

CIRI White Paper:

**Enhancing Timely and Efficient Account Transfers
in Canada:**

**Phase 1 – Defining the problem and laying the
groundwork for change**



Table of Contents

Executive summary	4
A. Background	5
Introduction	5
Scope	6
Root causes	6
Work performed by CIRO	6
B. Current state	7
Account transfers ecosystem	7
Electronic transfer facilitators	9
How account transfers work	10
C. Key issues identified	12
1. Product-related issues	12
2. Systems-related issues	14
3. Operational issues	16
4. Regulatory issues	18
<i>Current CIRO requirements</i>	<i>18</i>
D. Data analysis	19
1. Complaints from investors	20
<i>Complaints and inquiries received at CIRO</i>	<i>20</i>
<i>Data from the Ombudsman for Banking Services and Investments (OBSI)</i>	<i>22</i>
2. Data on transfer volumes and timelines	22
<i>Transfers data from FUNDSERV</i>	<i>23</i>
<i>Transfers data from ATON</i>	<i>23</i>



	<i>Sample account transfer data from CIIRO Members</i>	27
E.	Recommendations	28
1.	CIIRO proposed rule amendments	28
2.	Systems solution	29
	<i>Industry development of an updated technology solution</i>	30
	<i>Request for proposals – development of the industry technology solution</i>	31
3.	Operational enhancements	32
4.	Regulatory collaboration	34
F.	Next steps and Phase 2	35
G.	Final comments	36
H.	Acknowledgements	36
I.	Appendix – Information for receiving firms to educate clients on the account transfer process	38



Executive summary

This white paper identifies the root causes of account transfer issues and sets the foundation for actionable recommendations for improvement.

The financial system in Canada faces significant inefficiencies in account transfers, largely due to outdated processes, inconsistent standards, and fragmented communication. Delays in account transfers can disrupt financial planning, lead to missed investment opportunities, and introduce potential tax implications, affecting both financial institutions and investors. Despite technological advancements, manual processes and fragmented systems continue to hinder efficient transfers.

Addressing these delays is critical for enhancing the Canadian capital markets system and improving investor outcomes. To address these challenges, a multi-faceted approach is needed: automation of systems, standardization of transfer procedures, and harmonization of regulations.

CIRO's work to modernize account transfers will take a two-phased approach:

- 1. Phase 1: Defining the Problem & Laying the Groundwork for Change**
- 2. Phase 2: Implementing Solutions & Driving Industry-Wide Adoption**

This Phase 1 white paper outlines key barriers, their impacts, and presents immediate and long-term solutions, including rule amendments and recommendations to enhance firm transfer operations.

This paper also presents a vision for a unified technology solution, designed through a collaborative effort by institutions across the financial and investment industry, that is open, interoperable, and transparent and would ensure a seamless data exchange across Canada's financial system. The guiding principles emphasize digitization, real-time processing, and standardized data formats to eliminate outdated processes such as faxes, physical signatures, and cheques. Of course, any technology solution will be highly complex given the need for integration across multiple transfer rails and vendor systems that utilize different data dictionaries. Likewise, integration within individual financial institutions' processes will be subject to their own change management procedures and associated compliance, legal, risk oversight. However, once launched, we're confident that the platform will drive improved data standardization, cross-rails connectivity and multi-asset transfer management. In addition, the digitization of transfers will also make data available to financial institutions, enabling them to innovate on client experiences, as well as to drive operational efficiencies.

As part of this effort, we are inviting proposals from interested firms seeking to develop the technology solution that would support an industry-wide approach to modernizing account transfers.

Phase 2 of the white paper, which we expect to publish in 2026, will provide updates on the progress, implementation strategies, and more wide-spread adoption of the regulatory standards and technology tool across the financial system.



A. Background

Introduction

At CIRO, we are committed to improving the outcomes for investors, and members of the Canadian capital markets system that we oversee. One of the most persistent challenges in the industry is the inefficiency of investment account transfers between firms¹. For several years, we have received numerous complaints from both investors and industry members regarding delays and obstacles that hinder the smooth transfer of client accounts. There is widespread recognition that the current system is outdated and in need of reform.

These inefficiencies have several significant consequences.

- **Adverse investor outcomes:** Delays and transfer inefficiencies result in adverse financial outcomes to investors. When clients are unable to access or manage their assets during a transfer, they may miss market opportunities—especially during periods of volatility. Assets that cannot be transferred must either stay at the originating firm, resulting in fragmented or partial accounts, or be liquidated into cash, which may have unintended tax implications. Compounding the issue, many clients are unaware of these potential outcomes when initiating a transfer or purchasing the specific product, leaving them unprepared for the consequences.
- **Increased operational costs:** Manual processes increase costs, workloads, and risk of human error, while adding to the administrative burdens for transfer teams and delays in the process. Firms have to reallocate staff to address backlogs, diverting attention from other critical operational tasks. Firms also expend a number of additional resources to process manual requests. Residual balances or securities left behind create dormant accounts, which further increase administrative costs for firms. The use of faxes and cheques creates privacy and security risks that are difficult to sufficiently mitigate. The lack of transparency in tracking the status of account transfers exacerbates the frustrations as firms are forced to rely on manual follow-ups, such as phone calls and emails, to obtain updates.
- **Decrease in firm reputation and public confidence:** Firms unable to deliver efficient transfers risk damaging client trust, their reputation and client relationships. For one, investors may feel blindsided by financial and tax implications or incomplete transfers. But also, investor expectations in general have changed over the last 5 years and have shifted significantly towards digital and app-based platforms, with growing expectations for transactions to be electronic, transparent, and timely. While other areas such as online trading, account onboarding, and reporting have evolved to meet these expectations, the account transfer process has lagged behind—failing to keep pace with the broader technological advancements investors now consider standard. Since these issues tend to be fairly widespread, this reduces public trust in investment institutions generally, and in the organizations that regulate and support them.

¹ This refers specifically to the movement of registered and non-registered investment accounts—such as RRSPs, TFSAs, RESPs, and non-registered trading accounts—between brokerages, mutual fund dealers, and other investment firms, and not bank accounts.



This white paper examines the key challenges affecting account transfers, their impact on investors and firms, and the necessary steps toward modernization.

Scope

This white paper is focused on the operational aspects of account transfers, specifically, the systems and processes that support them. It does not cover matters related to firm or advisor conduct in situations where advisors move between firms. Firms and advisors initiating transfer requests are expected to adhere to all applicable legal obligations as well as relevant legislative requirements such as privacy laws. Likewise, delivering firms and advisors must not create unnecessary or artificial delays and are expected to facilitate transfers in a timely manner.

All parties involved are expected to act with professionalism and integrity consistent with the high standards of conduct expected of registered individuals and firms, and to ensure that the investors' instructions and wishes are held paramount.

Root causes

In our opinion, there are five systemic factors contributing to the challenges:

- the continued reliance on **outdated and manual processes**, such as faxes, physical signatures, and paper-based documentation, significantly extends transfer timelines. These legacy practices slow down processing, introduce opportunities for human error, and create unnecessary administrative burdens
- the lack of interoperability among **fragmented technology systems** limits efficiency. Many firms use proprietary systems with differing standards and limited functionality, making it difficult to integrate or automate the transfer process across institutions. Without a common framework, firms struggle to implement solutions that enhance speed and accuracy
- the **absence of standardized industry practices and fragmentation in the regulatory environment for financial institutions** creates uncertainty. Without clear guidelines or mandates, firms have little incentive to modernize or improve existing processes. The inconsistency across institutions further complicates transfers, leading to unnecessary delays and inefficiencies
- **smaller firms often face financial constraints** that hinder their ability to adopt advanced technology solutions. Unlike larger institutions with dedicated resources, these firms may lack the funding or infrastructure to implement automated transfer systems, further exacerbating delays across the industry.
- **decentralized operational structures** contribute to communication breakdowns and unresolved issues. In many cases, the **absence of clear escalation paths** makes it difficult to address and resolve transfer-related obstacles in a timely manner. This lack of coordination results in prolonged delays and frustration for both firms and clients

Addressing these systemic issues is critical to modernizing account transfers.

Work performed by CIRO

CIRO has been focused on improving and enhancing account transfer efficiencies for a number of years. Both predecessor organizations of CIRO – IIROC and the MFDA – had begun work to try to



understand and resolve the various issues related to account transfer inefficiencies within our membership.

- The MFDA conducted a consultation and issued a discussion paper in June 2020 to solicit feedback from all industry stakeholders in order to identify circumstances that contribute to delays in the transfer of assets and potential solutions to improve the account transfer process. Comments were reviewed and recommendations were proposed, which have been incorporated within this paper.
- Under IIROC, the discussions around account transfers had been ongoing for several years with a dedicated industry working group within the operations sub-committee of the Financial and Operations Advisory Section. More targeted discussions took place as part of IIROC's efforts to modernize requirements around back-office arrangements.

These initiatives extended under CIRO. Our inaugural Strategic Plan for Fiscal Years 2025-2027 identified this as a targeted objective, to understand, inform, and protect investors by engaging in consultations in various areas including account transfers. In our annual priorities for fiscal 2024, we committed to working on a proposed harmonized rule requirement to facilitate more timely transfers of an expanded group of account assets amongst investment dealers and mutual fund dealers. We continue to highlight it in our Policy Initiatives report.

As part of this project,

- We conducted a number of targeted consultations with members of the industry – both CIRO members and systems providers.
- To assess the scope of these issues, we analyzed available data from two perspectives: the investor experience and industry transfer data. Our goal was to collect information from multiple sources to better define and quantify the problem.
- We are proposing rule amendments to not only harmonize the requirements for investment dealers and mutual fund dealers, but to modernize them as well.
- We provide information into the initial concept, design and principles for a technology solution that would seek to address many of the key challenges associated with transfer processes today, as determined by a consortium of CIRO members, financial institutions and clearing organizations. Additionally, we offer high-level recommendations for operational process improvements that financial institutions can implement to help alleviate some of the existing inefficiencies.

We will continue to collaborate with the industry as they progress on the development of an interoperable technology solution. At the same time, we will also engage in discussions with stakeholders across the broader financial system including other regulators, working towards widespread support for solutions that benefit all Canadians and not just clients of CIRO member firms. These elements will be explored further in Phase 2 of the white paper.

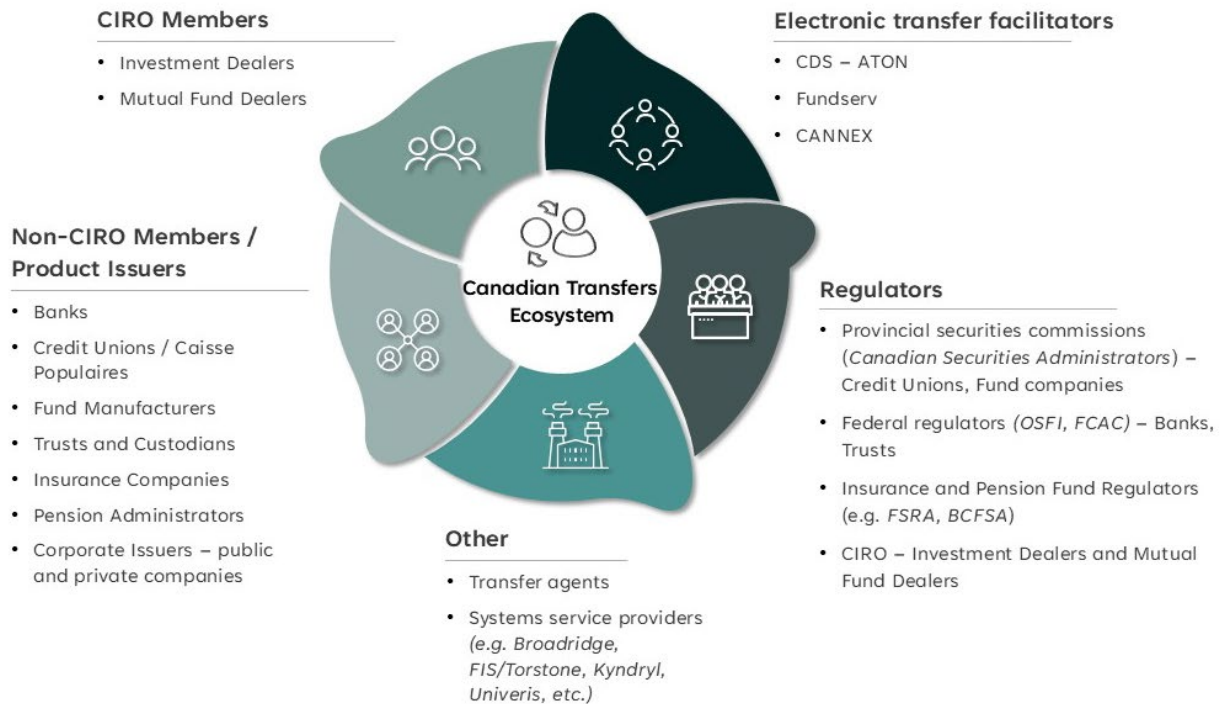
B. Current state

Account transfers ecosystem

There are a number of participants and regulators within the financial ecosystem in Canada who



either directly or indirectly participate in the account transfer process.



CIRO Members

These are firms registered as Investment Dealers and Mutual Fund Dealers that hold client accounts and initiate or receive account transfers on behalf of clients.

Non-CIRO Members / Product Issuers

These are the institutions that create and manage the investment products held within client accounts. Their involvement is often required for re-registration, redemption, or confirmation of holdings before a transfer can be finalized. They include, for example:

- Banks that issue GICs or structured products
- Fund Manufacturers who issue and manage mutual funds or ETFs
- Corporate Issuers who issue stocks, bonds, or other securities
- Insurance Companies offering segregated funds or annuity products.

Electronic transfer facilitators

These are the infrastructure providers that enable the electronic processing of investment account transfers. For more information, see the [next section](#).

Other

These entities support the transfer ecosystem in specialized or back-office capacities:

- Transfer Agents are engaged by corporate issuers and are responsible for maintaining



shareholder records and administering ownership changes.

- System Service Providers include third-party technology vendors or back-office platforms (e.g., Broadridge, FIS/Torstone, Univeris, etc.) that firms use to process and track transfers, maintain books of record, and generate required documentation.

Regulators

These organizations oversee compliance, enforce rules, and set standards for various participants in the financial industry:

- CIO regulates investment dealers and mutual fund dealers.
- CSA (Canadian Securities Administrators) represents the 13 provincial and territorial securities commissions, and regulates a number of participants including credit unions, fund manufacturers, and corporate issuers particularly public companies.
- OSFI (Office of the Superintendent of Financial Institutions) and the FCAC (Financial Consumer Agency of Canada) oversee federally regulated financial institutions including banks, trusts and insurance companies.
- FSRA (Financial Services Regulatory Authority of Ontario), BC Financial Services Authority and similar provincial regulators oversee insurance companies, mortgage brokers, pensions, and other financial services not covered federally.

Electronic transfer facilitators

There are three main systems that financial institutions can use to facilitate the transfer of accounts:

1. Automated Transfer Online Notification (ATON)

Canadian Depository for Securities (CDS) is Canada's national securities depository, clearing and settlement corporation and is owned by the TMX Group, a public company. CDS is the central depository for nominee-held public listed equities and fixed income securities in Canada². ATON is an automated electronic system operated by an affiliate of CDS that facilitates the transfer of client investment accounts between financial institutions in Canada. It enables participating financial institutions to electronically initiate, track, and complete account transfers for eligible assets. The system provides a uniform framework for participating institutions and supports automated messaging and status updates between the delivering and receiving firms.

2. **Fundserv**

Fundserv is a regulated clearing agent in the Canadian financial services industry operating as a cost recovery company that provides connectivity for the investment fund industry. It is owned by 10 shareholders comprised of investment industry participants in Canada including investment fund managers, life insurance companies, service providers, and distributors. CIO

² CDS does not custody investment funds, certain fixed income securities like structured products, and private and exempt securities, which are typically held directly with the Issuer of these instruments. Similarly, CDS does not custody "client-name" securities.



is also an owner in Fundserv with about a 10% ownership interest.

Fundserv electronically connects members including manufacturers (investment fund companies), distributors (brokerages, mutual fund dealers and managing general agents), intermediaries (custodians), and back-office service providers (third party organizations who offer trading platforms, transfer agencies and book of record services), allowing them to process trades, settle transactions, and share data for investment funds efficiently.

Fundserv standardizes and automates transaction processing to ensure every trade is processed timely, accurately and securely while overall reducing manual processing, errors, and operational costs. It helps firms comply with industry regulations while ensuring smooth back-office operations.

Fundserv provides its members with access to transfers capability through its Transaction Forwarding System (TFS) trade execution engine, as well as supporting applications that institutions can use to augment the transfers process. Fundserv's [*messageserv*](#) tool is a communication solution that enables secure and standardized electronic data exchange across members. Their [**Ad-Hoc Money Movement \(A\\$M\) service**](#) allows institutions to send electronic payments including transfer proceeds.

3. CANNEX

CANNEX is a private company that provides data and information services to the financial services industry, particularly focusing on guaranteed savings and retirement income products manufactured by banks, credit unions and insurance companies. The company specializes in offering data and analytical tools related to annuities, guaranteed investment certificates (GICs), term deposits and other fixed-term and structured products. Financial institutions, advisors, and third party service providers utilize CANNEX's services to compare product features, rates, performance metrics and market metrics, facilitating informed decision-making. CANNEX also serves as a centralized platform for the exchange of GIC/Term Deposit transactional data between participating firms - guaranteed product manufacturers (banks, credit unions) and dealers (brokers).

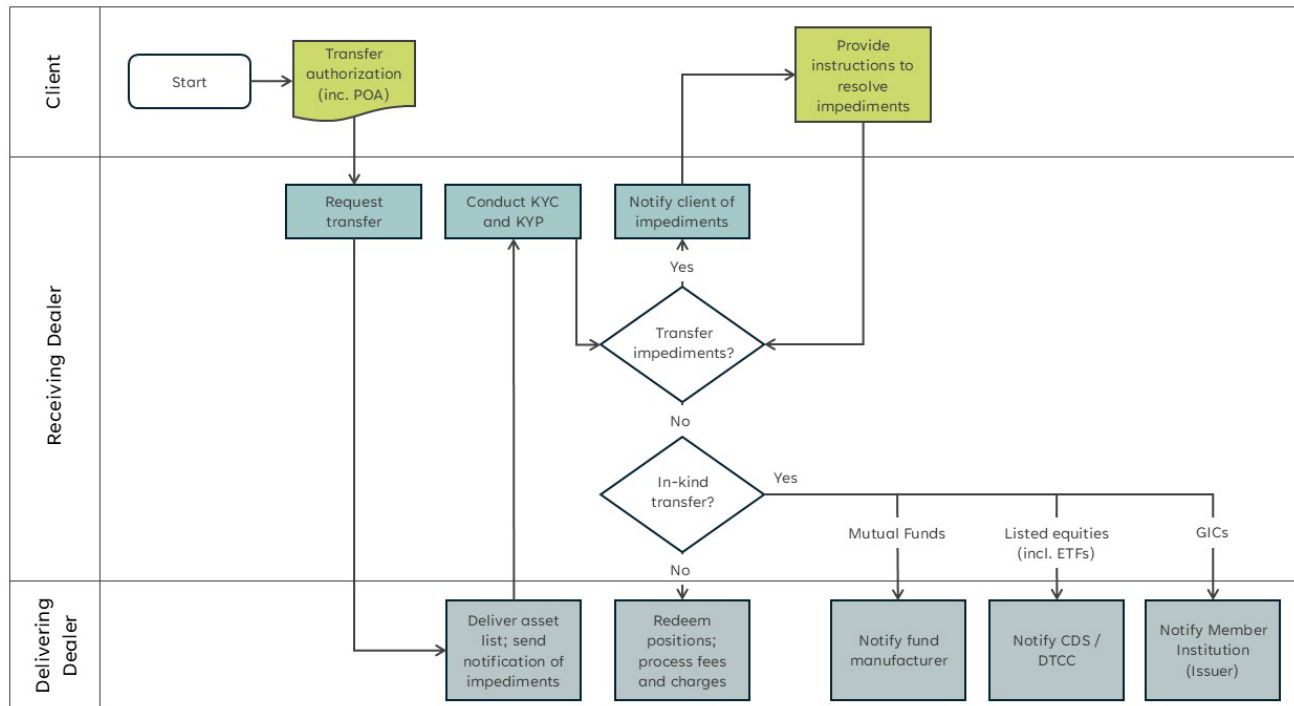
ATON, Fundserv, and CANNEX operate independently. Moreover, there are certain products that aren't supported by any of these systems. In addition, use of these systems is generally not mandatory³ and in the case of ATON and CANNEX, also subject to additional costs – there are participant fees and infrastructure build-out costs.

CANNEX operates as a private, unregulated entity. While CDS and Fundserv are subject to some regulatory oversight, their transfer-related functionalities are not part of any formal regulatory mandate. As such, any tools or systems developed to support account transfers are commercial in nature and not regulatory obligations.

How account transfers work

The diagram provides a simplified process illustration of a client-initiated account transfer, for nominee name positions, which, at its simplest level, follows certain key steps.

³ CIRO's current rules for investment dealers [*Part B.1 of the Investment Dealer and Partially Consolidated Rule 4800*] requires firms to use an electronic utility.



First, the receiving dealer obtains authorization from the client and submits a request to the delivering dealer for a list of assets in the client’s account (“the asset list”). If all account details, authorizations and institution information are correct, the delivering dealer sends the asset list to the receiving dealer. The receiving firm generally makes the transfer request based on the most recent account statement from the client.

Upon receiving the asset list, the receiving dealer assesses whether it can facilitate the transfer, considering factors such as its own product-shelf limitations and regulatory obligations such as Know-Your-Client and Know-Your-Product requirements. If there are issues that could delay or prevent the transfer (known as **transfer impediments**), the receiving dealer informs the client and obtains instructions on how to proceed. The receiving dealer could recommend that the client either:

- move the assets over as-is (“in-kind transfer”),
- liquidate the assets and transfer the cash proceeds over (“cash transfer”), or
- use a combination of both.

The client could also, at this stage, choose not to go ahead with the transfer.

If the client decides to proceed with a transfer, the receiving dealer communicates the specific instructions to the delivering dealer, who has to then act on the instructions. If an in-kind transfer is requested, the delivering dealer has to notify the appropriate clearing organizations or external issuing institutions to transfer ownership of the assets⁴:

- For mutual funds, the delivering dealer notifies the fund manufacturer to change the dealer of

⁴ The delivering dealers can use electronic utilities to facilitate the communication and re-registration requirements with the issuing institutions.



record⁵ (potentially via Fundserv)

- For listed equities, debt, ETFs and other CDS-eligible securities, the delivering dealer processes the changes at CDS through ATON
- For GICs, HISAs, and other banking products, they notify the Member Institution / Issuer to re-assign ownership of the assets (potentially via CANNEX)

The delivering dealer deducts any applicable fees and charges in relation to the instructions from the account's cash balance before sending the remaining funds to the receiving dealer.

The process described above represents the most straightforward scenario for a client-initiated account transfer. However, account transfers become significantly more complex depending on the type of account and the assets involved. These are further discussed in *section C* **Key issues identified**.

C. Key issues identified

1. Product-related issues

Summary

Across the products, the following key themes emerge:

1. Products that require **re-registration** at the issuing institution like deposit institutions (e.g. GICs), fund companies (e.g. mutual funds) or insurance providers (e.g. segregated funds) introduce additional complexity.
2. **Specialized and registered accounts** (e.g., RESPs, RRIFs, FHSAs, pensions) involve additional paperwork.
3. **Proprietary or restricted products** often cannot be transferred in-kind, creating taxable events or fragmented accounts.
4. Infrequent or **unavailable valuations** complicate transfer timelines, particularly for illiquid or specialized products.

Account transfers for specific products often face significant challenges.

- **Guaranteed Investment Certificates (GICs)**, present issues with re-registration particularly during mid-term transfers. Typically, GICs can be transferred before maturity through a “re-registration” request and most, if not all, issuers charge a processing fee for this service. The main challenge lies in the length of time issuers take to complete the re-registration. While the technical guideline is to complete it within 3 business days, in practice, it can take anywhere from 6 to 8 weeks. This delay is why the industry generally agrees not to submit transfer (re-registration) requests for GICs that are within 60 days of their maturity date. For cash transfers of GICs prior to maturity, these are only possible if the GIC is cashable or if the transfer occurs within the permitted window before maturity for cashing out.

⁵ For client-name mutual funds, the receiving dealer executes the instructions itself directly with the fund manufacturer.



- **Segregated funds** are essentially insurance contracts and are subject to different regulatory requirements than other investment products, and their valuation often takes longer to process. Not all segregated funds are transferable between firms. The receiving financial institution must have a selling agreement with the insurance company offering the segregated fund. Valuations for segregated funds are sometimes periodic, particularly for illiquid holdings, delaying accurate transfer execution. Additionally, re-registration at the insurance company level introduces delays and increases the burden on both firms and clients. Many segregated fund transfers are handled manually, leading to errors, inconsistencies, and delays since specific policy numbers, fund codes, and insurance company names must be accurately recorded.
- **Proprietary products**, such as proprietary mutual funds, structured products like Principal-Protected Notes, or other restricted assets, are often restricted to the originating institution, and cannot be transferred in-kind, forcing clients to redeem these assets, potentially triggering taxable events and causing financial losses. Additionally, in some cases, the lack of readily available valuations for proprietary products complicates the transfer process further. Receiving institutions may not have agreements in place to hold or service proprietary products, forcing liquidation.
- **Exempt products**, such as private shares, and restricted offerings, introduce significant challenges during transfers due to their unique regulatory requirements and limited market accessibility. Many exempt products are restricted to specific custodians or account types, making in-kind transfers impossible in certain cases. Clients may have to liquidate their holdings, leading to delays and taxable events, certificate the securities and hold them directly, or leave the securities at the delivering firm (if liquidation is difficult or inadvisable) creating fragmented and defunct accounts. Exempt products lack frequent or transparent valuations, which complicates the transfer process and may cause disputes about asset value. Transfers of exempt products often require significant manual intervention, including validation of eligibility, paperwork completion, and re-registration processes. Certain exempt products also have a high likelihood of not being available on a receiving firm's product shelf which limits an in-kind transfer or delays the process if product due diligence needs to be performed.
- **Physical certificates**, such as stock certificates or other paper-based assets, remain a challenge during account transfers due to their manual nature and the need for secure handling. Despite advancements in electronic systems, some clients still hold physical certificates, which must be physically transferred or re-registered.
- **Delisted securities or defunct assets** (e.g., shares of companies that have ceased operations) create unique challenges during transfers because they often hold little to no market value, yet they remain part of the client's portfolio. Many firms are unable or unwilling to accept delisted or defunct securities as part of an in-kind transfer. The inability to transfer these assets creates residual or inactive accounts, which must still be maintained by the relinquishing institution, or certificated out to the client, adding to administrative costs.
- **Investment funds** are typically transferred between institutions, but the need for re-registration at the fund company and inconsistent valuation schedules often cause delays. Variations in how investment funds are registered can complicate the process, frequently requiring the involvement of the fund administrator, which adds further complexity and potential delays. The



timelines and processes are different depending on whether the assets are held in nominee name or in client name.

- **Managed accounts** also face challenges, especially in the reconciliation of outstanding fees, suitability concerns, and portfolio rebalancing. Before a transfer takes place, fees for portfolio management may need to be prorated, leading to potential disputes and delays. Transfers require careful evaluation to ensure the receiving institution's account type and investment model align with the client's needs. Managed accounts often require portfolio rebalancing upon transfer, creating additional complexity and delays. Transfers of managed accounts often require significant manual intervention, particularly for complex portfolios.
- For **locked-In plans**, Registered Disability Savings Plans (**RDSPs**), Registered Education Savings Plans (**RESPs**), and Registered Retirement Income Funds (**RRIFs**), account transfers require additional paperwork and often involve residual balances (such as RESP grants), which need to be tracked and transferred separately. These types of accounts are also subject to stringent regulatory restrictions, which complicates the transfer process further. Limited system support for these specialized plans forces reliance on manual processes. For example, the systems may lack the ability to transmit critical supplementary documentation—such as grant-related forms for RESPs, annuitant or beneficiary information for RRIFs, or locked-in addendums for pension plans—that is required to complete the transfer. As a result, firms must often resort to fax, email, or physical mail to exchange documents and complete the process.
- The introduction of the **First Home Savings Account (FHSA)** as a registered account type brings unique challenges in the context of account transfers. As a relatively new product, institutions are still developing systems and processes to accommodate FHSA transfers effectively. Many institutions are handling FHSA transfers manually due to a lack of integrated system support. Transfers must carefully track contribution limits, withdrawals, and eligibility requirements, which may be challenging when moving accounts between firms. Institutions may request additional paperwork or client confirmations for FHSA transfers, delaying the process.

2. Systems-related issues

Summary

Across the systems, several recurring themes emerge:

1. Smaller institutions face **high costs and financial barriers** that limit access to certain automated transfer systems and/or lower cost solutions that have functional gaps.
2. **Not all firms or account types are supported** by all systems leading to inconsistent capability and adoption across the industry.
3. There are **functionality limitations** requiring manual intervention for specific products, residuals, account types, or processes.
4. Each system serves **a limited and specific range of products**, forcing firms to rely on multiple systems or manual methods to process transfers comprehensively.



Systems-related issues are a major contributor to the inefficiency of account transfers. High costs, limited functionality, and inconsistent adoption of systems like ATON, Fundserv, and CANNEX exacerbate inefficiencies.

The general issues with all systems are:

- **Lack of interoperability.** All of these systems are limited to facilitating the transfer and re-registration of specific product types and cannot accommodate all asset classes, forcing firms to rely on multiple platforms or revert to manual processes. For example, an investment account containing a GIC must be handled separately from other assets through CANNEX. This requires the concurrent use of multiple systems that are either not well integrated or completely lack integration. It should be noted that there is some limited interoperability built in between ATON and Fundserv via intermediaries. For example, a Fundserv-only member can leverage the services of an intermediary who is an ATON participant to facilitate mutual fund transfers. Additionally, Fundserv members can use ATON to transfer between other Fundserv members—provided an ATON-enabled intermediary is involved—or directly with a dealer if both firms are ATON participants.
- **Availability.** The high participation costs create financial barriers for smaller financial institutions. Smaller institutions or firms with limited infrastructure may struggle to integrate with tools. The cost of entry, including setup, maintenance, and transaction fees leads many smaller firms to rely on more manual processes. This fragmented adoption across the industry creates inconsistent transfer practices, and forces digital first firms to manual processes.
- **Functionality limitations.** Certain account types—such as FHSAs, locked-in plans, RESP grants, and specific asset classes—are not universally supported by existing transfer systems, requiring manual processes and additional coordination. Likewise, various operational tasks, including confirming residual balances, handling early GIC redemptions or mid-term transfers, and updating re-registration details, often require manual steps or supplemental documentation. Each system has its own constraints as well. For instance, ATON cannot facilitate transfers between two institutions using the same carrying broker, or between different dealer codes within the same firm. Fundserv cannot process a transfer of nominee name positions through their system unless there's an existing relationship between the two Fundserv members (note that ATON participants can process nominee-name transfers of investment funds through Fundserv)⁶.

It should also be noted that the limitations in the transfer process are also due to the varying business functionalities that systems service providers offer. Not all enhancements made to ATON, for instance, have been fully adopted by either participating firms or their technology vendors, leading to gaps in functionality and inconsistent capabilities across firms. Similarly, for a registered plan to be transferred through ATON, for instance, both the receiving and delivering firm must have back-office systems that support the same plan type. So when a new product like the FHSA is introduced, while it may be relatively straightforward to add the category to the ATON system, the firm's back office must first build the necessary infrastructure to manage all the plan's requirements, as mentioned in [section C1](#),—such as tracking

⁶ Builds for some these enhancements at CDS and Fundserv are underway.



contributions, account duration, and tax reporting. Until both sides can fully support these features, the transfer process for that product cannot be completed through ATON.

- The **systems don't provide standardized real-time communication** on transfer statuses. This lack of visibility means that institutions must resort to manual follow-up using email and phone, further adding to the processing time. Tracking transfer statuses or identifying bottlenecks in real-time remains a challenge.

3. Operational issues

Summary

Manual processes, decentralized handling, and inconsistent transfer practices at firms contribute to the inefficiencies around account transfer timelines. Transfers-in tend to be prioritized at firms not only in an attempt to retain clients but also because of limited resources available at firms.

- **Reliance on manual processes**, continue to be a significant barrier to smooth account transfers. Many firms still use outdated methods like cheques, paper-based transfer forms, and fax requests. These methods are time-consuming, error-prone, and slow down the transfer process. There may be several reasons for this reliance:
 - Reluctance to invest in automation due to cost or resource constraints.
 - Legacy systems that do not integrate with newer platforms.
 - Perceived lack of urgency to modernize processes in the absence of regulatory mandates.
- Advisory and managed accounts require **careful consideration of suitability** when assets are transferred. Issues arise when advisors fail to evaluate whether the account transfer aligns with the client's investment objectives, risk tolerance, and account type. There is inconsistent due diligence performed by advisors before recommending transfers and often limited transparency on the receiving institution's ability to hold certain assets (e.g., proprietary or restricted funds). Rejections for non-accepted assets (e.g., proprietary products, derivatives) force clients into secondary relationships with other firms. Advisors can sometimes submit requests for full in-kind transfers without confirming whether the receiving firm can hold or even accept all assets.
- Another operational issue is the transfer-out delays caused by institutions **requiring direct client contact** or refusing to rely on receiving institutions' messages.
 - Some institutions insist on speaking with the client directly for privacy concerns or to confirm transfer instructions, adding unnecessary time to the transfer process. This occurs even when the receiving dealer makes a request for an asset list (which may or may not result in a transfer).
 - Some institutions disallow transfers in-kind, forcing asset liquidation, triggering taxable events and potentially causing clients to lose market exposure
 - Transfer requests are misdirected or delayed due to poor documentation or decentralization of processes



- Some institutions reject transfers without signature guarantees, adding unnecessary steps, as signature guarantees often lack meaningful validation. Some institutions even refuse to accept e-signatures, reverting to wet signatures which causes delays.
- **NIGO (Not In Good Order) transfers** also create operational bottlenecks. Transfers are often rejected multiple times for different reasons. Instead of rejecting a transfer for all issues at once, institutions reject it in multiple stages, compounding delays and inefficiencies. Institutions apply varying criteria for what constitutes a valid transfer, leading to confusion and inconsistency across the industry. This leads to repeated delays and resubmissions and adds friction to the client experience.
- Firms experience seasonal surges and ongoing **high volumes of transfer requests**, often without sufficient staffing. The huge volume of transfer requests, especially during peak periods such as RRSP season or RESP withdrawals, places significant strain on transfer teams. Many firms face backlogs due to insufficient staffing or resources. As a result, firms tend to prioritize transfers-in, focusing on retaining clients rather than processing requests for transfers-out.
- **Inconsistent handling of residuals** (such as RESP grants, dividends, or funds with residual balances) creates confusion and delays.
- **In-kind transfers of mutual funds** or similar products often require re-registration at the fund company level, creating operational complexities. Fund companies require manual re-registration of transferred assets, even if the receiving institution supports the asset, introducing additional steps that prolong transfer timelines. Rejections can often occur for invalid account identifiers, coding mismatches, or lack of distribution agreements. When processing mutual fund transfers through Fundserv, transfers may be rejected due to invalid or missing data. These rejections require manual intervention, such as retrieving power of attorney documents, contacting the other institution involved in the transfer, and/or reaching out to the fund company. Issues also arise when mutual funds are incorrectly flagged as OTC causing unnecessary rejections.
- **Bank branch accounts** often introduce confusion. Transfers originating to or from bank branches are often decentralized leading to inconsistencies and delays. Transfers between bank-held accounts, affiliated fund companies and investment accounts are often misunderstood, resulting in operational misclassification, further complicating the process. Bank branches may also rely on fax or paper-based processes, which can lead to misdirected or incomplete transfer requests.
- One of the recurring operational challenges in account transfers is the **lack of clear, centralized, and up-to-date contact information** for transfer-related inquiries and escalation paths. Both delivering and receiving institutions frequently encounter difficulties identifying the appropriate contacts or departments to resolve transfer delays, rejections, or issues. In many cases, the requesting firm only learns of a problem after directly contacting the delivering firm.
 - There is no industry-wide, standardized repository of transfer contacts and escalation pathways that firms can access. Institutions rely on internal spreadsheets or outdated lists, which may be incomplete or inaccurate.



- Large institutions, particularly those with multiple business lines often operate in silos, each having separate transfers teams. Contact information may differ across departments, branches, or regions, making it challenging to locate the right person or team to resolve transfer issues.
- Staff turnover or restructuring within institutions leads to outdated contact details. Firms may not have processes to update and communicate changes regularly.

4. Regulatory issues

Summary

Regulatory fragmentation and absence of consistent rules mandating automated processes, standardized timeframes and consequences for non-compliance creates inconsistencies and perpetuates delays. CISO requirements also need harmonization and modernization.

Regulatory challenges also complicate the transfer process. Gaps in rules for timeframes, automation mandates, and accountability create uneven standards.

- The existing regulatory fragmentation for financial institutions means that firms operate under different oversight frameworks, leading to inconsistencies in how account transfers are processed. Differences in oversight between CISO Members, segregated fund providers, pension administrators and other financial institutions create **a patchwork of rules and processes**, resulting in a fragmented transfer experience and confusion for clients.
- Given the complexity in the transfer process, most regulators **do not mandate specific transfer timelines** for firms. This leads to inconsistent oversight and minimal enforcement of non-compliance which creates a general **lack of accountability for delays** in the transfer process. As financial institutions tend to face little to no consequences for delays, it reduces the incentive to prioritize transfers. However, enforcing compliance is inherently challenging when there are no standardized benchmarks for tracking transfer timelines and no formal system for reporting or tracking transfer statuses. Additionally, delays can stem from a wide range of factors, some of which fall outside the jurisdiction of a specific regulator, making it difficult to attribute accountability solely to firms under that regulator's oversight.
- Most regulators **do not mandate the use of automated transfer** tools such as ATON or Fundserv, leaving financial institutions the option to rely on manual processes. However, the absence of a standardized, widely supported industry tool has made it difficult for regulators to impose automation requirements. Additionally, regulators often adopt a technology-neutral approach when setting policies to avoid unintentionally disadvantaging smaller firms that may lack the resources to implement automated solutions.

Current CISO requirements

CISO has existing rules and requirements for Members as it pertains to ensuring that account transfers are conducted as quickly and efficiently as possible.

- *Mutual Fund Dealer (MFD) Rule 2.12.2* requires mutual fund dealers to act diligently and promptly to facilitate an account transfer in an orderly and timely manner.



- *Part B.1 of Investment Dealer and Partially Consolidated (IDPC) Rule 4800* describes requirements for transferring accounts between investment dealers to ensure these transfers are completed promptly.

We acknowledge that both rule sets need modernization and change in order to help resolve the issues with account transfer delays and inefficiencies:

- The overall account transfer settlement timeline as articulated in the rules is unclear and difficult to enforce, particularly when transfer impediments are involved. For investment dealers, the timeline for transfers of “in good order” accounts is set at 10 clearing days, but this is not defined for transfers with impediments. For mutual fund dealers, the rule requires that transfers be completed “in an orderly and timely manner,” without specifying a timeline.
- There is no standard requirement for parties to use electronic communications when arranging a client account transfer. Further, for mutual fund dealers, there is currently no requirement for the mandatory use of automated transfer services. However, it should be noted that client-name transfers form the vast majority of mutual fund transfers at mutual fund dealers, meaning the transfer process is primarily handled at the fund manufacturer level rather than by the mutual fund dealer directly.
- The timelines within which clients must be informed of transfer impediments are not defined. The current rules allows partial account transfers to occur before the client is informed of any obstacles preventing the completion of the transfer.

D. Data analysis

Summary

The available data, while fragmented and incomplete, reinforces the anecdotal evidence of frustrations and bottlenecks in the transfer process.

Some of the key insights noted:

- Transfer complaints from investors to CIRO over the last 10 years have been consistently rising and increased more than five-fold since 2015 and more than 2 times since the pandemic. For the six months ending June 2025, the aggregate number of complaints has already exceeded the total for 2024. Top complaints noted were related to transfers of GICs and registered products, and on the lack of communication on the status of the transfer.
- Over 91% of Fundserv transfers in 2024 were processed manually which increased from 86% in 2023.
- For the six month period ending January 2025, 90% of ATON transfers-in took about 15 days to process. Comparable US transfers, on average, take four days or less. ATON transfer times for non-CIRO Members were, on average, 1-2 days (~10% to 30%) slower than for CIRO members.

We approached the issue of obtaining data on account transfer delays in Canada from two perspectives: the investor experience and industry transfer volumes data.



The following sections outline the work we conducted and the insights gathered from the fragmented data sources. Given the lack of a holistic, integrated data set this was the only approach available to us.

1. Complaints from investors

To help quantify and assess the impact on investors, we reviewed our own complaint data from CIRO and from the Ombudsman for Banking Services and Investments to gain insight into the scope and nature of the problem from the investor's perspective. Data from both organizations shows an increasing number of complaints and inquiries from investors highlighting the persistent and growing frustration with account transfer delays in Canada.

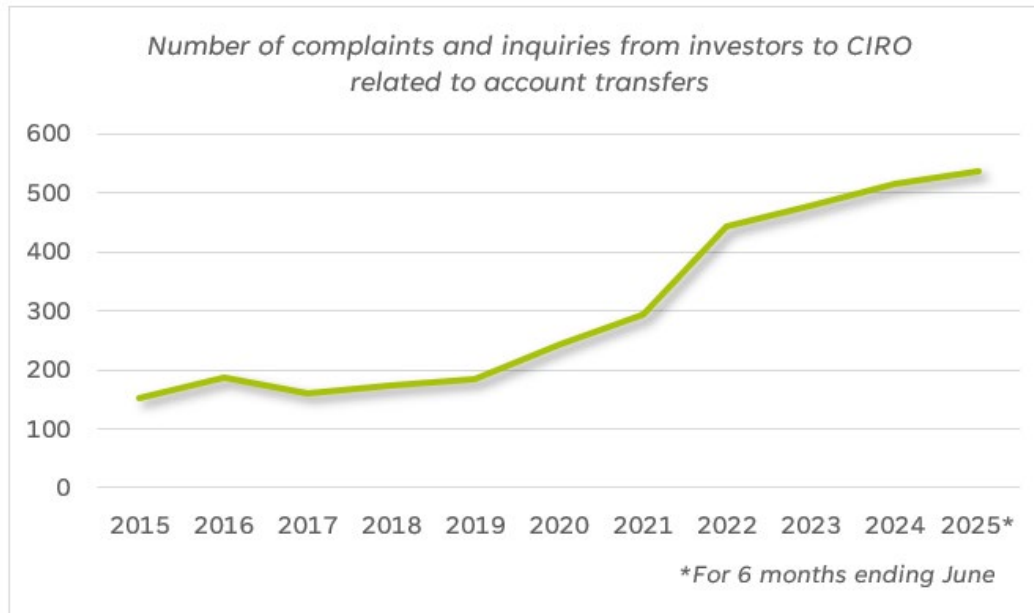
Complaints and inquiries received at CIRO

For several years, we have received complaints from investors and dealer members alike on several issues impacting the efficient and timely transfer of a client's account from one firm to another. We obtained data from our own internal statistics, along with information filed by CIRO members through ComSet and METS⁷. It should be noted that not all client complaints related to account transfers may be captured in this data (as some Dealer Members may classify certain transfer-related complaints as general service-related issues which are not required to be reported to CIRO).

Over the past ten years, complaints and inquiries related to account transfers reported to CIRO (or one of its predecessor organizations) has steadily increased. In 2024, the number of complaints and inquiries related to account transfers reported to CIRO was over 500, which is the highest in the past ten years. As of June 2025, the total complaints has already exceeded the full-year figure for 2024⁸.

⁷ ComSet (and previously METS) are CIRO's electronic reporting systems used by Members to report client complaints and certain internal investigations. Firms are required to submit information on reportable complaints and regulatory matters, which helps CIRO monitor trends, identify risks, and ensure compliance with industry standards.

⁸ The data excludes complaints and inquiries related to the [Scotia Securities Inc. case](#) which represented an unusual event.



In reviewing the details of account transfer-related complaints submitted directly to us, as well as those reported by Dealer Members through ComSet and METS, we identified the following recurring issues:

- Complaints and inquiries from investors regarding **GICs** and **registered account types** were commonly noted.
 - Investors reported not being able to transfer GICs that were near maturity.
 - Investors also reported not being advised that they must withdraw the minimum annual payment before they can transfer their RIF toward the end of the calendar year.
 - We also received a complaint that illustrated the challenges with transferring a relatively new account type; in this case, the investor reported that system limitations prevented the request for an in-kind transfer of their FHSA. The investor was informed by the dealer member that only in-cash transfers of FHSA accounts were permitted.
- We noted investors expressed concerns with the **lack of communication on the status of the account transfer**.
- We noted numerous examples of investors expressing undue delays with their account transfers caused by **forms not being fully completed or completed inaccurately**. Examples include addendums for pension/LIRA transfers not being completed and completion of the transfer form to transfer assets to the incorrect account type (e.g. LIRA to RIF). We note that it was common for dealer members to document their own forms incompletely or with errors.
- Complaints from investors regarding **transfer fees** were commonly noted. Investors either complained that the transfer fees were too high or that the transfer fees were not reimbursed by the receiving institution.
- We noted instances that illustrated the challenges that arise when there is the **lack of clear, centralized, and up-to-date contact information** for transfer-related inquiries and escalation paths.



- In one example, we noted instances where the transfer forms were sent to an outdated address of the delivering institution or to an incorrect institution (affiliated with the delivering institution).
- We also identified instances where an investor reported being unable to escalate their account transfer concerns beyond the service/trading desk of the order execution-only firm.
- We noted investors also expressed concerns with account assets not being transferred all at once and/or the **inconsistent handling of residuals**.
- Complaints and inquiries from investors regarding the **lack of accountability for delays** in the transfer process were commonly noted. Investors often alleged that their advisor at the delivering institution would intentionally delay the account transfer as their advisor attempted to retain their business. Investors also alleged that the delivering institution would intentionally delay the account transfer to continue to receive any interest payable on assets held.
- We also noted **uneven regulatory oversight** as a recurring issue.
 - Investors commonly reported unreasonable delays between dealer members and non-dealer members. We noted examples where investors who had account transfer concerns with non-dealer members would be instructed by the non-dealer member to contact CISO for a resolution.
 - We also noted instances where investors were dissatisfied with the level of service received from order execution-only firms when transferring their account. Investors reported that order execution-only firms expected the investor to initiate the transfer process, such as completing transfer forms.

Data from the Ombudsman for Banking Services and Investments (OBSI)

Data from OBSI on complaints lodged against CISO Members showed a similar pattern as it pertains to account transfer delays.

While the number of complaints related to account transfers has fluctuated over the years, a clear upward trend is evident. Complaints filed with OBSI against investment firms increased from 12 in 2016 (3.60% of total complaints) to a peak of 45 in 2023 (7.69%), indicating growing dissatisfaction with the transfer process. Notably, complaints saw a sharp rise in 2021 (42 complaints, 7.41%) and although complaints declined slightly in 2024 (37 complaints, 5.11%), they remain higher than pre-2020 levels, suggesting that transfer-related issues persist.

2. Data on transfer volumes and timelines

We sought to obtain data from various financial institutions, along with CDS and Fundserv, to determine whether there were identifiable timelines or patterns that could quantify the delays and provide a clearer picture and substantiate the widespread anecdotal evidence of transfer-related issues.

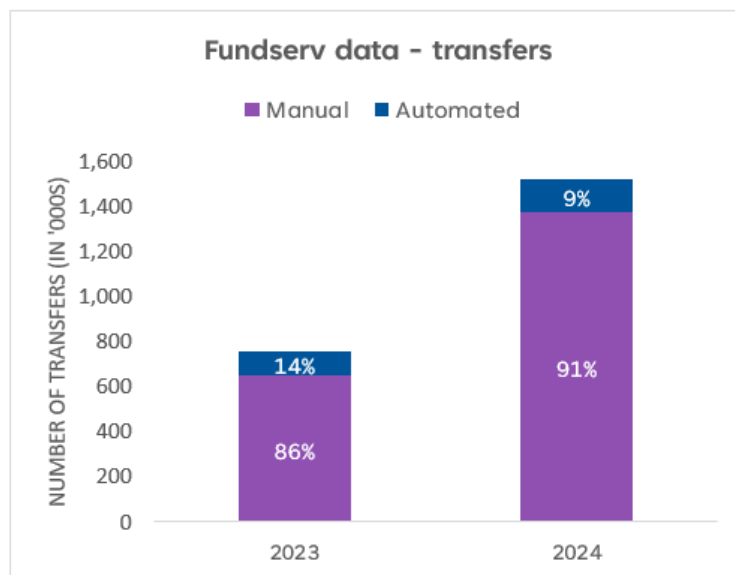
Quantifying the issue from the industry perspective proved to be extremely challenging due to the lack of a unified repository or tracking system or standardized metrics. A significant number of transfers are also conducted manually and tracked via email, making it nearly impossible to compile reliable data.

The lack of structured data, inconsistent reporting practices, and reliance on manual processes make it virtually impossible to obtain an accurate and comprehensive picture of transfer volumes, processing times, and inefficiencies in the Canadian financial system. While we could not quantify the problem with precise metrics, the absence of reliable tracking mechanisms itself serves as a stark indicator of the systemic deficiencies in the account transfer process.

Transfers data from FUNDSERV

Fundserv provided high-level data on the volumes of transfers for 2023 and 2024.

In 2023, 86% of transfers were processed manually, despite the availability of automated transfer processing for many transfer types. This increased to 91% in 2024⁹.



The data from Fundserv was limited as it is difficult to isolate or track specific transfer types. Also, it's important to note that nominee-name transfers of investment funds for ATON participants are not included here. Those transfers would be processed by ATON (through Fundserv) and reflected in ATON's processing volumes.

Transfers data from ATON

CDS shared data on transfers processed through the ATON system over a six-month period (August 2024 to January 2025). For each financial institution, the monthly data included:

- Total number of accounts transferred, categorized by type,
- The median 50th percentile (P50) for all accounts which shows the time by which half of transfers are completed,
- The median 90th percentile (P90) for all accounts showing the time by which 90% of transfers are done.

Based on this data, CIRO calculated the average P50 and P90 values across all firms and months

⁹ Increase in firm acquisitions in 2024 contributed to higher overall transfer volumes in 2024.



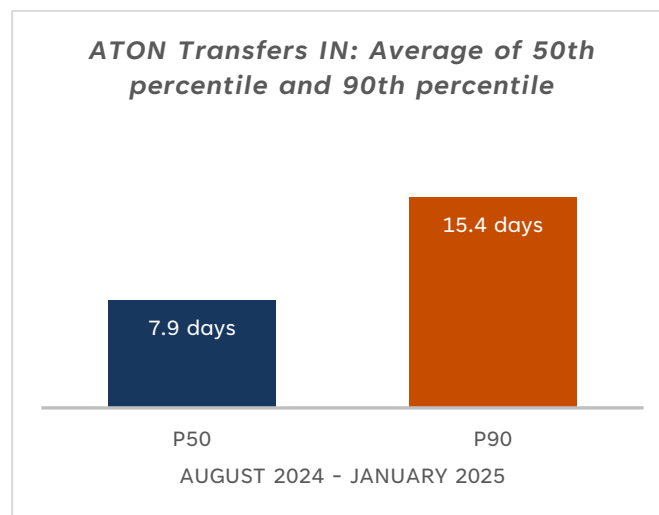
to identify overall trends¹⁰.

Limitations with the data

Transfer timelines reported for ATON reflect only the time taken to process eligible assets through the ATON system. If the transferring account contains GICs or proprietary products for example, these must be transferred manually, or outside the ATON system. The ATON system does not have visibility into non-ATON-eligible assets because it does not have access to a Member's internal book of record. As a result, once all eligible assets are transferred within ATON, the system considers the transfer complete—even if residual or ineligible assets remain outstanding¹¹. So the data here reflects only the timelines to complete the ATON part of the transfer.

Transfer times by ATON

The average P50 time is 7.9 days, meaning that half of the transfers-in are completed within approximately 8 days. The average P90 time is 15.4 days, indicating that 90% of the transfers-in are completed within just over 15 days¹².



To compare these metrics, we looked at the United States available data. Most account transfers between brokerage firms are initiated through the Automated Customer Account Transfer Service (ACATS), an electronic transfer system developed by the Depository Trust and Clearing Corporation (DTCC) to automate and standardize account transfers¹³. In 2021, 82% of ACATS full transfers settled in four days or less¹⁴. There are currently efforts underway by DTCC to enhance

¹⁰ The data is grouped by firm on a monthly basis and does not distinguish between account types. So, for example, we are unable to assess average P50 or P90 timelines for cash accounts versus margin accounts.

¹¹ While ATON has the technical ability to assign an interim "PENDING" status to await final settlement information, that functionality depends on receiving updates from the firms or their vendors. This is particularly relevant for proprietary products or private securities, where firms must proactively feed settlement data into the system for continued tracking.

¹² For transfers OUT, we noted similar timelines with the average P50 time being 7.4 days, and the average P90 time at 13.2 days.

¹³ DTCC: [Automated Customer Account Transfer Service \(ACATS\)](#)

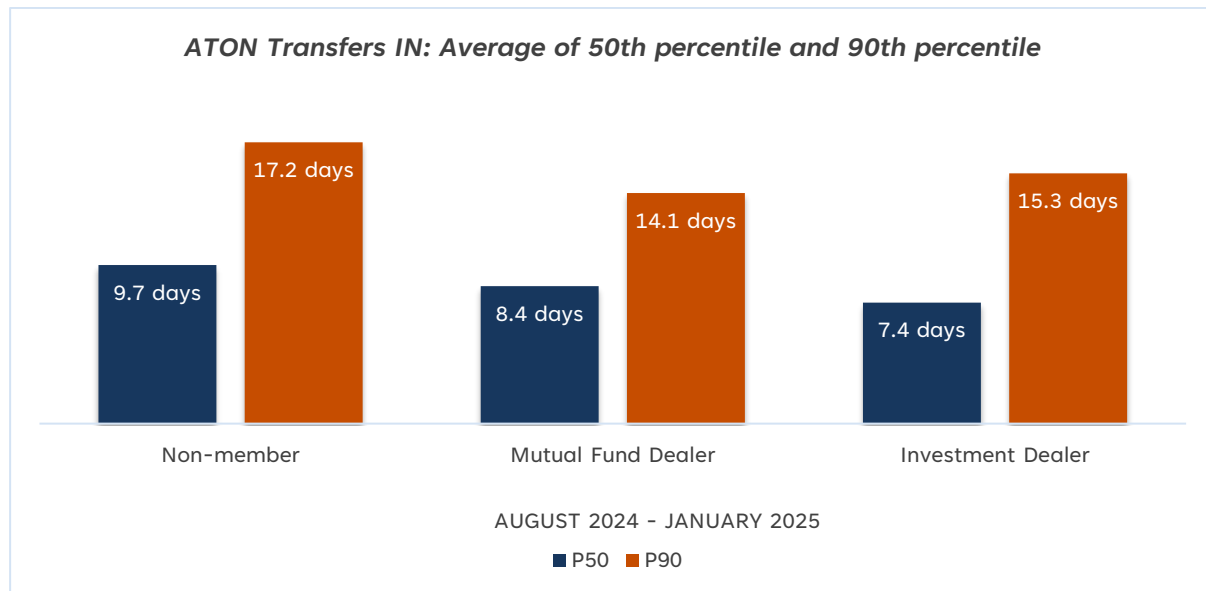
¹⁴ SIFMA: [Transfer of Customer Assets – Guidance and Best Practices for Continued Modernization, October 2022](#)



the ACATS system and further reduce this to three days or less by the end of this year¹⁵. This data suggests that Canada is lagging in facilitating efficient investment account transfers even when using the ATON system.

Transfer times by CIRO Members v/s Non-Members

On the whole, the data shows that, on average, non-CIRO Members experience slower median transfers while members show faster processing. On average, both P50 and P90 were 1-2 days (~10% to 30%) slower for non-CIRO members as compared to CIRO members.



Average P50 times is 8.4 days for mutual fund dealer members and 7.4 days for investment dealer members, whereas it is 9.7 days for non-members. Similarly, for non-members, on average, 90% of transfers-in are completed within 17.2 days, as compared to 14.1 days for mutual fund dealers and 15.3 days for investment dealers¹⁶.

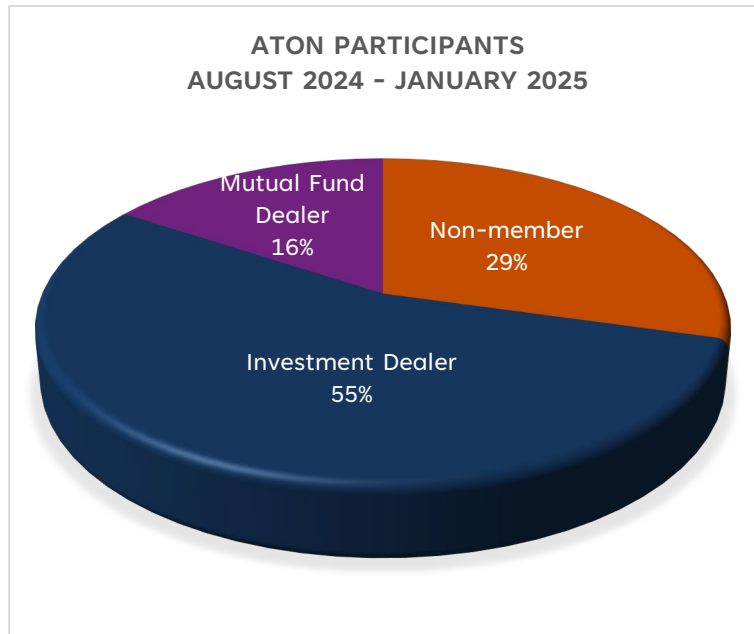
While it is noteworthy that mutual fund dealers tend to process transfers faster than investment dealers, it is likely because of the nature of products and services offered by mutual fund dealers which tend to be easier to process. For example, investment dealers offer margin accounts which would typically take longer to process because of product complexity. In addition, there are very few mutual fund dealers that process transfers via ATON, compared to investment dealers, as noted in the next section.

Participants breakdown

Based on the data provided, investment dealers represent the largest group at 55% of total participants. Non-members follow at 29% while mutual fund dealer members form the smallest group representing 16% of all participants.

¹⁵ DTCC Notice 9574, March 25, 2025

¹⁶ The transfers OUT also show consistent median values across all groups, with P50 times clustered between 7.3 days (ID members) and 7.8 days (non-members) and P90 times clustered between 13.0 (non-members) to 13.4 days (MFD members).

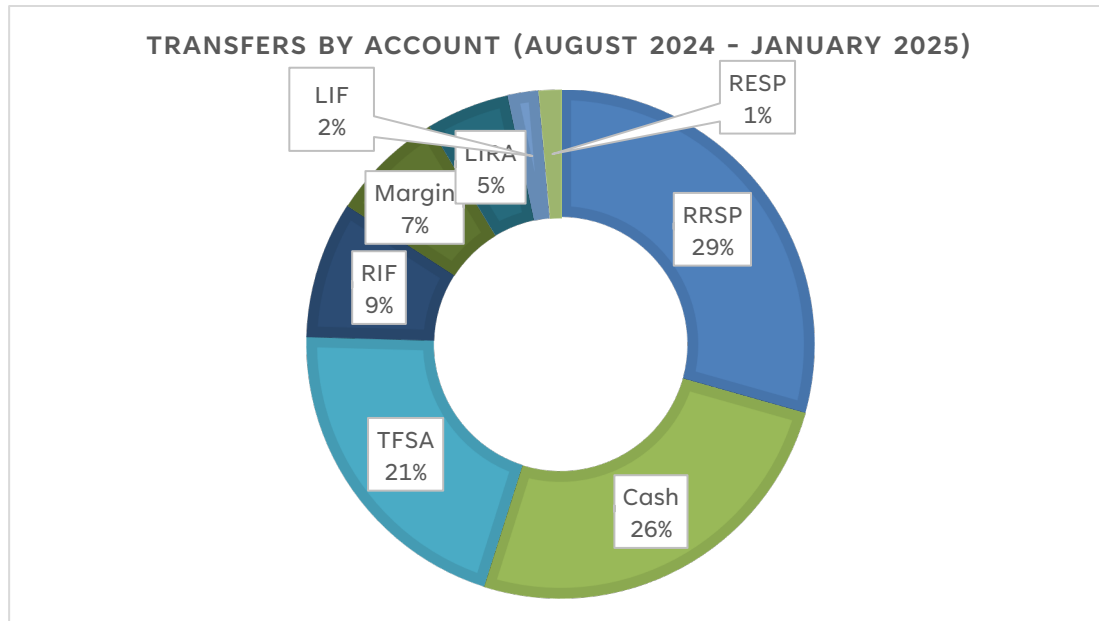


Investment dealers typically hold CDS-eligible securities (like equities and debt) and have requirements under the existing CIRO rules to use an electronic facility, and therefore it is not unusual to see that these firms make up the majority of ATON participants. We also noted that the investment dealer ATON participants account for 16% of total CIRO investment dealer members. This is because most CIRO members are introducing brokers who rely on their carrying brokers for account transfers.

Mutual fund dealers using ATON represented only about 10% of all CIRO mutual fund dealer members. This is because they deal primarily in the distribution of mutual funds where they would use either Fundserv or manual processes to process transfers at the Fund manufacturer. So, seeing a limited number of mutual fund dealers as ATON participants is also not unexpected.

Transfers by Account

Most transfers during the period were RRSP accounts (29%), followed by cash accounts (26%) and TFSA accounts (21%). Other account types like RIFs, margin accounts, RESP, LIRA, and LIF are less common and make up less than 10% each. This is generally reflective of the accounts held by retail investors.



Sample account transfer data from CIRO Members

To establish baseline metrics on the efficiency of account transfers, in August 2024, we conducted a voluntary data collection initiative, reaching out to a number of CIRO Members, including firms within the CIRO Account Transfers Working Group. Our goal was to take a sample-based approach to gain directional insights into both the total volume and speed of account transfers over multiple years. This would help validate the widely acknowledged issue of inefficiencies in the account transfer process.

We received data from only a small number of firms, and most were unable to provide a complete dataset. The submissions varied significantly, with inconsistencies in date ranges and exclusions based on transfer type. As a result, the observations lack statistical significance.

While the limited dataset prevents us from drawing definitive conclusions about account transfer times in Canada, based on the data provided, a couple of key findings stand out:

- the difference in processing times between electronic and manual transactions appears to be much smaller than expected, suggesting that even automated transfers are not operating as efficiently as they should.
- overall transfer times—regardless of method—were significantly longer than anticipated, further reinforcing concerns about systemic delays.

While the data offers some insights into the issues, we recognize that a more comprehensive dataset is necessary to draw accurate, reliable, and representative conclusions. The absence of comprehensive data does not however diminish our confidence in the overall scope and scale of the issue. These directional insights have been consistently echoed by industry participants.



E. Recommendations

Improving the efficiency of account transfers requires a collective, industry-wide approach. By addressing outdated processes, enhancing system integration, and standardizing communication, firms can significantly reduce delays, improve client satisfaction, and build a more resilient and transparent transfer ecosystem. Collaboration and proactive investment in solutions will ensure better outcomes for all stakeholders.

Summary

Addressing these issues requires a coordinated industry approach with a focus on:

1. **Automation** and eliminating manual processes,
2. **Consistency and standardization** by establishing clear regulatory rules and operational standards,
3. **Accountability** and holding institutions responsible for delays, and
4. **Collaboration** across the board including developing centralized tools, such as a secure contact repository, and improving interoperability across systems.

1. CIRO proposed rule amendments

As part of the project to modernize account transfers, CIRO is also proposing certain rule amendments which, among other things:

- Mandates all CIRO Dealer Members – investment dealers and mutual fund dealers – to use automated systems for eligible transfers to reduce manual intervention and ensure more timely transfers. Participants will be required to adhere to the transfer facilities' standards.
- Clarifies that electronic communications must be used where available, even where the facility that provides the electronic communications service cannot transfer any/all of the client's positions on an automated basis
- Stipulates the timeline for the receiving dealer to inform the client of transfer impediments
- Details obligations of both the receiving and delivering dealer when resolving transfer impediments including the receiving dealer's obligation to notify the client of:
 - cash balances and positions that have an impediment,
 - the reason or reasons for each impediment,
 - the options the client has to resolve each impediment, and
 - the taxation and other impacts of each option to resolve each impediment,
- Sets a standard settlement period of 10 clearing days for account transfers (including for transfers with impediments).

Please refer to [Modernization of requirements for account transfers and bulk account movements \(IDPC Rule 4800 and MFD Rule 2.12\)](#) for more information and to review and provide comments on the proposed rule amendments.



2. Systems solution

Summary

Account transfers in Canada face complex challenges that cannot be solved by regulatory oversight or operational improvements alone. A dedicated, industry-wide technology solution is essential to modernize, standardize, and streamline processes.

The industry—through a multi-stakeholder effort involving dealers and key infrastructure players like CDS, Fundserv, and CANNEX—has already begun defining the core requirements for a fully digitized utility. These include real-time data exchange, asset validation, status tracking, standardized communications, and rejection protocols.

On behalf of the investment industry, CIRO is inviting proposals from any fintech provider capable of delivering a solution aligned with these principles.

Account transfer challenges in Canada are multi-layered and complex. While regulatory oversight and operational improvements can help address some challenges in the account transfer process, they are not sufficient. A dedicated technology solution is also essential to streamline, automate, and standardize the transfer process in a way that regulations alone cannot achieve, and fully modernize and optimize the system.

However, this would not be an easy endeavour. There are challenges to address in attempting to develop and roll out an industry-wide tool:

- Some firms may be **reluctant to change long-established processes**, particularly those that still rely heavily on manual workflows. Transitioning to a new system would require not only technological upgrades but also staff training for operations teams and advisors to ensure seamless adoption. Firms with proprietary internal systems that may not easily integrate with a new industry-wide platform or using legacy infrastructure could need extensive coordination and investment to transition to a modernized solution.
- Smaller firms may face significant adoption barriers as **cost concerns and infrastructure limitations** could make implementation difficult. If the technology is overly complex, firms with limited resources or technical expertise may struggle with setup and integration.
- Establishing a **sustainable pricing and cost-recovery model** for maintaining the technology would be challenging, requiring a fair and transparent approach to funding ongoing support and upgrades.
- The **Canadian financial system involves multiple participants**, including banks, investment dealers, mutual fund dealers, custodians, and regulators. Achieving alignment among all stakeholders on a single framework would require significant industry-wide collaboration.
- **Accountabilities for system failures, data integrity, and dispute resolution** have to be defined. Key questions will need to be addressed, such as who will own and operate the system—whether it will be led by the private sector, an industry consortium, or mandated by regulators. Additionally, the entity managing the tool has to remain committed to ongoing support, enhancements, and necessary upgrades over time.

In developing the tool, therefore, certain guiding principles are needed to not only encourage



effective resolution of the issues but enhance widespread adoption:

- A key focus will have to be on **integration and standardization**. The system must be interoperable, allowing firms to process transfers using a single interface rather than navigating multiple, disconnected platforms. Standardized data formats will enable seamless data exchange, ensuring that all transfers can be processed electronically. A ‘rail-agnostic’ infrastructure would need to be central to this design, meaning financial institutions should not need to integrate separately with multiple transfer networks (such as ATON, Fundserv, or CANNEX). Instead, a "one-to-many" integration model will allow firms to connect with one system and communicate seamlessly across all rails.
- The system should **expand functionality** to support as many financial and investment products and accounts as possible, including locked-in plans, proprietary funds, and private securities.
- Beyond just enabling transactions, the system should serve as an **ecosystem monitoring and reporting tool**, centralizing key and non-private transfer data to track industry-wide performance and provide transparency into transfer timelines, bottlenecks, and areas for improvement. There should be real-time tracking of transfer statuses, improving transparency and reducing operational burdens related to follow-ups and inquiries. A consolidated front-end dashboard would allow institutions to monitor and manage all transfers in one place, issue cancellations or instructions, and communicate real-time updates.
- Where required, **digital indemnifications** should allow firms to rely on the due diligence of the relinquishing institution, removing unnecessary paperwork while maintaining compliance.
- **Pricing models** must be structured to incentivize participation and support the ability for smaller institutions that may otherwise face financial barriers to access the automated solutions.

Industry development of an updated technology solution

The industry has already begun the process of defining requirements for a system-wide utility that will support a fully digitized account transfer process.

CIRO’s work to review transfers has been strongly supported by the industry. The Chairs of CIRO’s Account Transfers Working Group and representatives from a diverse group of organizations have come together over the past year to design a technology solution aimed at addressing key transfer challenges. This multi-stakeholder effort includes investment dealers, mutual fund dealers, and representatives from CDS, Fundserv, and CANNEX, all working collaboratively to develop a seamless and efficient technology-driven solution for the benefit of the entire ecosystem.

As part of the process, the group organized dedicated sessions, dividing themselves into groups based on key roles—the investor, the relinquishing firm, and the receiving firm. Each group examined the transfer journey from initiation and submission to delivery and deposit, identifying pain points at every stage and exploring opportunities for improvement from their respective perspectives.

In discussions around pain-points and transfer processes, they determined certain minimum requirements for the tool:

- **Real-Time, Standardized Information Exchange:** All information exchanged—such as client



type, account type, asset type, and book value—to be in real-time and a standardized format so that errors and rejections are reduced.

- **Pre-Transfer Asset and Account Validation:** The Receiving Institution should have the ability to preview assets and validate account information before initiating a transfer so that they can clearly inform the client upfront about what can and cannot be transferred.
- **Consistent Tracking and Status Updates:** The Receiving Institution should have real-time tracking and status updates throughout the transfer process so that they can keep the client informed and quickly resolve any delays.
- **Standardized Communication and Escalation Pathways:** There should be a standardized and accessible communication channel where all institutions can discuss escalations to quickly resolve any transfer issues.
- **Upfront Validation and Standardized Rejection Reasons:** There should be real-time validation if the request cannot be met by the Delivering Institution, with a standardized rejection reason, so that issued can be quickly resolved.

Taking an iterative and consultative approach, the initiative will continue over the next 12+ months to test, refine, and implement improvements to the platform. The proposed solution will leverage the existing infrastructure reducing the need for extensive technical redevelopment. Instead, efforts will focus on refining the solution to address the needs of users, ensuring that the final product is efficient, scalable, and achieves product-market fit across all industry participants.

Developing an interoperable technology solution for account transfers in Canada presents an opportunity to modernize, standardize, and streamline the transfer process, addressing long-standing inefficiencies and client frustrations. However, achieving industry-wide adoption will require collaboration across financial institutions, regulators, and technology providers, as well as overcoming resistance to change, integration challenges, and privacy and security concerns. A phased implementation strategy, strong governance, and clear regulatory alignment will be key to ensuring success. CIRO will continue to monitor the development of the technology solution and will share an update on its testing and progress as part of Phase 2 of the paper.

Request for proposals – development of the industry technology solution

The industry is open to working with any technology provider that demonstrates the capability to develop a solution to help address the account transfer challenges outlined in this white paper. CIRO is facilitating the collection of proposals for their consideration.

If your organization has developed—or is in the process of developing—a technology solution that can improve and modernize account transfers across the Canadian financial system, please submit a proposal for consideration to MembershipServices@ciro.ca using the subject line: "**Account Transfer Solution Proposal**". Submissions should clearly demonstrate how the proposed solution addresses the key principles described in [Section E2](#), including:

- Interoperability across existing transfer rails
- Standardized data formats
- Real-time tracking and status transparency



- Support for a wide range of financial products

Proposals should also include details on implementation requirements, integration with current systems, scalability, cost structures, and proposed timelines.

All proposals must be submitted by September 10, 2025.

Proposals will be evaluated by members of CIRI's Financial and Operations Advisory Section (FOAS) Operations Sub-committee. Those deemed most aligned with the project's objectives and principles will be contacted for next steps.

If you are a CIRI Member who currently does not have representation on CIRI's FOAS Operations working groups (on account transfers, mutual fund operations or general operations), please contact MembershipServices@ciri.ca with the subject line "**Transfers Committee Participation**" reflecting your interest in being included.

3. Operational enhancements

Summary

All firms can adopt practices to modernize transfers processes. In addition,

For Delivering Firms: The focus should be on improving pre-transfer validation, automating processes to replace outdated methods, addressing complex product transfers proactively, and enhancing communication with receiving firms. By standardizing workflows, allocating resources effectively, and improving the handling of residual balances, delivering firms can significantly reduce transfer delays and errors.

For Receiving Firms: The emphasis should be on vetting transfer requests upfront, submitting clear and complete instructions, and prioritizing client education for complex account or product-specific issues and communication throughout the transfer process. By collaborating closely with clients and delivering firms, receiving institutions can ensure smoother and faster transfers-in while reducing the likelihood of NIGO rejections.

As the industry works on advancing the development of a technology solution aimed at resolving various operational pain points, it's worth considering whether further enhancements could improve its overall effectiveness. While a well-designed tool has the potential to significantly ease many challenges, in the meantime, making small, targeted changes at individual firms could yield substantial short-term benefits.

Beyond regulatory requirements and technological advancements, firms can take proactive steps to enhance their internal transfer operations and processes to drive greater efficiency. Addressing transfer inefficiencies requires concrete operational changes at firms which if prioritized can ensure a smoother, more transparent, and timely transfer experience.

a) Adopt modernized transfer practices

Firms should explore automation to replace outdated and inefficient practices such as faxes, paper forms, wet signatures, and cheques, opting instead for modern digital tools and platforms.

- Integrating with industry transfer systems like ATON, FUNDSERV, and CANNEX can automate data entry, communication, and validation—helping to minimize errors and reduce delays.



- Upgrading internal systems to support all product types, and enabling features such as electronic approvals, e-signatures, and automated notifications, can further streamline processes and accelerate turnaround times.
- For organizations with multiple affiliates, centralizing transfer operations can help ensure consistent protocols are followed, reducing inefficiencies.
- Additionally, adopting tools that track transfer progress and flag delays in real time will allow firms to address issues proactively before they escalate.

b) Establish metrics and defined timelines for transfers processing

Establishing internal controls and reporting mechanisms to monitor transfer progress will help firms identify and address delays proactively. Some ways to do this would be by

- defining clear processing timeframes that align with industry standards and regulatory expectations
- establishing metrics for transfers-out that are the same as those for transfers-in
- ensuring that policies provide for sufficient resources and staff to prevent bottlenecks and stress during peak seasons.

c) Improve communication and escalation pathways

Firms should establish dedicated transfer teams or points of contact to address transfer-related inquiries efficiently. Keeping updated contact information and escalation pathways readily available will improve response times and reduce delays.

d) For Receiving Firms

i) Improve pre-submission vetting of transfer requests

Receiving firms should conduct thorough pre-validation of transfer requests to ensure accuracy and completeness before submitting them to delivering firms. This involves verifying the delivering firm's identity, confirming client information such as account numbers, signatures, and asset types, as well as ensuring that correct documentation is in place for account-specific transfers, such as RESP grant forms or locked-in plan agreements. Proactively identifying and addressing any issues with clients in advance can help reduce the likelihood of NIGO rejections.

ii) Provide clear and accurate transfer instructions

Receiving firms should submit transfer requests with complete and detailed instructions to the delivering firm. These instructions should include the correct account types and structures (e.g., individual, joint, registered), specific asset details (e.g., in-kind or cash transfers), and client authorization where required, such as validated e-signatures.

iii) Communicate with clients to address transfer complexities

As the primary contact with the client during a transfer, receiving firms need to work closely with clients to resolve any transfer blockers that may arise, such as products that cannot be transferred in-kind (e.g., proprietary or restricted assets), residual balances requiring follow-up after the primary transfer, or tax implications from redemptions or forced liquidations. Educating clients about transfer timelines and the steps required for specific account or product



types will help set realistic expectations and reduce frustration during the process.

Clear communication with clients is crucial throughout the transfer process. Receiving firms should notify clients of any delays, provide reasons for NIGO rejections, and offer anticipated timelines for resolution. It is also important to educate clients about account-specific transfer challenges, such as tax implications and eligibility of certain products. Regular progress updates and confirmations at key milestones in the transfer process will ensure that clients remain informed and reassured.

Appendix A provides information that receiving firms should consider providing to clients who initiate an account transfer request.

e) For Delivering Firms

i) Standardize pre-transfer validation and streamline complex product transfers

To reduce delays and errors, delivering firms should conduct a thorough upfront review of transfer requests, ensuring all necessary documentation—such as signatures, account details, and asset eligibility—is accurate and complete. Providing clear guidelines to clients and receiving firms will help minimize NIGO rejections. A thorough initial review, in a stipulated period of time, should identify all potential transfer blockers, preventing unnecessary rejection cycles and delays.

Similarly, the transfer process for complex products—such as GICs, locked-in plans, segregated funds, and exempt securities—should be standardized to improve efficiency and reduce delays. Automating re-registration processes where possible and providing transparency on transfer eligibility will ensure a smoother experience for clients and receiving firms.

ii) Enhance internal processes for residual balances

Residual balances, including dividends, RESP grants, and interest payments, should be handled automatically to prevent incomplete or dormant accounts. Establishing structured timelines for residual sweeps, such as on a monthly or quarterly basis, will ensure that all outstanding balances are captured and transferred efficiently.

iii) Prioritize instructions from the receiving firm, wherever possible

The delivering firm should prioritize following the instructions from the receiving firm. Client instructions, as provided by the receiving firm, should take precedence over other considerations. For ineligible products, firms should clearly communicate the reasons why a transfer cannot occur in-kind, as soon as the request is received, and provide alternative options where possible.

4. Regulatory collaboration

To enhance the efficiency and consistency of account transfers across the financial industry, financial regulators will need to work together to harmonize rules and establish unified standards. A fragmented regulatory landscape creates inconsistencies that hinder industry-wide improvements that would benefit all Canadians.

Canadian financial regulators could establish clear regulatory timelines for account transfers that would ensure consistency and reduce delays across the industry by



- Developing consistent regulatory standards for account transfers across mutual fund dealers, investment dealers, insurance providers, and banking institutions. This includes:
 - Mandatory timelines for completing transfers.
 - Rules for the adoption of automated systems.
 - Standardized handling of complex accounts and product-specific transfers.
- Ensuring all regulated entities adhere to the same criteria for processes such as signature acceptance (including e-signatures), document validation, and transfer eligibility.
- CISO, the Canadian Securities Administrators, banking and insurance regulators working together to align rules and oversight for all firms involved in transfers, and focusing on identifying regulatory gaps, clarifying overlapping jurisdictions, and developing coordinated solutions for account transfer issues.
- Requiring firms to submit regular reports to their respective regulators detailing:
 - Average transfer times (by product/account type).
 - Causes of delays
 - System adoption and usage rates
- Collaborating to ensure that all firms adopt standardized, interoperable technology for account transfers. Encourage firms to replace faxes and manual methods with encrypted digital tools for transfer requests, status updates, and escalations.
- Establishing a formal mechanism for firms to report recurring regulatory or operational challenges that impact transfer efficiency.

We will collaborate and engage further with other participants in the financial system and provide an update on these developments in Phase 2.

F. Next steps and Phase 2

This white paper represents the first phase of our work in addressing the challenges surrounding account transfers in Canada. In **Phase 2**, we will provide an update on the solutions being pursued including an update on the proposed rule amendments, and the development of a technology-driven solution including a review of the results of beta testing.

We also plan to conduct targeted consultations with select investment firms to gain a clearer understanding of the current costs tied to the account transfer process. Currently, firms incur a range of costs associated with facilitating account transfers, including significant manual operational work, repeated follow-ups with counterparties, client service support to address transfer delays or errors, and exception handling when transfers do not proceed as expected. By automating key parts of the transfer process and improving communication between firms, the technology solution has the potential to meaningfully reduce these operational burdens. The consultations will help validate these assumptions and better assess the overall cost-benefit impact of the initiative.

This next phase will also focus on continued collaboration with regulators, industry stakeholders, and other participants in the financial system to ensure widespread adoption of a standardized,



scalable, and effective approach to resolving account transfer issues. By working closely with these key partners, we aim to establish a more seamless, transparent, and accountable transfer ecosystem.

G. Final comments

The account transfer process in Canada is in urgent need of modernization. As we follow the development of a technology solution, including beta testing and evaluation, if we are to achieve a goal of full adoption by the end of 2026, significant work and collaboration will be needed at all levels and among all participants to address integration challenges and establish a more efficient framework. While the willingness to and desire for change exists, meaningful, long-term transformation will require strong commitment on behalf of all participants, and clear prioritization of efforts and resource allocation.

This initiative represents an opportunity for the industry to come together for the benefit of investors and demonstrate leadership in innovation rather than reinforcing perceptions of Canadian complacency. The benefits of modernization will be cumulative, enabling long-term improvements that enhance efficiency and investor outcomes while ensuring Canada remains competitive in the evolving financial landscape.

H. Acknowledgements

We extend our sincere gratitude to the many industry professionals who have collaborated with CIRO to identify key challenges, provide thoughtful recommendations, and actively work toward resolving transfer inefficiencies in Canada. This paper reflects a tremendous collective effort, and we deeply appreciate the expertise and dedication of those involved.

We are extremely grateful to the investment dealers and mutual fund dealers who participated in dedicated working groups hosted by CIRO, offering valuable insights and guidance. A special thank you goes to the members of CIRO's Account Transfers Working Group. In particular, we would also like to thank

- Elizabeth Samson (*formerly of Wealthsimple*), past Chair of the CIRO Account Transfers Working Group
- Emma Jones (*Wealthsimple*) and Jody von Colditz (*TD Wealth*), current co-Chairs of the CIRO Account Transfers Working Group
- Steve Braugiroux (*National Bank*), Chair of the Mutual Fund Dealers Subcommittee of the FOAS.
- Jean DiMarco (*Fidelity Clearing*), Chair of the Operations Subcommittee of the FOAS
- Niki Prodanovic (*Edward Jones*), Chair of the FOAS

Their leadership and tireless dedication in facilitating discussions and consultations on behalf of the industry has been instrumental in advancing these initiatives.

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All of these collective efforts have been invaluable in working toward a more efficient and effective transfer process for the industry.



I. Appendix – Information for receiving firms to educate clients on the account transfer process

Receiving firms should provide clear, timely, and accessible information to clients who are transferring in their accounts that sets expectations and reduces surprises.

Clear, upfront communication with clients about the account transfer process is essential—especially given how frequently investors in Canada express frustration with delays, lack of transparency, and unexpected outcomes. Providing key information early helps manage expectations, reduce confusion, and build trust, ultimately leading to a smoother, less stressful experience for clients during what is often a complex and opaque process.

Some key information to be communicated to clients is outlined below¹⁷:

1. What You'll Need to Start Your Transfer

Before initiating a transfer, clients should receive a detailed checklist from the receiving firm outlining what is needed. Providing pre-filled examples or templates of forms and documentation checklists can reduce back-and-forth delays. Some of the items to include:

- The specific forms required for different account types (e.g., RRSP, TFSA, LIRA, RESP).
- Any special documentation needed for complex or registered accounts (e.g., locked-in plans, disability savings, educational plans).
- Where to find key account information, such as the account number and delivering institution's details.
- Requirements for Power of Attorney (POA), including how it can expedite the transfer process and what authority it grants.

2. Fees and Charges: What to Expect

Full fee transparency upfront builds trust and reduces frustration later in the process. Clients should be clearly informed about:

- Any transfer, transaction, or administration fees, and whether they'll be borne by the client or reimbursed by the receiving firm.
- Potential costs from liquidating or redeeming certain investments, including early redemption penalties.
- The ongoing management fees if the client is transferring into a managed or advisory account.

3. Product Transfer Restrictions

Provide clients with clarity on:

- Whether any products cannot be transferred in-kind (e.g., proprietary funds, certain GICs or

¹⁷ This non-comprehensive list is a guideline to support firms in educating clients and is not a regulatory requirement.



private investments).

- Why certain securities must be liquidated, and what the consequences might be (e.g., missed returns, penalties).
- The option to perform partial account transfers to preserve eligible holdings while managing illiquid or restricted products.

4. Understanding Financial and Tax Implications

Firms should help clients assess:

- Any products with significant market exposure risk that could be materially affected by transfer delays.
- Possible tax consequences related to liquidating assets that cannot be transferred in-kind, account type changes, or early withdrawals.
- Capital gains or losses triggered during the transfer.
- Specific rules for transferring tax-advantaged accounts like RRSPs, TFSAs, RDSPs, and LIRAs.
- Alternatives to minimize tax exposure or defer taxable events when appropriate.

5. Account Type Differences

Help the client understand how their new account type may differ from what they had at their previous firm. Clarify differences between:

- Advisory or managed accounts (where the firm provides recommendations or discretionary management), and
- Order-execution-only (OEO) accounts, where the client manages all investment decisions independently.

6. Timelines and What to Expect

Set realistic expectations by sharing:

- The typical timeframes for different types of account transfers.
- Common causes of delay, such as incomplete documentation, asset type complexity, or seasonal backlogs.
- Whether the client may temporarily lose access to funds or services during the transfer.
- The market risks or missed opportunities during a blackout window and how best to mitigate them.

7. Interim Period: What Happens While the Transfer is in Progress

Offer a standard communication schedule (e.g., weekly updates or milestone alerts). Keep clients informed on:

- How they can trade or access assets before the transfer completes.
- Whether they'll have continued access to advice or portfolio oversight during this window



including the risk that trading may be paused, and access to their portfolio may be limited for a period.

- How the transfer status will be tracked, and whether real-time updates will be available through the client portal or email notifications.
- Any service interruptions and their expected duration.

8. Treatment of Residual Balances

Provide information on:

- How dividends, interest, and tax credits will be handled if they arrive after the transfer.
- Whether residual sweeps are automatic or require further action from the client.
- How long it takes for a residual transfer to be processed and when the client should follow up.

9. Client Support and Escalation Paths

Provide clear instructions on:

- Whom to contact at your firm for questions, support, or updates.
- How to escalate if issues arise and aren't being addressed.
- The formal complaint process and which regulatory authorities clients can contact (e.g., CRO, OBSI, FCAC, etc.).

Receiving firms that proactively offer this information—ideally during the onboarding or pre-transfer discussion—can help reduce client confusion and prevent some avoidable delays. Consider including a summary brochure or microsite, embedding this in digital onboarding journeys, to educate clients on the entire transfers process with FAQs, timelines, examples, and contact info.