

CIRO Strategic Plan

FY 2025-2027



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

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About CIRO

Established in 2023, the Canadian Investment Regulatory Organization (CIRO) is the pan-Canadian self-regulatory organization that oversees investment dealers, mutual fund dealers and trading activity on Canada's debt and equity marketplaces.

CIRO was formed through the amalgamation of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada. We continue a long history of self-regulation in the securities and investment sector which began in 1916 with our initial predecessor, the Bond Dealers Section of the Toronto Board of Trade.

CIRO plays a unique role in the Canadian financial system both by being a self-regulatory organization rather than a statutory regulator and due to its distributed oversight structure via recognition orders from each provincial and territorial securities authority. Within each jurisdiction, we are responsible to that

jurisdiction, and we work together with them and together with the Canadian Securities Administrators ("CSA") for the betterment of the system as a whole.

In addition, CIRO also has important links to other regulatory and governmental organizations such as provincial insurance regulators and insurance councils, other self-regulatory organizations such as la Chambre de la sécurité financière and also with federal agencies such as the Bank of Canada, the Office of the Superintendent of Financial Institutions, the Canada Deposit Insurance Corporation and the Financial Consumer Agency of Canada.

Introduction from CIRO

We are proud to share with you CIRO's first Strategic Plan. It sets ambitious goals to realize the promise of the amalgamation between the predecessor organizations and to pursue our long-term goal of supporting the public interest by transforming our regulatory model for the benefit of investors, our Member Firms and the financial system as a whole.

Together with you, we seek to improve the elements of the Canadian capital markets system we support by working to fill the gaps in regulation, to reduce the duplication and overlaps which exist everywhere and to bring increased simplicity to what is often a needlessly complex model.

For years prior to CIRO's creation on January 1, 2023, there were concerns about how the then-existing system of the Mutual Fund Dealers Association and the Investment Industry Regulatory Organization of Canada, operating as two parallel SROs, wasn't efficient enough, maintained regulatory silos which made the industry less effective and, most importantly, prevented Canadians from obtaining financial services and financial advice in the ways they wanted and needed.

Of course, every person and organization involved in our coming together had, and have, their own views and expectations about which elements of that problem statement were most important and therefore which needed to be tackled first. Equally so, in thinking about how the regulatory model could be improved, everything from a focus on the day-to-day and incremental improvements to significant structural change were both proposed and are expected by some or all of our stakeholders and partners.

This same mix of goals and expectations exists within CIRO, across staff, management, and the Board of Directors. It exists also amongst our colleagues and partners at the provincial and territorial securities authorities who together make up the CSA and from whom we derive our authority.

The challenge then for the strategic planning process was how to reconcile this huge list of promises, goals and aspirations with the reality of limited resources and specific obligations around the delivery of our day-to-day regulatory duties.

Through our internal planning process, we realized that:

-  continuous improvement in the delivery of regulation was and is equally important as accomplishing big strategic objectives like the amalgamation;
-  our most immediate strategic goal is to deliver on the promise of the amalgamation in alignment with the CSA priorities through a successful integration, one which will set the cultural, regulatory and technology foundation for future progress; and
-  the steps on the path to future transformative changes we are pursuing must first bring incremental value in themselves and by doing so support the case for the ultimate transformative goal.

This Strategic Plan should therefore not be read in isolation but rather in parallel with the accompanying 2024-2025 Annual Priorities. Together, they make the case for what we want to achieve, why and how we are going to get there. This report covers the period April 1, 2024 to March 31, 2027.

Finally, it is important to underline again our role as a self-regulatory organization which operates in the public interest. To us, that means we work together with the industry we regulate, together with the markets we oversee, together with our CSA partners and most importantly together with the Canadians whose financial futures we protect.

We are looking forward to working with you all over the months and years to come.

Vision, Mission & Values

The process to develop CIRO's vision, mission and values was a consultative and collaborative process. Stakeholders were interviewed for their views of what CIRO should stand for and the leadership team participated in sessions to give their thoughts on what the Vision, Mission, and Values should be.

Themes that materialized during the consultation process include the need for CIRO to:

be an authority and a leader in investment regulation and capital markets oversight,

be active, move quickly, and avoid unnecessary bureaucracy,

pursue regulatory effectiveness,

be seen as an enabler to innovation; and to

build awareness of CIRO among investors and the public.

CIRO's values were shared with employees through focus groups to obtain feedback and understanding about how these values could be lived in our everyday work lives.



Vision

Be an agile and trusted regulator.

Who helps the investment industry deliver the right financial outcomes for investors.

Mission

Promote healthy capital markets by regulating fairly and effectively so that investors feel protected and confident investing for their futures.

Values



We Do What is Right

We treat everyone with respect

We are open and transparent



We are Effective

We believe in and are accountable for our important work

We endeavour to go above and beyond



We Foster Inclusion

We embrace diversity and recognize our differences can be our greatest asset to fuel innovation and growth



We are Forward-Thinking

We leverage innovative technologies to stay ahead of the curve

We celebrate those taking the initiative

Regulation, Integration and Strategy



CIRO, like all regulators, has a primary responsibility of delivering its regulation efficiently and effectively. That is augmented by our duty to continuously improve ourselves and the regulatory model within which we operate to ensure that the capital markets system delivers the best outcomes to all participants.

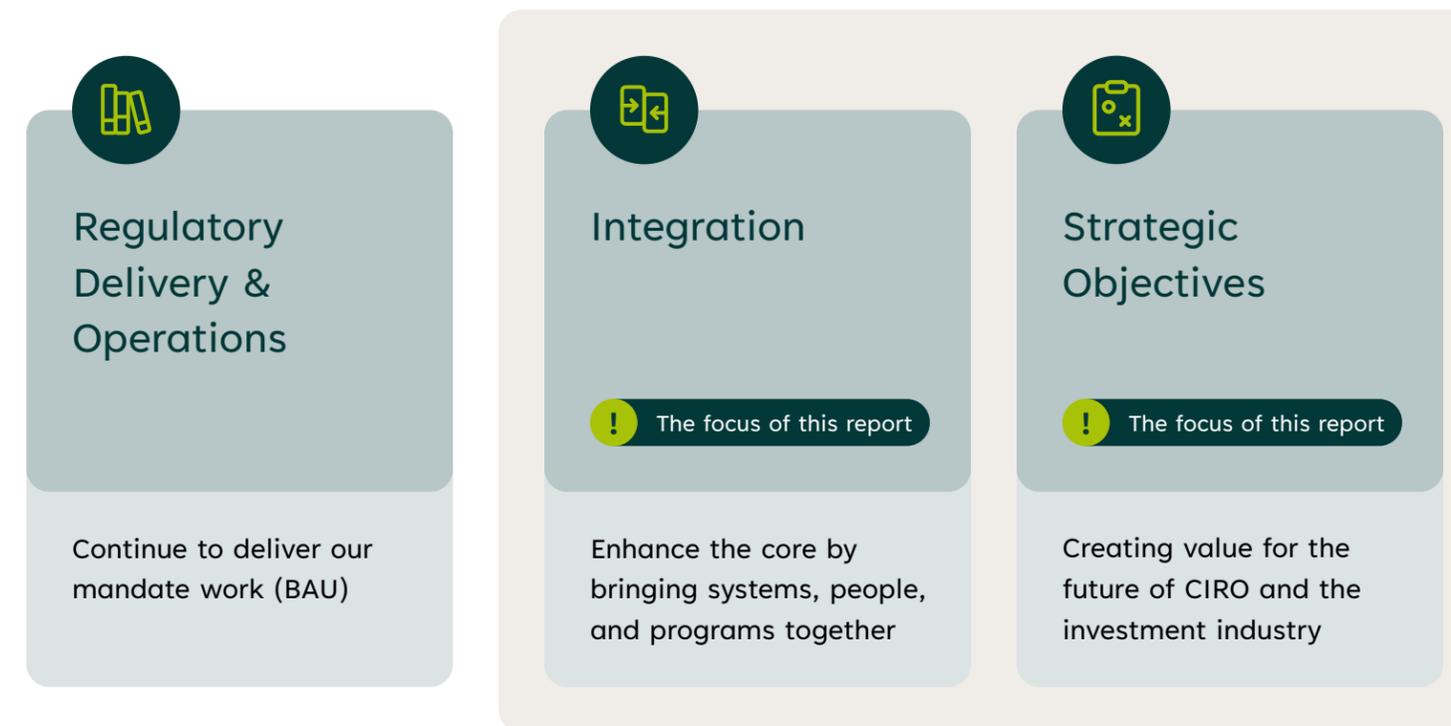
Built on top of those day-to-day responsibilities is our Strategic Plan. Its over-arching goal is to improve the elements of the Canadian capital markets system we support by filling in the gaps in regulation that can cause harm, reducing duplication and overlaps which exist both internally and with other regulatory organizations and by bringing increased simplicity to an overly complex system.

Each of our strategic objectives and the initiatives which underlay them track back to that goal and, importantly, so do the elements of our annual operating plans. By making progress on our strategic and annual operating objectives, we move closer to accomplishing our mission and vision.

An overview of our approach

Between regulatory operations and our strategic goals, with elements of both, is the important work of integration. Integration is a Year 1 priority for our Strategic Plan. When we came together to form CIRO, it was not just two regulators which combined, it was two groups of people. People who had been carrying out their regulatory responsibilities with their own rules, procedures, systems and most importantly, cultures.

The integration is therefore a bringing together and a harmonization of everything we do, internally and externally. A successful integration is necessary for us to deliver consistent, efficient regulation within the context of our current model and in alignment with the CSA priorities. It is necessary for us to come together as one organization with one culture where we live our values and also necessary for us to set the foundation for accomplishing our strategic goals into the future. Our integration is our first strategic objective and Year 1 priority.



The Journey to our Strategic Plan

The creation of our Strategic Plan is similar to the process of planning a journey, a journey to where we want the organization to go.

As is the case when planning any physical journey from one place to another, the first question to answer is “where are we now”? To answer, we considered each of the following: the results of an environmental scan, the lessons we learned while implementing the previous round of strategic planning and an examination of trends that are building in the market today.

As CIRO is a new organization, proud of the accomplishments of its predecessors but different than either of them, we also needed to define our new Vision, Mission and Values together.

The Vision defines the state of being to which we aspire, our ultimate destination. The Mission is the path we walk which will get us there. Our Values define who we are and how we interact with the world around us during the journey. Together, they are simultaneously a way to interpret what we encounter on our journey and a compass which tells us which direction to go when difficult choices need to be made.

We then asked ourselves “how do we get there”? To what ends should we devote our human and financial resources to make progress on our journey? The six strategic objectives which resulted represent the overarching consensus of stakeholder views from our consultations on the most important areas for us to make progress over the next three years.

Our Strategic Plan not only covers the next three years but sets out some transformational initiatives which may extend into the future. Like with any other long journey, we needed to ensure that we had a way of measuring progress and of ensuring we are on the right track. And so the final element of the planning process was to establish the right metrics to provide a transparent assessment of our progress.

Where are we now?

- Current environmental scan
- Learnings from previous Strategic Plans
- Trends and implications



1

Where are we going?

- Vision
- Mission
- Values



2

How will we get there?

- Strategic Objectives
- Risks and Mitigations
- Resource review
- Financial analysis



3

How will we measure our progress?

- Strategic metrics



4

Consultations

A critical component of our strategic planning process was the consultation conducted with our various stakeholders.

We did extensive work to obtain feedback on our current role as a regulator, what we can do better, and where we need to go to better meet the needs of the investor and the industry for the future. We reviewed and considered the CSA's priorities to ensure that we were aligned in our thinking. All of this work formed the basis of our thinking as we progressed through the strategic planning process.



Consultation Views



Internal Consultation



External Consultation



CSA Priorities

Internal Consultation

We have engaged the executive leadership team and the senior leadership team on the areas outlined below.

1

Development of the SWOT Analysis

2

Review and Prioritization of the CSA Mandate

3

Discussion of the environmental scan and the impact to CIRO

With the stakeholders we service in mind the leadership teams engaged in an exercise to better inform the initial emerging themes.

External Consultation-Questions

What industry trends are you most concerned or enthused about?

What do you see as the biggest opportunity or challenge facing CIRO?

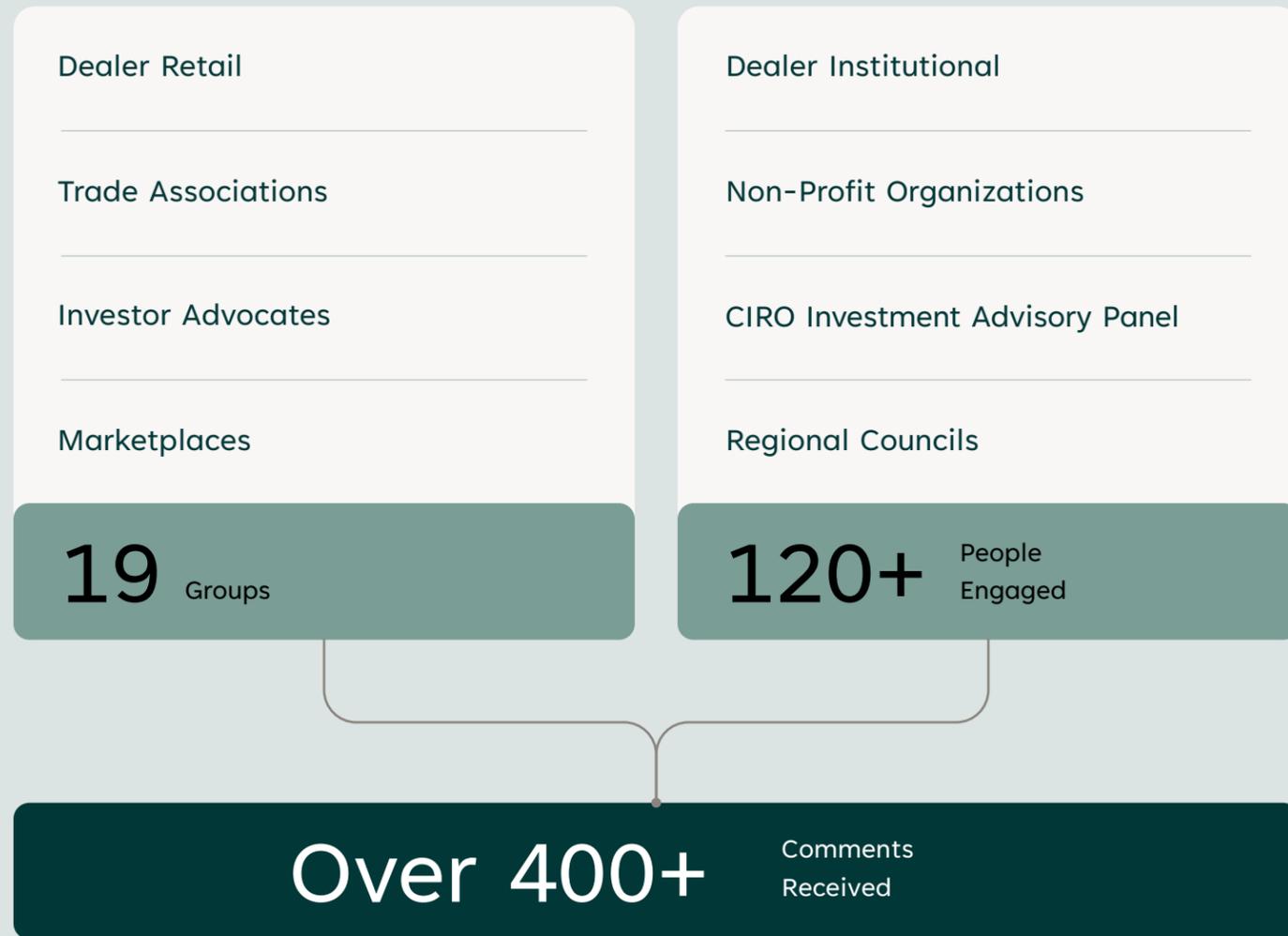
What do you feel are the biggest trends occurring in the industry that CIRO needs to consider?

How would you define long term success for CIRO? If you jumped forward 5 years, what would you want to be able to say CIRO had achieved?

What should CIRO not change and why?

Please share any perspectives that will help support CIRO in being an effective regulator.

Scope



CSA Priorities

We have also engaged the CSA in our strategic planning process.

Priorities

“New SRO (CIRO) must focus on its public interest mandate and work towards streamlining and modernizing the regulatory system to improve efficiency for all stakeholders. Investment funds and mutual fund dealers have shown support for the new regulatory model, but mutual fund dealers seek clarity on the integration and representation of their business models in the new system.”



CSA Considerations

The CSA Position Paper 25-404 outlines a comprehensive framework for CIRO, including specific initiatives and requirements. The solutions put forward by the CSA can be broadly summarized as addressing the following challenges and opportunities within each category:

- 1 Improving Governance
- 2 Strengthening Proficiency
- 3 Enhancing Investor Education
- 4 Increasing Access to Advice
- 5 Reducing Industry Costs
- 6 Fostering Harmonization / Efficiencies
- 7 Harmonizing Directed Commissions
- 8 Maintaining Strong Market Surveillance
- 9 Leveraging Ongoing Related Projects

Themes



From our consultations emerged six main themes.

By examining the issues, concerns and problems that were raised by participants and grouping similar thoughts and suggestions together, it became clear that there were several areas of focus where we needed to spend our energy over the next three years: Demographics and Investor Needs; Regulatory Evolution; Technology, Data & Innovation; Proficiency; Investor Education; and Transformational Initiatives. These themes formed the backdrop for the development of CIRO's strategic objectives.

1

Demographics & Investor Needs

2

Regulatory Evolution

3

Technology, Data & Innovation

4

Proficiency

5

Investor Education

6

Transformational Initiatives

CIRO Strategic Plan

2025-2027

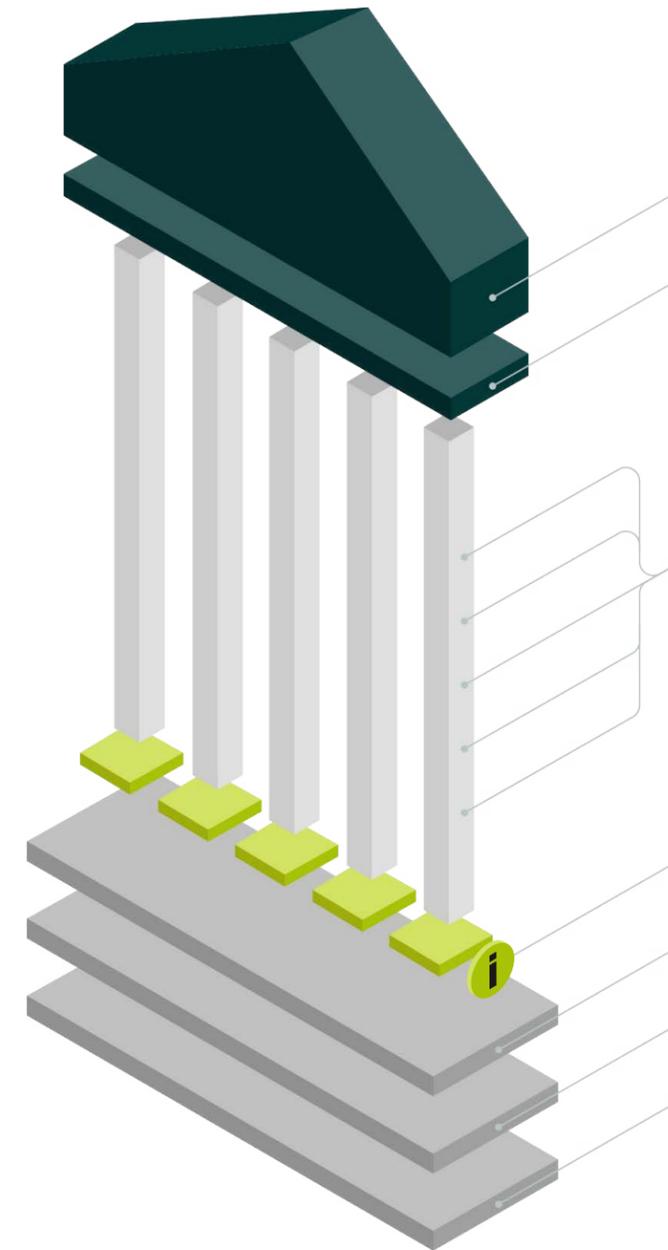
CIRO, like all regulators, has a primary responsibility of delivering its regulation efficiently and effectively.

That is augmented by our duty to continuously improve ourselves and the regulatory model within which we operate to ensure that the capital markets system delivers the best outcomes to all participants.



In our day-to-day work we continue to deliver on our policy, compliance, registrations and enforcement activities, along with other activities such as our commitment to crypto-currency oversight. Built on top of those day-to-day responsibilities is our Strategic Plan. Its over-arching goal is to improve the elements of the Canadian financial system we support by filling in the gaps in regulation that can cause harm, reducing the wasteful duplication and overlaps which exist both internally and with other regulatory organizations and by bringing increased simplicity to an overly complex system.

Each of our strategic objectives and the initiatives which underlay them track back to that goal and, importantly, so do the elements of our annual operating plans. By making progress on our strategic and annual operating objectives, we move closer to accomplishing our mission and vision.



Strategic Objectives Overview

Mission & Vision

Transformational Regulation

- 1 Regulatory Evolution
- 2 Access to Advice
- 3 Investor Research, Education, & Protection
- 4 Registration & Proficiency
- 5 Market Regulation

! Integration

People (Values)

Process

Technology

Strategic Objectives



Integration

Deliver on our commitment to the integration

! Year 1 primary focus



Regulatory Evolution

Be an agile regulator that delivers efficient and cost-effective service that reflects investor, dealer and marketplace needs



Access to Advice

Enable greater access to regulated advice that meets the changing needs of investors



Investor Research, Education & Protection

Understand, inform and protect investors



Registration & Proficiency

Modernize the registration regime and proficiency standards of CIRO member registrants



Market Regulation

Provide effective and appropriate market regulation that supports and fosters fair and efficient capital markets

Integration

Strategic Objective:

Deliver on our commitment to the integration.

CIRO's integration vision is to operate as one entity which includes the key components of our brand, cultural identity, organizational structure and common set of processes and systems. Collectively, these components will position us as one united organization that is viewed both internally and externally as a trusted regulator. Our successful integration over the next couple of years will support the delivery of our commitments to our stakeholders, including the successful completion of the priorities set by the CSA. Our integration efforts will carry on into the next few years.

Integration Program Status

Key Integration Initiatives to complete:

- Integrated Dealer Fee Model
- Integration of Member Compliance functions*
- Integration of Enforcement functions*
- Integration of Complaints and Inquiries
- Integration of Continuing Education regimes*
- Enhanced Proficiency Model*
- Harmonized Directed Commissions*
- CIRO Rule Book Consolidation*
- Ongoing rollout of cultural integration framework
- Quebec MFD examination delegation of power for mutual fund activities in Quebec

* As laid out in the CSA Position Paper 25-404



Regulatory Evolution

Strategic Objective:

Be an agile regulator that delivers efficient and cost-effective service that reflects investor, dealer and marketplace needs.

Our industry continues to evolve rapidly and keeping pace with the change is necessary for CIRO to retain the trust of investors and the organizations and people it regulates. CIRO must support diverse business models and ensure that the regulations it applies are proportionate to the risks in the business that is being regulated.

It must be easy for members and investors alike to interact with us. We will consolidate and modernize our existing member portals to provide an intuitive secure interface for members to receive communications and to provide information to us for our regulatory processes. We will organize the documents and data we receive and generate to efficiently support our internal operations and provide consolidated information from across our functional systems to gain insights internally and share it with our members.

We will continue to build upon the information and education we share with Investors through our website and social media platforms and optimize the inbound channels for investor inquiries and complaints. To increase our

own efficiency and effectiveness and to increase the transparency of our operations to all stakeholders, we will leverage available technologies with a particular focus on robotic process automation, data visualization and, particularly in market regulation, expand the use of supervised machine learning.



Outcomes

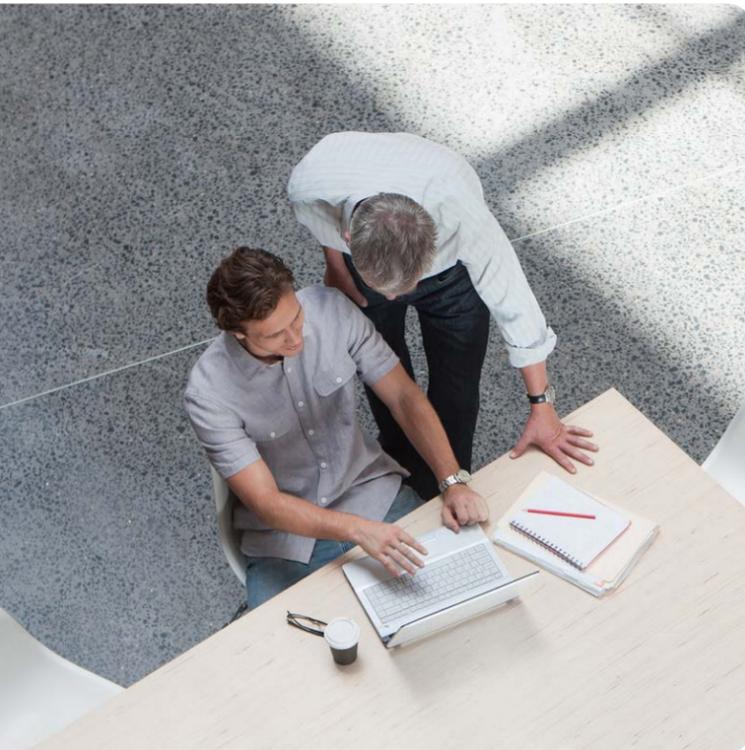
01 Enhance and Streamline Dealer Support

Application and exemption approval

Establish service standards for the application process.

Ensure interpretation of policy is consistent at CIRO

Review our internal procedures as they relate to policy interpretation at CIRO. This will support our stakeholders through professional and consistent regulatory support and oversight. This will give dealers one point of entry for policy interpretation wherever possible.



02 Dealer Member Dashboard

Bring together dealer data from operational systems and contact points into one place

Create a central repository of dealer information sourced from operational systems to provide holistic reporting (registration, examination, enforcement, risk rating, contacts), trend information, and peer comparison support internal operations and insights and provide dealer member access to their information.

Transform information flow between dealers & CIRO to create a secure portal

Modernize and optimize the communication and transfer of information between dealers and CIRO through the creation of an enhanced centralized secure portal where dealers can obtain their information from CIRO and where each dealer can upload and submit various reporting requirements.

03 Improve Efficiencies Across Member Regulation

Create a process improvement program across member regulation

Review, identify and analyze business processes and how they can be improved. The goal is to meet best practice standards and improve the user experience for our stakeholders. This will close the gaps, eliminate duplication, overlap and simplify complexity.

Access to Advice



Strategic Objective:

Enable greater access to advice that meets the changing investor needs.

A key area of focus for CIRO is enabling greater access to advice that meets the changing needs of the investor. We will consider new policy to allow for greater access to advice to occur through the expansion of advice options that can be made available to investors across CIRO-regulated firms. When we refer to the wealth continuum, we refer to areas with CIRO oversight. These may include hybrid and automated advice alternatives which are also more cost-efficient, more scalable and may

be less personalized than those historically provided. The result will support and protect a greater number of investors through the delivery of regulated advice to guide their financial decisions.

In addition, we will look at ways to simplify and make more investor-friendly account information collection and disclosure documents through a process of standardization for which CIRO is responsible. By limiting boiler-plate disclosure and unnecessarily lengthy legal documentation, this will enhance usability for investors and reduce the process burden while continuing to ensure that all account offerings feature appropriate and consistent disclosure and investor protections.

Further, through standardization, we believe that we can address many of the “pain points” identified in the industry today, such as duplication of effort when filling out applications for multiple accounts for the same individual or family member.



Outcomes

01 Expansion of Advice Options

Right-size the advice-related regulatory obligations across the advice continuum

Review and determine how our rules can be amended to make an expanded list of advice offerings across the advice continuum have the appropriate regulatory oversight and investor protections, by right-sizing the associated regulatory obligations to the nature of advice provided in each advice offering. Making this expanded list of advice offerings available will give investors a greater ability to choose the type of advice they wish to receive and how they pay for it. As a by-product of making this expanded list of advice offerings available, a greater number of investors will have access to regulated advice.

02 Reduce Process Burden

Standardize the collection of KYC information and other client information

Pursue the standardization of KYC information collected by firms to promote greater consistency in suitability determinations across firms and to help facilitate future greater portability of client data between dealers. It will also be useful when combined with digital portfolio data (already collected as part of compliance reviews) as it will bring further efficiencies to the compliance review process and support cross-industry comparisons for outliers.

Streamlined account offering and related information disclosure

CIRO can lead the creation of streamlined and standardized client disclosure, disclosure which is consistent regardless of which dealer they hold an account with. Streamlined and standardized information disclosure will improve client understanding of important disclosures through the simplification of client documentation that is often overwhelming and inconsistent across firms.

Investor Research, Education and Protection

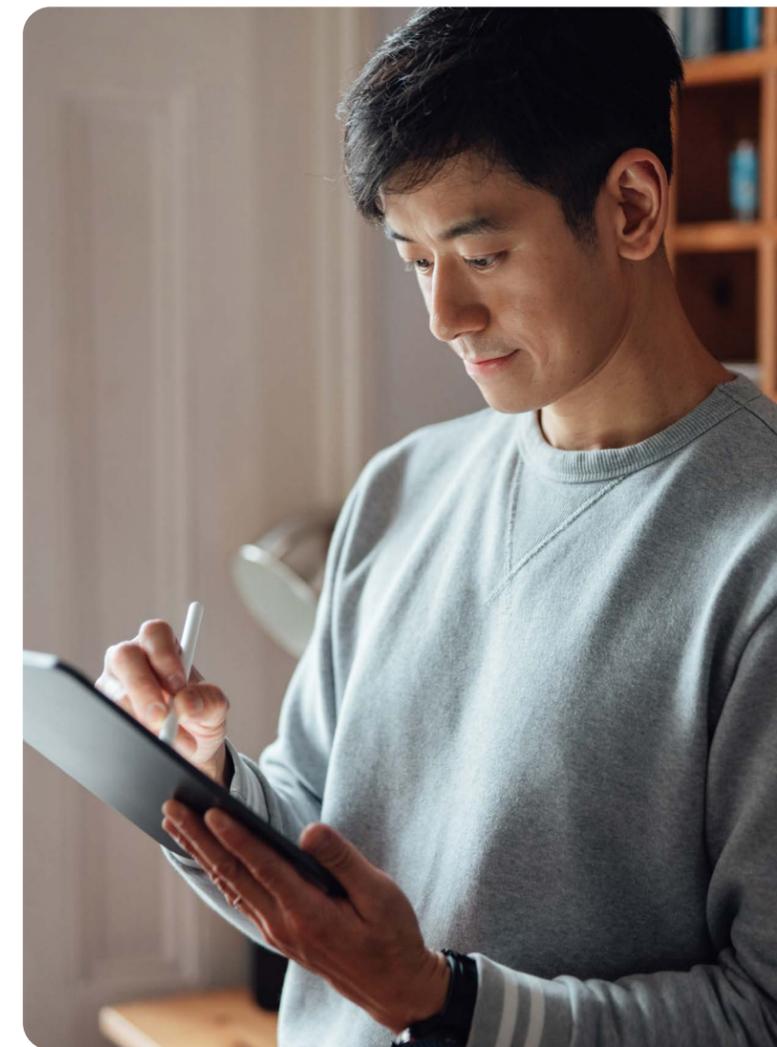
Strategic Objective:

Understand, inform, and protect investors.

CIRO is committed to enhancing the investor perspective in our regulatory activities through input from the Investor Advisory Panel (IAP) and the Office of the Investor's outreach, engagement and partnerships.

We will conduct investor research, including CIRO's inaugural investor survey, to focus the work of the Office of the Investor with the goal of providing an investor's perspective into all of our regulatory activities.

Our IAP as well as many Member Firms have expressed a desire to see CIRO increase its education and outreach activities to the broader community. This is an area of focus for us and we will take steps to leverage our position in the community to create awareness of resources and tools that are available to investors.



Outcomes

01 Obtain Canadian Investor Profile

Investor surveys and client research project

Perform both qualitative research through investor surveys and quantitative research by obtaining data on all retail members' client base to better inform our regulatory activities.

02 Create CIRO Awareness

Create awareness of CIRO and resources available to investors

Engage in a CIRO awareness campaign and publish education and resources for investors to help inform them on what is available to support their financial outcomes.

03 Advance Investor Protection

Review the complaint handling framework and investor redress mechanisms

Provide input and support to Policy and General Counsel's office as they review the complaint-handling rules, arbitration program and disgorgement proposals.

04 Be Informed and Aware

Be informed and aware of emerging trends impacting our industry and investors

Engage in outreach and consultations in various areas including flexible wealth, account transfers, AI and Machine Learning, cybersecurity, crypto and DeFi, etc. - with a view to providing guidance and support to the membership.

Registration and Proficiency

Strategic Objective:

Modernize the registration regime and proficiency standards of registrants

We are committed to the streamlining and harmonizing of our registration framework and proficiency standards to better support the evolving needs of investors and Dealer Members across Canada.

This modernization program will set the stage for a better regime that will ensure suitable and competent registrants and firms who can leverage the right tools to better serve the Canadian investing public.

We received comments regarding the importance of the proficiency and registration standards for Member Firms and Approved Persons. The feedback shared focused on the need to build credibility around the advice being given and who was providing the advice. There was a greater need to elevate the standards allowing for better investor protection to lead to better financial outcomes as proficiency and credential standards are streamlined and harmonized. Furthermore, many stakeholders expressed the desire to have CIRO take over the registration delegation for all Approved Persons under our jurisdiction. Through the integration workstream proficiency harmonization is underway and will continue into the three year plan.



Outcomes

01 Enhance ID Proficiency Regime

Select new education service provider

Complete the RFP process to select the provider(s) who will offer the examination services required to meet the proficiency requirements for licensing.

Establish new assessment-based proficiency model

Streamline and establish a cost-effective proficiency regime that is both current and relevant, which results in suitable and competent Approved Persons.

02 Proficiency Harmonization

Develop a proficiency pathway for MFD and ID registered individuals that are consistent and fit for purpose

Develop a simple and cost-effective means by which MFD representatives can transition to ID categories, while still ensuring they obtain the necessary proficiencies required to best serve their clients.

Collaborate with the CSA to enhance MFD proficiency regime

03 Registration Delegation

Conduct registration for MFD individuals in Quebec

The AMF has delegated MFD individual registration to CIRO. This new CIRO registration will permit harmonizing the MFD and ID registration of individuals process in Quebec, create efficiencies and reduce confusion.

Pursue registration delegation for all Investment Dealer and Mutual Fund Dealer individuals*

Engage with CSA members as they assess the effectiveness of delegating certain registration functions to CIRO.

** Transformational opportunity*

04 Modernized Registration System

Develop registration systems to support MFD individual registration in Quebec

The AMF has delegated mutual fund individuals' registration to CIRO. This new CIRO responsibility in Quebec will permit harmonizing of the MFD and ID registration of individuals process in Quebec and reduce confusion. System development will be required to carry out this new responsibility.

Supplement National Registration Database (NRD) to improve functionality for CIRO, Member Firms and participating jurisdictions*

Explore opportunities to develop more efficient, user-friendly tools and procedures to ensure that CIRO's members are provided with timely and meaningful regulatory information.

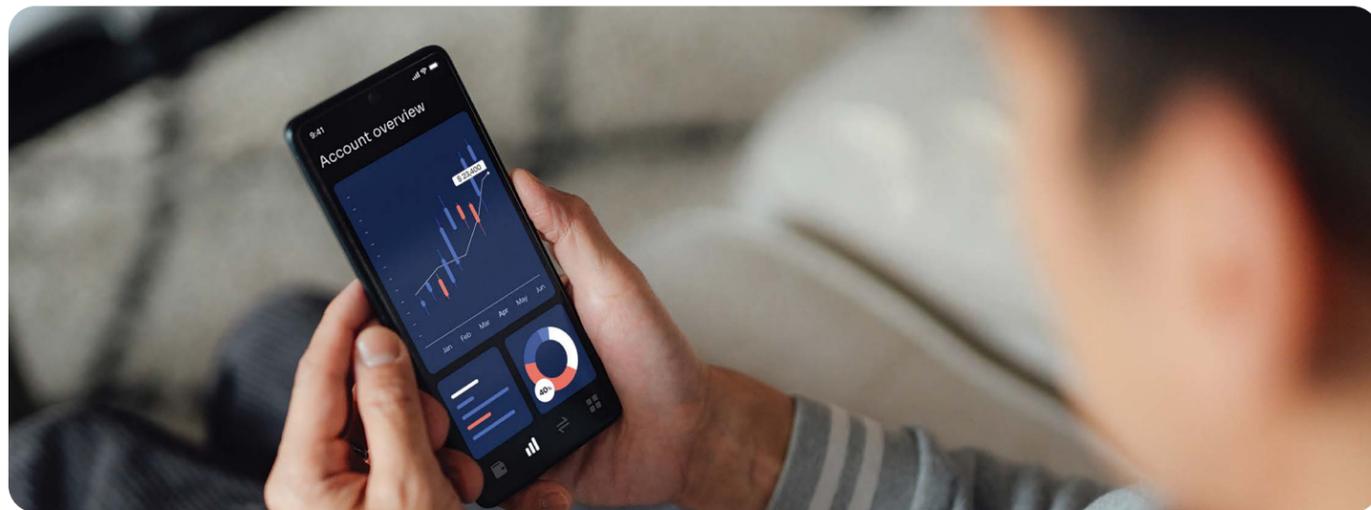
** Transformational opportunity*

Market Regulation

Strategic Objective:

Provide effective and appropriate market regulation that supports and fosters fair and efficient capital markets

Supporting healthy capital markets is paramount for CIRO and we are committed to increasing confidence in our markets. We will right-size market regulation, assessing potential policy changes to address current risks and gaps in the rules framework and develop rule proposals where appropriate. We will anticipate marketplace changes and evolve our market surveillance system to ensure we continue to provide rigorous oversight.



01 Enhance Regulatory Oversight

Lead joint project with the CSA to improve short selling rule framework

Assess potential policy changes to address current risks and gaps in the short selling rules framework and to develop rule proposals where it's deemed appropriate. Short selling rules is an important area that is continually considered a high impact area of regulation.

Tailor the regulatory framework to the specific trading characteristics of ETFs

Review current market trading policy and its application to the trading of ETFs. We would include significant industry consultation with the goal of reviewing the appropriateness of our current rule framework against some of the unique characteristics of ETFs and proposing rule changes if deemed appropriate. Some of this work may be done in tandem with the CSA's review of ETFs.

Expand cross surveillance to include all listed derivatives on all cash products in CIRO's portfolio*

Expand suite of surveillance alerts including cross-asset surveillance to build on our current surveillance capability.

* Transformational opportunity

02 Surveillance 2.0

Create a forward-looking plan for surveillance operations that considers people, skills, process, and technology. This will function as a roadmap as we gauge future changes to surveillance technology and lead to an increase in the efficiency and effectiveness of surveillance operations.

Transformational Initiatives

CIRO is itself the product of transformative change in the structure of regulation, transformative change which was supported by a consensus across industry, investors and our regulatory partners.

The consensus view was that the then-existing regulatory structure was outdated and that it imposed restrictions on investors and industry alike which limited better outcomes for Canadians.

CSA Position Paper 25-404, which led to the creation of CIRO, and the subsequent Recognition Orders which govern our activities both support the opportunity to create a better environment for all stakeholders. Throughout the Strategic Plan, we have identified areas where over the next three years we will do work that will execute on the work and priorities found in these two documents.

Our Strategic Plan has a first-year focus on the substantial completion of the integration of our two predecessors. This is because it represents a priority for all of our stakeholders and also for us as we build a common culture together.

The plan also looks to the future and our ability to set the stage for future transformational change, change which will support both the priorities of our stakeholders and our regulatory partners the CSA.

In particular, we have embraced the CSA priority to “Promote the development, interpretation and application of consistent regulatory requirements.”

We believe that these transformational initiatives will continue to align us with this goal and support the overall effectiveness and efficiency of the industry. As we conducted our consultations over the past year, a number of other challenges were identified in the system—challenges which may require transformative change to resolve. The restructuring of the registration model will not only support the efficiency but also reduce overall costs and reduce investor confusion when it comes to individual and firm registrations.

The KYC Data Warehouse & Flexible Wealth is a next step to the work that will be undertaken in the Access to Advice Strategic Objective. We see this as a natural extension of the CSA’s own priority of “Access to Advice” which identifies an opportunity to allow firms to centrally gather standardized information in one location to make it easier to use for account opening and account transfers.

A future transformational change which could be enabled by this initiative would be to custody this information for the industry, perhaps using secure and encrypted Distributed Ledger Technology (DLT) with CIRO as curator, and by doing so enable significantly enhanced flexibility for clients.

Each of the transformative outcomes listed below would represent an opportunity to either fill a gap, eliminate duplication, overlap or to simplify what is today a very complex system. However, as we learned with the project to create CIRO, transformative change is hard. Therefore, while we have identified transformational opportunities, our initial work will not be to go after them as a “big bang” project.

The initiatives set out during the current plan cycle are intended to set the stage for the transformational initiatives and to facilitate their more comprehensive evaluation in preparation for our next plan cycle. We have set out a series

of strategic initiatives to be pursued as interim steps, each of which will bring value to the system, to our stakeholders and to us in their own right but which together will set the stage for the transformative initiative to be possible.

Access to Advice

High Level Goal(s)

KYC Data Warehouse & Flexible Wealth

The custody of client KYC information for the industry, using secure and encrypted system with CIRO as curator, to significantly enhance flexibility for clients.

Precursor Strategic Initiative(s)

Standardize the KYC and other client data collection.

Registration & Proficiency

High Level Goal(s)

Registration Categories

Support the CSA in their consideration of incorporating other registration categories into CIRO.

Precursor Strategic Initiative(s)

Pursue delegation of registration responsibility in jurisdictions for both Investment Dealer and Mutual Fund Dealer Individuals

Registration Systems

High Level Goal(s)

Create an efficient and easy to use CIRO registration system/data base for CIRO Member Firms and Approved Persons which will complement / support the CSA National Registration Database.

Precursor Strategic Initiative(s)

Develop systems capability to support the existing delegation re: Mutual Fund Approved Persons in Quebec and other jurisdictions.

Market Regulation

High Level Goal(s)

Listed Derivatives Exchange Regulation Service Provider

With new entrants to the Canadian markets with deep derivatives experience in other jurisdictions, there is a potential that the derivative business may expand into Canada.

Precursor Strategic Initiative(s)

Expand cross surveillance to include listed derivatives on all cash products in CIRO’s portfolio.

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