association and a trustee, executor or administrator of an estate; (w) “person” means <ul style="list-style-type: none"> (i) an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, (ii) a sole proprietorship, (iii) a partnership, (iv) an unincorporated association, (v) an unincorporated syndicate, (vi) an unincorporated organization, (vii) a trust, including a business trust, (viii) a corporation, (ix) a government or an agency of a government, or (x) any other legal or commercial entity;
	PEI	<p>Securities Act Regulations, PEI Reg EC57/08</p> <p>Link: https://canlii.ca/t/8dvj</p>	<i>No applicable sections identified.</i>
9.	Quebec	<p>Securities Act, chapter V-1.1</p> <p>Links: Éditeur officiel du Québec (gouv.qc.ca)</p>	<p>Chapter II</p> <p>Interpretation</p> <p>5</p>

	Province	Act / Regulation	Relevant Sections
		<p>or</p> <p>https://canlii.ca/t/xv0</p> <p>Advisor incorporation for registered activities not explicitly prohibited by Section 148, subject to the above reasonable assumptions.</p>	<p>“adviser” means a person engaging in or holding himself out as engaging in the business of advising another with respect to investment in or the purchase or sale of securities, or the business of managing a securities portfolio;</p> <p>5.1. For the purposes of this Act and the regulations, “person” includes, in addition to a natural person and a legal person, a partnership, a trust, a fund, an association, a syndicate, a body and any other group of persons that is not constituted as a legal person as well as any person acting as a trustee, liquidator, executor or legal representative.</p> <p>Note: “legal person” is not defined in the QC <i>Securities Act, Regulation 14-101, Regulation 31-103, Regulation 33-109, and Securities Regulation</i>. However, from Quebec site, “Learn About the Different Legal Forms of Enterprises” (https://www.quebec.ca/en/businesses-and-self-employed-workers/start-entreprise/legal-forms):</p> <ul style="list-style-type: none"> • A business corporation (also called a “corporation” or “legal person”) is a separate legal entity. <p>Title V – Registration</p> <p>Chapter I – General Provisions</p> <p>148. No person may act as a dealer, adviser or investment fund manager unless the person is registered as such.</p> <p>149. A natural person may not act as a dealer or adviser for the account of a person subject to registration under section 148, unless the natural person is registered as a representative of that person...</p> <p>Note: Located no definition of “representative” in QC <i>Securities Act, Regulation 14-101, Regulation 31-103, Regulation 33-109, and Securities Regulation</i>.</p>
	Quebec	Regulation 14-101 respecting Definitions, CQLR c V-1.1, r 3	<p>Definitions and Interpretation</p> <p>1.1.</p>

	Province	Act / Regulation	Relevant Sections
		<p>Links: https://canlii.ca/t/8pl0</p> <p>and</p> <p>REGULATION 14-101 RESPECTING DEFINITIONS (lautorite.qc.ca)</p>	<p>3. In a regulation</p> <p>"adviser registration requirement" means the requirement in securities legislation that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under securities legislation;</p> <p>"person or company", for the purpose of a regulation, means,</p> <ul style="list-style-type: none"> (a) in British Columbia, a "person" as defined in section 1(1) of the Securities Act; (b) in New Brunswick, a "person" as defined in section 1(1) of the Securities Act; (c) in the Northwest Territories, a "person" as defined in section 1 of the Securities Act (Northwest Territories); (c.1) in Nunavut, a "person" as defined in section 1 of the Securities Act; (d) in Prince Edward Island, a "person" as defined in section 1 of the Securities Act; (e) in Québec, a "person" as defined in section 5.1 of the Securities Act; and (f) in Yukon Territory, a "person" as defined in section 1 of the Securities Act;
	Quebec	<p>Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations, CQLR c V-1.1, r 10</p> <p>Links: CQLR c V-1.1, r 10 Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations CanLII</p>	<p>Note: "Individual" is used throughout <i>Regulation 31-103</i>, but no definition of "individual" located in <i>Regulation 31-103</i>, or in <i>Securities Act</i>, or in <i>Regulation 14-101 respecting Definitions, CQLR c V-1.1, r 3</i>.</p> <ul style="list-style-type: none"> - But also note, in <i>Regulation 31-103</i>, "Part 2 – Categories of Registration for Individuals": <ul style="list-style-type: none"> • 2.1(2) An individual registered in the category of (b) advising representative may act as an adviser in respect of a security that the individual's sponsoring firm is permitted to advise on, ... <ul style="list-style-type: none"> ▪ See definitions of "adviser registration requirement" and "person or company" (above) in <i>Regulation 14-101 respecting Definitions, CQLR c V-1.1, r 3</i>. ▪ See definitions of "adviser" and "person" (above) in <i>Securities Act, chapter V-1.1</i>. ▪ Definitions suggest that corporations could be registered as advisers.

	Province	Act / Regulation	Relevant Sections
		<p>and</p> <p>Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (V-1.1, r. 10) (lautorite.qc.ca)</p>	<ul style="list-style-type: none"> • But “individual” is also referred to in “Part 3 – Registration Requirements”, “Division 1 – General proficiency requirements”. E.g., discusses an “individual” passing examinations (s. 3.3), earning CFA Charter, and gaining experience (s. 3.11) – suggests a natural person. - However, in “Part 7 – Categories of Registration for Firms” (see definitions of “person” and “adviser” as noted above): <ul style="list-style-type: none"> • <i>7.2. Adviser Categories</i> (1) <i>The following are the categories of registration for a person that is required, under securities legislation, to be registered as an adviser:</i> <ul style="list-style-type: none"> (a) <i>portfolio manager;</i> (b) <i>restricted portfolio manager.</i>
	Quebec	<p>Regulation 33-109 respecting registration information, CQLR c V-1.1, r 12</p> <p>Link: https://canlii.ca/t/8mfc</p> <p>and</p> <p>REGULATION 33-109 RESPECTING REGISTRATION INFORMATION (lautorite.qc.ca)</p>	<p>Note: Similar comments as for <i>Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations, CQLR c V-1.1, r 10.</i></p>
	Quebec	<p>Securities Regulation, c. V-1.1, r. 50 (Securities Act (R.S.Q., c. V-1.1, s. 331 and 331.1))</p> <p>Links: https://canlii.ca/t/zmj</p>	<p>Note: “Applicant”, used in Section 190, is not defined in this <i>Securities Regulation</i>, or in <i>Regulation 14-101 respecting Definitions, CQLR c V-1.1, r 3</i>, or in <i>Securities Act</i>.</p> <ul style="list-style-type: none"> - However, see definition of “adviser” (above) in <i>Securities Act, chapter V-1.1</i>, which refers to “person”, defined as “legal person”, defined on Quebec.ca site as “business corporation” or “corporation”.

	Province	Act / Regulation	Relevant Sections
		and SECURITIES REGULATION (lautorite.qc.ca)	Title V – Dealers, Advisers, Representatives, Investment Fund Managers, Chief Compliance Officer and Ultimate Designated Person Chapter I – Conditions and Effects of Registration 190. An applicant for registration as a dealer, adviser , representative, investment fund manager, chief compliance officer or ultimate designated person must include with their application for registration the fees prescribed by Chapter II of Title VI.
10.	Saskatchewan	The Securities Act, 1988, Chapter S-42.2 Links: Securities Act, 1988, S-42.2 (gov.sk.ca) or https://canlii.ca/t/wkv	Interpretation 2(1)(a.1) “ adviser ” means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising another as to the investing in or the buying or selling of securities or derivatives; (h) “ company ” means any corporation, ... or other incorporated organization; (v) “ individual ” means a natural person , but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust or natural person in his capacity as trustee, executor, administrator or other legal representative; (hh) “ person ” means any individual , partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative; (qq.1) “ representative ” means: (i) with respect to a registered dealer, an individual who trades in securities, derivatives or both on behalf of the dealer, whether or not the individual is employed by the dealer; and (ii) with respect to a registered adviser, an individual who provides advice on behalf of the adviser with respect to investing in, or the buying or selling of securities, derivatives or both, whether or not the individual is employed by the adviser;

	Province	Act / Regulation	Relevant Sections
		<p>Advisor incorporation for registered activities not explicitly prohibited by Section 27(2)(b)(i).</p>	<p>Note: “registered adviser” is not defined in the SK <i>Securities Act</i>.</p> <p>Part VI – Registration</p> <p>27(2) No person or company shall:</p> <p>(a) act as a dealer or underwriter unless the person or company:</p> <ul style="list-style-type: none"> (i) is registered as a dealer; or (ii) is registered as a representative of a registered dealer and is acting on behalf of the dealer; <p>(b) act as an adviser unless the person or company:</p> <ul style="list-style-type: none"> (i) is registered as an adviser; or (ii) is registered as a representative of a registered adviser and is acting on behalf of the adviser; or...
	Saskatchewan	<p>Securities Regulations, RRS c S-42.2 Reg 1</p> <p>Link: https://canlii.ca/t/w58</p>	<p><i>No applicable sections identified.</i></p>
11.	Northwest Territories	<p>Securities Act, SNWT 2008,c.10</p> <p>Links: WordPerfect Office Document (gov.nt.ca)</p> <p>or</p> <p>https://canlii.ca/t/8hwz</p>	<p>Definitions</p> <p>1(1) "adviser" means a person engaging in, or holding himself, herself or itself out as engaging in the business of advising others with respect to investment in or the purchase or sale of securities;</p> <p>"individual" means a natural person, but does not include</p> <ul style="list-style-type: none"> (a) a partnership, trust, fund or an association, syndicate, organization or other organized group, whether incorporated or not, ... <p>"person" includes</p> <ul style="list-style-type: none"> (a) an individual, (b) a corporation,

	Province	Act / Regulation	Relevant Sections
		<p data-bbox="468 467 789 602">Advisor incorporation for registered activities not explicitly prohibited by Section 86(1)(b).</p>	<p data-bbox="905 232 1724 293">(c) ... [an] organization or other organized group of persons, whether incorporated or not, ...</p> <p data-bbox="810 331 1142 393">PART 8 – REGISTRATION Dealers or advisers</p> <p data-bbox="810 431 1087 461">86. (1) No person shall</p> <p data-bbox="905 467 1822 630">(a) act as a dealer unless the person is registered as a dealer, or is registered as a representative of a registered dealer and is acting on behalf of the dealer, or (b) act as an adviser unless the person is registered as an adviser, or is registered as a representative of a registered adviser and is acting on behalf of the adviser,</p> <p data-bbox="810 636 1822 695">and the registration has been made in accordance with Northwest Territories securities laws.</p> <p data-bbox="810 734 884 763">Note:</p> <ul data-bbox="810 769 1822 1203" style="list-style-type: none"> - “registered adviser” and “representative” are not defined in the <i>NWT Securities Act</i>. - In other legislation: <i>NWT Securities Transfer Act</i>. SNWT 2009, c 14. (https://canlii.ca/t/8lq4): <ul style="list-style-type: none"> • "representative" means any person empowered to act for another, including an agent, an officer of a corporation or association and a trustee, executor or administrator of an estate; • "person" means an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a corporation, a government or agency of a government, or any other legal or commercial entity;
	Northwest Territories	<i>No applicable regulations identified.</i>	---

	Province	Act / Regulation	Relevant Sections
12.	Nunavut	<p>Consolidation of Securities Act, S.Nu. 2008,c.12</p> <p>Link: SECURITIES ACT, Consolidation of Legislation (nunavutlegislation.ca)</p> <p>or https://canlii.ca/t/8lw6</p>	<p>Definitions</p> <p>1(1) "adviser" means a person engaging in, or holding himself, herself or itself out as engaging in the business of advising others with respect to investment in or the purchase or sale of securities;</p> <p>"individual" means a natural person, but does not include (a) a partnership, trust, fund or an association, syndicate, organization or other organized group, whether incorporated or not, ...</p> <p>"person" includes (a) an individual, (b) a corporation, (c) ... [an] organization or other organized group of persons, whether incorporated or not, ...</p> <p>PART 8 – REGISTRATION Dealers or advisers</p> <p>86. (1) No person shall (a) act as a dealer unless the person is registered as a dealer, or is registered as a representative of a registered dealer and is acting on behalf of the dealer, or (b) act as an adviser unless the person is registered as an adviser, or is registered as a representative of a registered adviser and is acting on behalf of the adviser, and the registration has been made in accordance with Nunavut securities laws.</p> <p>Note: - "registered adviser" and "representative" are not defined in the Nunavut <i>Securities Act</i>.</p>
		<p>Adviser incorporation for registered activities not explicitly prohibited by Section 86(1)(b).</p>	

	Province	Act / Regulation	Relevant Sections
			<p>- In other legislation: Nunavut <i>Securities Transfer Act</i>, SNu 2010, c 15 (https://canlii.ca/t/8npf):</p> <ul style="list-style-type: none"> • "representative" means any person empowered to act for another, including an agent, an officer of a corporation or association and a trustee, executor or administrator of an estate; • "person" means an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a corporation, a government or agency of a government or any other legal or commercial entity;
	Nunavut	<p>Securities Regulations, RRNWT (Nu) 1990 c S-5</p> <p>Link: https://canlii.ca/t/8kzg</p>	<p>Application for Registration</p> <p>10. (1) The Registrar may publish in a form suitable to the Registrar and suitable for distribution, a list of the names of persons and companies registered under the [Securities] Act.</p>
13.	Yukon Territory	<p>Securities Act, SY 2022, c. 5</p> <p>Link: https://canlii.ca/t/8lth</p>	<p>Definitions</p> <p>1(1) "adviser" means a person engaging in, or holding himself, herself or itself out as engaging in, the business of advising others with respect to investment in or the purchase or sale of securities;</p> <p>"individual" means a natural person, but does not include</p> <p>(a) a partnership, trust, fund or an association, syndicate, organization or other organized group, whether incorporated or not, ...</p> <p>"person" includes</p> <p>(a) an individual,</p> <p>(b) a corporation,</p>

	Province	Act / Regulation	Relevant Sections
		<p>Advisor incorporation for registered activities not explicitly prohibited by Section 86(1)(b).</p>	<p>(c) ... [an] organization or other organized group of persons, whether incorporated or not, ...</p> <p>PART 8 – REGISTRATION Dealers or advisers</p> <p>86(1) No person shall</p> <p>(a) act as a dealer unless the person is registered as a dealer, or is registered as a representative of a registered dealer and is acting on behalf of the dealer, or</p> <p>(b) act as an adviser unless the person is registered as an adviser, or is registered as a representative of a registered adviser and is acting on behalf of the adviser,</p> <p>and the registration has been made in accordance with Yukon securities laws.</p> <p>Note:</p> <ul style="list-style-type: none"> - “registered adviser” and “representative” are not defined in the Nunavut <i>Securities Act</i>. - In other legislation: YT <i>Securities Transfer Act</i>, SY 2010, c 16 (https://canlii.ca/t/8nv8): <ul style="list-style-type: none"> • “representative” means any person empowered to act for another, including an agent, an officer of a corporation or association and a trustee, executor or administrator of an estate; • “person” means an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a corporation, a government or agency of a government, or any other legal or commercial entity;
Yukon Territory		<p>Securities Regulation, YOIC 2008/39</p> <p>Link: https://canlii.ca/t/8m9q</p>	<p><i>No applicable sections identified.</i></p>