CIRO · OCRI
Canadian Investment Regulatory Organization
Organisme canadien de réglementation des investissements

Annual Report

Fiscal Year 2025

(April 1, 2024 to March 31, 2025)

CIRO · OCRI

The Canadian Investment Regulatory Organization (CIRO) is the pan-Canadian self-regulatory organization that oversees all investment dealers, mutual fund dealers and trading activity on Canada's debt and equity marketplaces. CIRO is committed to the protection of investors, providing efficient and consistent regulation, and building Canadians' trust in financial regulation and the people managing their investments.

For more information, visit ciro.ca.

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Message from the Chair

On behalf of the Board, I am delighted to present the 2025 Annual Report of the Canadian Investment Regulatory Organization (CIRO). This past year has been a significant milestone in our journey to establish a stronger, more unified regulatory framework for Canada's investment industry. CIRO continues to progress towards its vision of being an agile and trusted regulator.

A notable example of this agility is the delegation of registration duties, which helped to reduce the burden on registrants. CIRO had initially set a goal of streamlining the registration process over the course of its three-year Strategic Plan. However, in the autumn of 2024, when the Canadian Securities Administrators (CSA) offered the opportunity to expedite the delegation of remaining registration responsibilities for investment and mutual fund dealers and their registered persons to CIRO, the team responded swiftly. They allocated the necessary resources to deliver a more efficient registration framework.

As a result of this collaboration, nine jurisdictions (Alberta, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and the Yukon) delegated registration powers to CIRO on April 1, 2025. Québec followed on July 1, and the remaining jurisdictions will follow suit in the coming year.

In addition to completing all of its 2025 Public Priorities, CIRO made significant progress in delivering on its Strategic Plan. They were able to close out the integration cost recovery two years ahead of schedule. The Board recognizes the exceptional contributions of all employees towards the realization of these milestones. This momentum and ambition continue with the 2026 Annual Priorities, which were published in April.

We also have some notable changes to the Board of Directors. Firstly, it is a privilege to be entrusted with the responsibility to serve as Chair of the Board following the departure of Tim Hodgson. Tim served as the inaugural Chair of CIRO's Board until March 2025 when he left to pursue elected office. On behalf of CIRO, I want to thank Tim for his engaged stewardship and extend our deepest gratitude as he continues to serve Canadians.

Earlier this year, Patricia Callon and Luc Fortin stepped down from the Board. On behalf of CIRO, I want to thank and acknowledge them for their many years of dedicated service to CIRO and its legacy organizations.

With every ending, a new beginning emerges, and we are delighted to welcome two new Board Members: Rhonda Goldberg and Kevin Kennedy. Rhonda, elected in September 2024, brings a wealth of knowledge in the securities regulatory environment and the asset and wealth management industries. She currently serves as General Counsel and a member of the IGM Financial Inc. executive team, and also serves on the board of Wealthsimple. Kevin, appointed in December 2024, has over 35 years of capital markets experience, currently serving as Executive Vice-President and Head of North American Markets at Nasdaq. CIRO has already benefited from their wise counsel.

As a self-regulatory organization operating in the public interest, CIRO collaborates closely with the industries it regulates, the markets it oversees, its CSA colleagues, and most importantly, the Canadians whose financial futures we protect.

The continued involvement of industry participants, through advisory committees, regional councils, roundtables, working groups, and other events aimed at fostering two-way communication and collaborative problem-solving, is instrumental in CIRO's success. Similarly, CIRO employees work closely with the CSA to ensure that its approach to regulatory evolution avoids unnecessary burden while protecting investors and Canada's capital markets.

We deeply value this shared responsibility to safeguard investors and foster healthy capital markets. Our collective efforts are more critical than ever as investors navigate an increasingly complex financial landscape.

CIRO remains committed to being a part of the solution, and this is what makes it a Canadian institution of which to be proud.

But CIRO's real strength lies in its people—the over 600 professionals across Canada whose expertise and dedication enable us to meet today's challenges while anticipating tomorrow's opportunities. On behalf of the Board, I extend our deepest appreciation to our CEO, Andrew Kriegler, the Executive Team and all staff members for their unwavering commitment to CIRO's vision.

As we look to the future, our focus remains clear: to serve Canadians by safeguarding investor interests and promoting confidence in the investment sector. We do so with humility, accountability and a firm belief in the importance of public trust.

Thank you for your continued confidence and support.

Miranda Hubbs
Chair, Board of Directors

Message from the President and CEO

A lot has changed in Canada since our last annual report.

Geopolitical risks are more pronounced. Economic threats from abroad have highlighted the need for us to improve both the efficiency and effectiveness of Canada's economy. While there is an understandable focus on reducing barriers to interprovincial trade in goods, our corner of financial services regulation needs improvements in efficiency and effectiveness as well.

This is precisely what CIRO was created to do, and in the current environment, it's clear that doing our job properly is more important than ever.

Delivering on Projects and Priorities

CIRO is now in the second year of our three-year Strategic Plan. The Plan set out ambitious goals to realize the promise of the merger of our predecessors and to improve the efficiency of the regulatory model for the benefit of investors, our member firms and the financial system.

Last year's priorities flowed from the Strategic Plan and addressed three key themes: Integration, Regulatory Delivery and Operations, and advancing specific strategic objectives. I am delighted to report that last year we were able to deliver on all 28 of our Annual Public Priorities. The priorities (which you can read more about in the Progress on Priorities section of this report) touched on virtually every aspect of what CIRO does in one way or another—from market and member regulation to support functions and key achievements in the regional offices. I am grateful to the entire CIRO team for their contributions.

A single rule book for all investment and mutual fund dealers was one of our most important deliverables coming out of the amalgamation of our predecessors. Since our last report, we issued Phases 3, 4 and 5 of the consultations, completing the drafting phase. In the year ahead, we will complete the Rulebook and republish it in its entirety for a final consultation.

This year, another of our multi-year initiatives came to life in the Proficiency Project for Investment Dealers. The implementation phase of this project began with the publication of rule amendments for the new assessment-based model, and the selection of Fitch Learning as our service provider for exam design and delivery. There is a dedicated Proficiency page and newsletter to keep members apprised of exam-related materials as they become available between now and the launch on January 1, 2026.

Protecting Investors

As part of its 2025 Budget, the Ontario government took steps to strengthen CIRO's investigation and enforcement tools, empowering CIRO to compel evidence in investigations and disciplinary hearings and will provide CIRO staff with immunity for good-faith actions.

Ontario is the seventh province to give CIRO the full enforcement tool kit (the powers above together with fine enforcement), joining Alberta, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island and Québec.

On behalf of CIRO, I want to thank the Ontario government and the Ontario Securities Commission (OSC) for enabling us to provide stronger protection to investors.

Change and Opportunity

This year also came with significant changes to our Executive Leadership Team. Victoria Pinnington, Senior Vice-President, Market Regulation, retired in December 2024. On April 1, 2024, Kevin McCoy was appointed Senior Vice-President, Market Regulation and we have been delighted by his presence on our executive team.

Laura McNeil, our Chief Financial Officer, announced her intention to depart the organization in mid–2025. Nicholas Hrebicek joined CIRO effective July 30, 2025 as our new CFO.

Karen McGuinness also announced her intention to leave the organization to pursue new opportunities. As one of the original employees of the MFDA, Karen held progressively senior roles eventually becoming CEO. At CIRO, she held responsibility for an impressively varied portfolio which has been redistributed to our existing Executives.

Thank you all for your years of service and your generosity as leaders. You will be missed but will always be part of the CIRO family.

We also have a new Board Chair in Miranda Hubbs, who has served on the Board since January 2023. Miranda's leadership ability and extensive governance experience will be very important to CIRO during the challenging years to come, and we are looking forward to working with her. I wish to extend my sincere thanks and best wishes to our former Chair, Tim Hodgson, who resigned from the CIRO Board in March to pursue elected office.

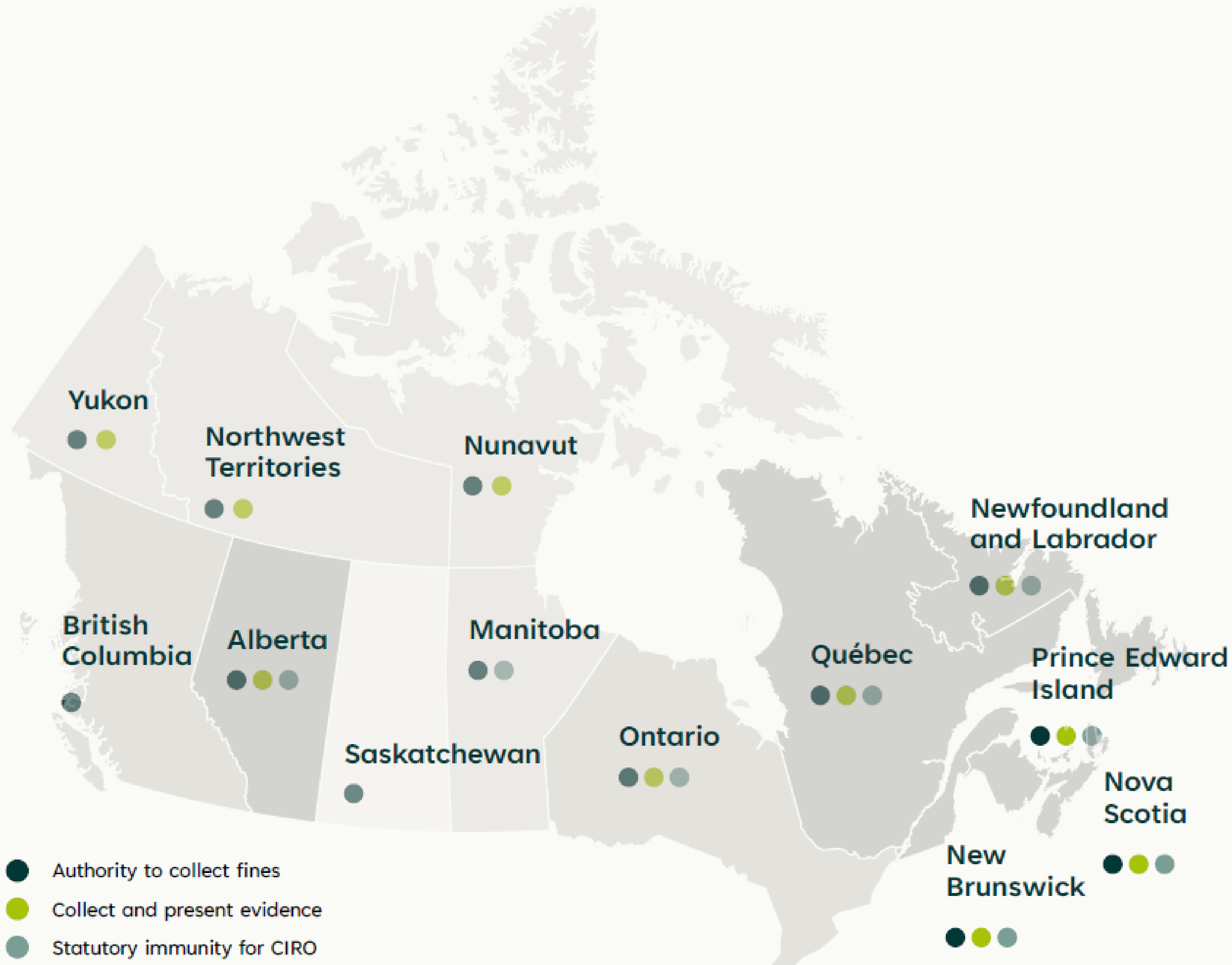
As our Annual Priorities for 2026 attest, we have big things planned. Whether pursuing a harmonized approach to incorporated advisors or finding ways to facilitate access to online advice for advised, managed and order execution only accounts, the projects we are working on will help future-proof the Canadian financial industry, foster productivity and support innovation — come what may. In fact, with key objectives like the delegation of registration functions already coming into force in jurisdictions across the country, we're seeing early signs of how impactful harmonization is for the industry.

With the continued support of our members and stakeholders, the CIRO Board and our employees, I am confident that we're on the right path.

Andrew J. Kriegler
President and CEO

Legal Authority Map

Since 2017, every province and territory has taken action to enhance CIRO's enforcement powers. CIRO now has fine collection authority across the country.



Yukon

November 2018: collect fines and collect/present evidence

Northwest Territories

November 2018: collect fines and collect/present evidence

Nunavut

November 2018: collect fines and collect/present evidence

British Columbia

May 2018: collect fines

Alberta

June 2000: collect fines

June 2017: collect/present evidence and statutory immunity

Saskatchewan

May 2019: collect fines

Manitoba

June 2018: collect fines and statutory immunity

Ontario

May 2017: collect fines

June 2025: collect/present evidence and statutory immunity

Québec

June 2013: collect fines

June 2018: collect/present evidence and statutory immunity

New Brunswick

December 2019: collect fines, collect/present evidence and statutory immunity

Nova Scotia

October 2018: collect fines, collect/present evidence and statutory immunity

Prince Edward Island

January 2017: collect fines

December 2018: collect/present evidence and statutory immunity

Newfoundland and Labrador

November 2021: collect fines, collect/present evidence and statutory immunity

Executive Leadership Team

Andrew J. Kriegler

President and CEO

Ian Campbell

Chief Technology Officer

Jennifer Armstrong

General Counsel and Corporate Secretary

Richard Korble

Vice-President, Western Canada

Claudyne Bienvenu

Senior Vice-President, Québec and Atlantic Canada

Kevin McCoy

Senior Vice-President, Market Regulation

Karen McGuinness

Senior Vice-President, Finance, Investor and Member Relations

Georgina Whitehead

Chief Human Resources Officer

Laura McNeil

Chief Financial Officer

Alexandra Williams

Senior Vice-President, Strategy, Innovation and Stakeholder Protection

Elsa Renzella

Senior Vice-President, Member Compliance and Registration

Nicholas Hrebicek

Chief Financial Officer

Industry Statistics

(As of March 31, 2025)

Markets

CIRO regulates equity trading activity on six stock exchanges:

- Toronto Stock Exchange (TSX)
- TSX Venture Exchange (TSXV)
- Alpha Exchange (Alpha)****
- Canadian Securities Exchange (CSE)*
- CBOE Canada Inc. (NEO)**
- Nasdaq CXC Limited (Nasdaq Canada)***

*Canadian Securities Exchange operates two separate trading books - CSE and CSE2.
**CBOE Canada Inc. operates the following separate trading books: NEO-L, NEO-N and NEO-D, MatchNow and a Crossing Facility.
***Nasdaq Canada operates three separate trading books - Nasdaq CXC (CXC), Nasdaq CX2 (CX2) and Nasdaq CXD (CXD).
****Alpha Exchange operates three separate trading books - Alpha, Alpha-X and Alpha DRK.

A **stock exchange** is a marketplace that brings together buyers and sellers of securities. It operates using established rules to ensure fairness and efficiency when securities are bought or sold.

Stock exchanges may also perform regulatory functions, such as listing securities and regulating issuers (public companies), market making (which means guaranteeing a two-sided market) and regulating member conduct through setting and enforcing requirements.

The CSA recognizes or exempts stock exchanges. Although CIRO acts as the regulation service provider for all exchanges operating in Canada (with the exception of the MX), exchanges can self-regulate, subject to regulatory approval.

Alternative Trading Systems, or ATSs, were introduced to promote innovation and enhance investor choice. CIRO regulates trading activity on four equity Alternative Trading Systems:

- Omega ATS (Omega)
- Lynx ATS (Lynx)
- Liquidnet Canada Inc. (Liquidnet)
- Instinet Canada Cross Limited (ICX)

Like other exchanges, an alternative trading system is a marketplace that brings together the orders of multiple buyers and sellers of securities and uses established, non-discretionary methods under which the orders interact with each other.

But ATSs are different than a stock exchange. They cannot perform regulatory functions and therefore cannot list securities, provide market making (where a two-sided market is guaranteed) or regulate subscriber conduct as they are required to use an SRO (Self-Regulatory Organization).

ATSs are registered as an investment dealer by the CSA, and CIRO acts as a regulation service provider for all ATSs operating in Canada.

CIRO also regulates **Crypto Asset Trading Platforms**, or CTPs. CIRO regulates two crypto marketplaces and five crypto dealer platforms:

- Crypto marketplace platforms
  - Coinsquare Capital Markets (Coinsquare Pro)
  - NDAX Canada Inc. (NDAX)
- Crypto dealer platforms (RFQ)
  - Coinsquare Capital Markets (Coinsquare Trade)
  - NDAX Canada Inc.
  - Shakepay Inc.
  - Wealthsimple Investments Inc.
  - Fidelity Clearing Canada ULC

A crypto marketplace platform:

- constitutes, maintains or provides a market or facility for bringing together multiple buyers and sellers or parties to trade in security tokens and/or crypto contracts;
- brings together orders of security tokens and/or crypto contracts of multiple buyers and sellers or parties of the contracts; and
- uses established, non-discretionary methods under which orders for security tokens and/or crypto contracts interact with each other and the buyers and sellers or parties entering the orders agree to the terms of a trade.

A crypto dealer platform is a dealer that:

- facilitates the primary distribution of security tokens and
- is the counterparty to each trade in security tokens and/or crypto contracts, and client orders do not otherwise interact with one another on the CTP.

CTPs that are dealer platforms may also be engaged in other activities or perform other functions that marketplaces typically do not undertake. These include, but are not limited to

- onboarding of retail clients onto the CTP,
- acting as agent for clients for trades in security tokens or crypto contracts and
- offering custody of assets, either directly or through a third-party provider.

Canada's Equity Marketplaces (Where Trading Took Place in 2024–2025 by Share Volume)

	TSX-Listed Percentage	TSXV-Listed Percentage	CSE-Listed Percentage	CBOE-Listed Percentage
Toronto Stock Exchange (TSX)	52.04%	0.00%	0.00%	0.29%
TSX Venture Exchange (TSXV)	0.00%	55.86%	0.00%	0.00%
Canadian Securities Exchange (CSE)	1.43%	1.14%	69.92%	0.18%
Liquidnet Canada Inc. (Liquidnet)	0.13%	0.01%	0.00%	0.00%
MATCHNow	4.58%	1.82%	1.22%	2.95%
Omega ATS (Omega)	4.73%	11.09%	8.73%	6.56%
Nasdaq CXC (CXC)	15.14%	2.75%	1.76%	10.04%
Alpha Exchange (Alpha)	4.66%	7.18%	0.00%	0.00%
Instinet Canada Cross Limited (ICX)	0.08%	0.02%	0.00%	0.00%
Nasdaq CX2 (CX2)	3.77%	10.43%	9.87%	7.62%
Lynx ATS (Lynx)	0.24%	0.03%	0.01%	0.10%
NEO-N	1.89%	2.73%	3.30%	4.72%
NEO-L	8.15%	4.80%	3.86%	66.73%
Nasdaq CXD (CXD)	2.69%	0.94%	0.47%	0.69%
NEO-D	0.14%	0.05%	0.02%	0.10%
CSE2	0.22%	1.12%	0.85%	0.02%
Alpha-X	0.11%	0.02%	0.00%	0.00%
Alpha DRK	0.00%	0.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Trading Activity on the Equity Marketplaces Regulated by CIRO

Activity on the Equity Marketplaces Whose Trading Activity is Regulated by CIRO	For 2024–2025
Trades (Number of transactions – Millions)	544
Volume (Total shares traded – Billions)	264
Value (Of shares traded $ Billions)	$5,387

Actuals	For 2024–2025
Trades	543,743,544
Volume	264,088,688,580
Value	$5,386,944,077,034

Members

The total number of CIRO Dealer Member firms as at March 31, 2025, was 245, which included the following:

Categories of CIRO Members	Number
Investment Dealers	156
Mutual Fund Dealers	80
Dual-Registered Dealers	9
Total	**245**

As at March 31, 2025, there were also 17 "deemed members" (i.e. mutual fund dealers registered only in Québec). Note that activities of mutual fund dealers carried out in Québec by mutual fund dealers registered in Québec are subject to the provisions of Regulation 31–103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations, c. V–1.1, r.10 and the applicable laws of Québec. The tables on CIRO Members exclude data from these deemed members.

Individuals and Firms Regulated by CIRO (Mutual Fund Dealers) — by Jurisdiction

Province	Approved Persons	Branch Offices	Head Offices
Alberta	7,615	1,649	6
British Columbia	10,334	2,006	6
Manitoba	2,089	453	2
New Brunswick	1,152	343	
Newfoundland and Labrador	740	201	
Nova Scotia	1,534	402	
Northwest Territories	43	15	
Nunavut	11	5	
Ontario	30,612	6,147	54
Prince Edward Island	205	61	
Québec	18,617	3,161	9*
Saskatchewan	2,055	560	3
Yukon	64	15	
United States of America	90		
Other	24		
Total	**75,185**	**15,018**	**80**

*Does not include number of Approved Persons or Branch Offices of Mutual Fund Dealers who remain subject to Regulation 31–103.

Individuals and Firms Regulated by CIRO (Investment Dealers) — by Jurisdiction

Province	Approved Persons	Branch Offices	Head Offices
Alberta	3,717	1,276	13
British Columbia	5,202	1,536	9
Manitoba	699	271	2
New Brunswick	375	134	1
Newfoundland and Labrador	135	55	
Nova Scotia	612	193	
Northwest Territories	1	3	
Nunavut	0	0	
Ontario	16,155	3,519	110
Prince Edward Island	71	35	
Québec	6,162	811	23
Saskatchewan	719	361	
Yukon	9	6	
United States of America	418	7	6
Other	58	0	1
Total	**34,333**	**8,207**	**165**

Member Firms by Revenue

	Mutual Fund Dealers # of Firms	Investment Dealers (Included Dual-Registered Dealers)	Total % of Firms
Greater than $1 billion	3	10	5%
Greater than $100 million and less than $1 billion	14	29	17%
Greater than $10 million and less than $100 million	20	55	30%
Greater than $5 million and less than $10 million	6	20	10%
Less than $5 million	38	58	38%
Total	**81**	**172**	**100%**

Member Firms by Number of Approved Persons

	Mutual Fund Dealers # of Firms	Investment Dealers	Dual-Registered Firms	Total % of Firms
Over 1,000	14	10	3	11
501 to 1,000	4	2	1	2
101 to 500	11	19	2	13
11 to 100	25	70	3	40
10 or fewer	26	55	0	34
Total	**80**	**156**	**9**	**100**

Enforcement

Enforcement continues to pursue additional enforcement powers to enable us to fulfill our regulatory mandate and protect investors. On May 15, 2025, the Ontario government announced that it would introduce legislative amendments empowering CIRO to compel evidence in investigations and disciplinary hearings and to provide CIRO employees with immunity for good-faith actions, which received Royal Assent on June 5, 2025.

	Number
Completed Enforcement Investigations	176
Completed Total Disciplinary Hearings (Including Settlement Hearings)	57
Completed Disciplinary Hearings (Including Settlement Hearings) — Individual	50
Completed Disciplinary Hearings (Including Settlement Hearings) — Firm	7
Suspensions Issued — Individual	19
Suspensions Issued — Firm	0
Permanent Bars/Terminations Issued — Individual	15
Permanent Bars/Terminations Issued — Firm	1

Please note the amount collected includes the enforcement fines, excluding disgorgement and cost recovered of the total fines assessed in prior periods. It does not include the amounts collected in prior periods for fines assessed in previous years.

Totals	
Total enforcement fines, excluding disgorgement and cost recovery, collected*	$2,959,063.53
Total enforcement fines, excluding disgorgement and cost recovery, assessed	$7,392,523.00
Percentage of total fines assessed that was collected	40%

Individuals	
Enforcement fines, excluding disgorgement and cost recovery, collected*	$559,063.53
Enforcement fines, excluding disgorgement and cost recovery, assessed	$4,992,523.00
Percentage of individual fines assessed that was collected	11%*

Firms	
Enforcement fines, excluding disgorgement and cost recovery, collected*	$2,400,000.00
Enforcement fines, excluding disgorgement and cost recovery, assessed	$2,400,000.00
Percentage of firm fines assessed that was collected	100%

*The percentage rates represent the monetary sanctions collected to date for that fiscal year as some fines are paid in instalments. The rate does not include monetary sanctions imposed for cases that are under appeal. The rate for a given year may increase over time as CIRO continues to collect monetary sanctions after the year in which the sanctions were imposed. CIRO typically collects 100% of the amounts imposed on firms. There are circumstances where firms may not pay, such as insolvency issues or where a suspension is imposed. Firms that do not pay are no longer members of CIRO in good standing. CIRO makes all reasonable efforts to collect any outstanding fines from former individual respondents using the collection powers available in each province. However, successful collection of outstanding fines using these powers depends on several factors including, but not limited to, the availability of assets to collect against an individual respondents' status with respect to any bankruptcy or similar proceedings. CIRO collects all fines levied against individual registrants who remain in the industry.

Progress on Priorities

CIRO's Annual Public Priorities from the 2025 fiscal year marked the first year of CIRO operations guided by our three-year Strategic Plan released in April 2024. We are proud to report that CIRO delivered on all 28 Annual Priorities from last year.

Throughout the year, we remained committed to pursuing activities that fall under three broad themes: the Strategic Objectives as laid out in the Strategic Plan, Including Integration, and Regulatory Delivery and Operations.

Strategic Plan

The Strategic Plan was the product of significant collaboration with members, other stakeholders and with the CSA. Through that collaboration, CIRO was able to identify and target areas for enhancement that would address the needs of Canadian investors and the industry of the future. Many of the objectives laid out in the three-year plan are multi-year initiatives.

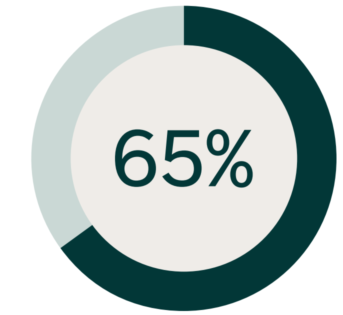
CIRO's Strategic Plan includes six strategic objectives:

- Integration
- Regulatory Evolution
- Access to Advice
- Investor Research, Education and Protection
- Registration and Proficiency
- Market Regulation

Integration

CIRO was formed through the amalgamation of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers' Association of Canada. Consolidation has already delivered efficiencies and holds the potential for more value creation for stakeholders, while delivering on our commitments to priorities as set out by the CSA. While many of our Integration objectives have been satisfied, Integration work will continue over the next few years.

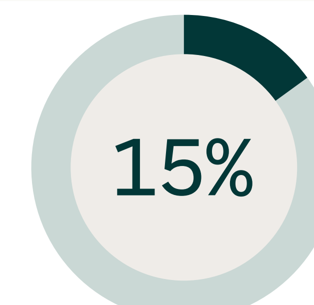
As in previous years, Integration, as a key pillar to CIRO's operational efficiency, was a primary focus for the organization last year, with 65% of our Integration objectives now completed.



Priorities to Advance our Strategic Plan

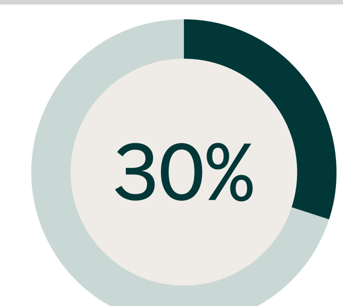
Regulatory Evolution

CIRO supports diverse business models across the country. We aim to ensure that our regulation is proportionate to the risks in the business that is being regulated. The industry is evolving rapidly. Our goal is to be an agile regulator that delivers efficient, cost-effective service that reflects investor, dealer and marketplace needs. To achieve this objective, last year we established public-facing service standards associated with the processing of Member applications and transaction requests. Work is underway to further enhance dealer support, create a dealer member dashboard and improve efficiencies across Member Regulation.



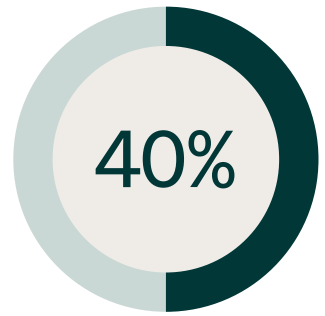
Access to Advice

An important area of focus for CIRO is enabling greater access to advice that can meet the changing needs of investors today and in the future. To enable greater access to regulated advice, last year we began evaluating whether CIRO investment dealers offering order execution only account services (OEO Dealers) could provide non-tailored advice to meet the needs of DIY investors. Our objective is to enhance investor protection by ensuring access to high-quality information from verified sources and allowing the use of tools designed to help investors make informed decisions.



Investor Research, Education and Protection

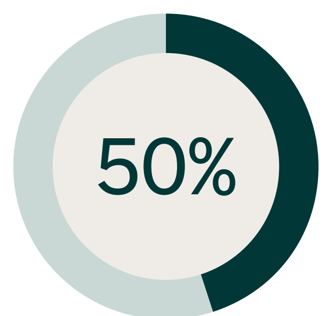
CIRO's mandate includes protecting investors. To do that effectively, we aim to enhance our understanding of the changing needs of Canadian investors, build a robust pan-Canadian approach to investor education, develop ways to assist harmed investors and stay apprised of emerging trends impacting the industry. To advance these objectives, CIRO launched its first Investor Survey, began a three-year awareness campaign and conducted a survey of members on the scope and use of technology and third-party services. Through work with the CSA, CIRO developed a framework to return disgorged funds to investors and to develop a regulatory framework for crypto asset platforms. Both of these initiatives continue in our 2026 Annual Priorities as we move forward with our proposal for returning disgorged funds to harmed investors and continuing to review the existing requirements for the custody and segregation of crypto assets held by CIRO members who are CTPs.



Registration and Proficiency

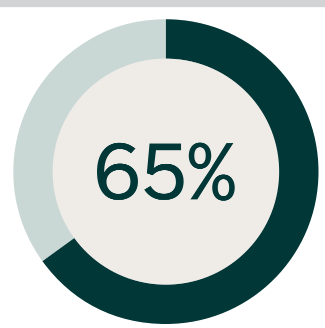
Our strategic objective is to modernize the registration regime and proficiency standards of registrants. Over the last year, CIRO has been working with the CSA to expand the registration functions that are delegated to CIRO to enable a consistent and harmonized approach for all registrants across Canada. On April 1, the securities regulatory authorities of Alberta, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and the Yukon, delegated certain registration functions and powers to CIRO, establishing a consistent and harmonized approach to registration processes for CIRO members in named jurisdictions.

In the last year, CIRO introduced a new assessment-centred approach to Proficiency for all Investment Dealer Approved Persons, with full implementation beginning January 1, 2026.



Market Regulation

CIRO is committed to providing effective and appropriate market regulation that fosters fair and efficient capital markets and further builds confidence in Canada's capital markets. Last year, we expanded cross-asset surveillance capabilities to review and monitor interest rate derivatives and introduced monitoring for potential CORRA manipulation. The Market Regulation team finalized changes to UMIR that support and clarify the current short selling framework, proposed mandatory close-out requirements, expanded the requirement to have a reasonable expectation to settle and proposed amendments to accommodate the unique characteristics of ETFs.



Regulatory Delivery and Operations

CIRO is committed to continuous delivery of effective regulation in our day-to-day operations. Last year, priorities related to our day-to-day operations included the following:

- Completing the CFR Phase 2 Sweep testing and reviewing the results with the CSA to initiate work on a joint report.
- Addressing public comments on the proposed fully paid lending and financing arrangement rule amendments and making necessary adjustments.
- Completing Phase 1 of a Public Analytics Data Portal (access to aggregate trading information).
- Issuing a biennial survey to all members to obtain feedback on CIRO's effectiveness.
- Developing surveillance tools to review Over-the-Counter (OTC) trading activity of crypto assets.
- Updating the cybersecurity self-assessment checklist.

For CIRO's 2026 Annual Priorities, please visit CIRO's 2026 Annual Priorities.

Governance Report

Governance Overview

The Canadian Investment Regulatory Organization (CIRO) operates under a governance framework established by the Canadian Securities Administrators' (CSA) Recognition Orders. These orders mandate that CIRO's governance structure ensures fair, meaningful and diverse representation on its Board of Directors and its Board Committees. CIRO's governance framework facilitates effective oversight and strategic direction, supporting the organization's mission to promote healthy capital markets by regulating fairly and effectively so that investors feel protected and confident investing for their futures.

Board Committee Mandates

The Board has established four standing committees: the Governance Committee; the Finance, Audit and Risk Committee; the Human Resources and Pension Committee; and the Appointments Committee. All committees have a majority of Independent Members, with the Governance Committee composed entirely of Independent Directors.

Governance Committee

The Governance Committee is charged with:

- Reviewing the governance policies, principles and practices of CIRO and making recommendations with respect to governance practices;
- Managing and overseeing the process for nominating new Directors to the Board with a view to ensuring that the Board reflects the national character of CIRO and draws upon the diversity and expertise of its members;
- Managing and overseeing the process for evaluating the overall performance of the Board and its Committees on an annual basis;
- Ensuring that there is an effective process in place for the identification and management of real, potential or perceived conflicts of interest;
- Appointing individuals to the CIRO Investor Advisory Panel; and
- Planning for Board succession.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is charged with assisting the Board in its oversight of:

- The integrity of CIRO's accounting and financial reporting processes;
- The qualifications, independence and performance of CIRO's external and internal auditors;
- CIRO's processes relating to its internal control systems and security of information;
- CIRO's policies and processes for risk management.

Human Resources and Pension Committee

The Human Resources and Pension Committee is charged with:

- Ensuring that CIRO attracts and retains personnel with the appropriate status and experience to achieve its corporate objectives;
- Ensuring that CIRO attracts and retains a workforce that will enhance the professionalism and effectiveness of the organization;
- Ensuring that CIRO has a CEO succession plan; and
- Assisting the Board in its oversight of CIRO's human resources policies and procedures, benefits and pension plans, organizational performance metrics and with ensuring regulatory compliance thereof.

Appointments Committee

The Appointments Committee is charged with:

- Appointing public and industry members to the District Hearing Committees;
- If applicable, removing individual members from the District Hearing Committees;
- Overseeing CIRO's processes associated with such appointments and removals.

Board of Directors

CIRO's governance is guided by its Board of Directors, which is responsible for the organization's strategic direction and oversight of management. The Board comprises 15 members, including the Chief Executive Officer, six Industry Directors and eight Independent Directors. This composition is designed to provide a broad range of expertise to CIRO's Board, representing various member business models, geographic regions and the public interest.

Director Compensation

Industry Directors are not compensated for participation on the CIRO Board or its Committees. CIRO compensates Independent Directors in accordance with the following framework:

- Independent Directors receive a $100,000 annual retainer for attendance at Board and Committee meetings.
- Independent Directors who serve as Chair of the Board or Committee Chairs will receive an additional annual retainer.
- An additional $80,000 per annum retainer for the Chair of the Board.
- An additional $15,000 per annum retainer for a Committee Chair position with the exception of the Appointments Committee Chair, which is not subject to additional compensation.

Board Members

Tim Hodgson (Chair, Independent)
Corporate Director*

Andrew J. Kriegler
President and CEO

Miranda Hubbs (Chair, Independent)
Corporate Director*

Independent Directors

Kathryn Chisholm
Corporate Director

Jennifer Newman
Chief Operating Officer, Mastercard Foundation Asset Management

Miranda Hubbs
Corporate Director*

Laura Tamblyn Watts
CEO, CanAge

Louis Marcotte
Chief Financial Officer, Intact Financial Corporation

Janet Woodruff
Corporate Director

Philip Mayers
Corporate Director

Industry Directors

Patricia Callon
Senior Vice-President and General Counsel, Sun Life‡

Rhonda Goldberg
Executive Vice-President and General Counsel, IGM Financial Inc.

Debra Doucette
Chair, Odlum Brown

Kevin Kennedy
Executive Vice-President and Head of North American Market Services, Nasdaq

Luc Fortin
President and Chief Executive Officer of the Montréal Exchange (MX) and Global Head of Trading, TMX Group†

Michelle Khalili
Managing Director and Head, Global Equity Capital Markets, Scotiabank

Robert Frances
Founder, Chairman and Chief Executive Office, Peak Financial Group

Timothy Mills
Senior Vice-President, Treasury Market and Liquidity Risk Management, CIBC

*Tim Hodgson resigned as Chair of the Board on March 25, 2025 to pursue elected office; Miranda Hubbs was appointed Interim Chair of the Board on the same day and subsequently Chair of the Board on March 26, 2025.
†Luc Fortin retired December 2024.
‡Patricia Callon retired September 2024

Meetings of the Board and Board Committees & Total Compensation

April 1, 2024, to March 31, 2025

A total of six Board meetings were held during the fiscal year ending March 31, 2025. Below is a breakdown of attendance at all governance meetings, where the denominator represents the total number of possible meetings this year.

Director	Board of Directors	Finance & Audit	Governance Committee	Human Resources & Pension	Regulatory Rules Brief	Appointments Committee	Total Compensation*
Patricia Callon	2/2	4/4			2/2		
Kathryn Chisholm*	6/6		7/7	8/8	4/4	1/1	$114,227.90
Debra Doucette	6/6			6/8	4/4	0/1	
Luc Fortin	2/3	3/5			3/3		
Robert Frances	6/6			8/8	4/4	1/1	
Rhonda Goldberg	4/4	3/4			2/2		
Tim Hodgson*	5/5	8/8	6/6	7/7	4/4	1/1	$187,565.50
Miranda Hubbs*	5/6	2/2	7/7	6/7	4/4	1/1	$121,298.14
Kevin Kennedy	3/3	3/3			1/1		
Michelle Khalili	6/6			8/8	4/4		
Andrew J. Kriegler	6/6	8/8	7/7	8/8	4/4	1/1	
Louis Marcotte*	6/6	7/8	2/2	6/6	4/4		$106,005.58
Philip Mayers*	6/6	8/8		8/8	4/4		$121,493.82
Tim Mills	6/6	8/8			4/4		
Jennifer Newman*	6/6	8/8	7/7		4/4		$105,812.76
Laura Tamblyn Watts *	6/6		7/7	2/2	4/4	1/1	$106,005.58
Janet Woodruff*	6/6		4/4	5/5	4/4	1/1	$113,085.62

*Only Independent Directors are compensated by CIRO.

Summary Information about Our Board

Name	Years on Board*	Finance, Audit and Risk Management	Governance	Human Resources	Innovation, Technology, Data and Security	Legal and Compliance	Marketing and Communications	Regulatory, Public Policy and External Relations	Strategic Planning	Consumer Advocacy / Protection**
Patricia Callon	9	X	X	X		X		X		
Kathryn Chisholm	2		X	X		X		X	X	
Debra Doucette	2	X	X	X				X	X	
Luc Fortin	6	X	X	X	X			X		
Robert Frances	2			X	X		X	X	X	
Tim Hodgson	2	X	X	X	X				X	
Miranda Hubbs	2	X	X	X	X				X	
Rhonda Goldberg	1	X	X			X		X	X	
Kevin Kennedy	1	X	X	X				X	X	
Michelle Khalili	2	X	X	X	X				X	
Andrew J. Kriegler	11	X		X	X			X	X	
Louis Marcotte	2	X	X		X			X	X	
Philip Mayers	2	X	X	X	X				X	
Timothy Mills	6	X	X		X			X	X	
Jennifer Newman	5	X	X		X	X			X	
Laura Tamblyn Watts	5		X				X	X	X	X
Janet Woodruff	10	X	X	X	X				X	

*Years on Board includes periods served as either an appointed or elected Director and includes time served on the Boards of CIRO's predecessor organizations, IIROC and the MFDA.

**This competency is applicable only to Independent Directors.

Glossary

Finance, Audit and Risk Management experience allows the Board and relevant Committees to meet their oversight responsibilities, as well as contribute to the audit and reporting oversight of CIRO.

Governance competency involves understanding of the corporate governance trends and best practices, often involves previous or concurrent Board of Director experience and professional designations, such as the ICD.D or similar.

Human Resources expertise is critical to building an engaged employee culture at CIRO, in navigating change and the management of compensation-related risks.

Innovation, Technology, Data and Security experience among our Board enhances business operations, products, services, solutions and security at CIRO and within the policy proposals, including oversight of data privacy and data management and cybersecurity.

Legal and Compliance expertise is key to CIRO's regulatory mandate and to understanding the internal controls required while reviewing current and potential risks an organization faces.

Marketing and Communications experience supports CIRO in the execution of internal and external communication activities, including brand awareness, employee engagement and growth.

Regulatory, Public Policy and External Relations experience is a core competency for the CIRO Board as the organization navigates complexities in the regulatory environment.

Strategic Planning is critical for CIRO as a newly amalgamated organization with a pan-Canadian mandate. It involves expertise in leadership, management of organizational planning and defining strategy or direction.

Consumer Advocacy / Investor Protection is critical to CIRO's mandate and commitment to protecting investors through advocacy, education, research and policy.

Directors' Biographies

Independent Directors

Miranda Hubbs

First Appointed: January 2023
Location: Ontario

CIRO Committees:
Board Chair ex-Officio all Committees

Other Boards:
- Imperial Oil (IOL-TSX, NYSE)
- Nutrien (NTR-TSX, NYSE)
- PSP Investments
- Canadian Red Cross (Chair)

Reasons for Nomination to Our Board
Ms. Hubbs has extensive governance experience in some of Canada's largest public companies, Crown corporations and not-for-profits. Additionally, she brings a capital markets perspective from both buy-side and sell-side experience, as well as mergers and acquisitions (M&A), and integration. She is a CFA charterholder, a graduate of the NYU-Nasdaq Center for Board Excellence Cyber Scholar Program, and holds the CERT Certificate in Cybersecurity Oversight from the Software Engineering Institute of Carnegie Mellon University.

Additional Leadership Experience and Service
Former board member of Agrium (AGU-TSX, NYSE) and Spectra Energy (SE-NYSE), ICD (Institute of Corporate Directors) Climate Strategy Advisory Board, ICD Sustainability and Resilience Course Academic Advisor, Global Risk Institute Sustainable Finance Advisory Committee.
- Brendan Wood International TopGun Award Top50 Portfolio Manager Canada (2010)
- Brendan Wood International TopGun Investment Mind Oil and Gas Canada (2011)
- King Charles III Coronation Medal

Career Highlights:
McLean Budden Ltd | 2002–2011
- Executive Vice President and Managing Director
- Portfolio Manager (Canadian Growth, US Core, Global Core)

HSBC Securities (Gordon Capital prior to Merger) | 1994–2000
- Partner, Investment Banking
- Research Analyst

Tim Hodgson

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- Board Chair ex-Officio all Committees

Other Boards:
- Hydro One (H-TSX) (Chair)
- Ontario Teachers' Pension Plan
- Property and Casualty Insurance Compensation Corporation

Reasons for Nomination to Our Board:
Mr. Hodgson is a seasoned executive and public company chair with deep capital markets experience. He is also deeply committed to public service and has worked in various roles to safeguard the integrity of the financial system. Hodgson is a Fellow Chartered Professional Accountant and holds an ICD designation.

Additional Leadership Experience and Service:
- Former board member of Dialogue Health Technologies (CARE-TSX), MEG Energy (MEG-TSX), PSP Investments, Sagicor Financial Corporation, Sagicor Group Jamaica, Alignvest Acquisition Corporation, Alignvest Acquisition II Corporation, Global Risk Institute, KGS-Alpha Capital Markets, Next Canada, The Ivey School of Business, Bridgepoint Health, Global Risk Institute Sustainable Finance Advisory Committee
- Fellow of Institute of Chartered Professional Accountants (CPAs).

Career Highlights:
Bank of Canada | 2010–2012
- Special Advisor to Mark Carney, Governor of Bank of Canada

Goldman Sachs | 1990–2010
- Chief Executive Officer
- Managing Director

Investment Banking in New York City, London, Silicon Valley, Toronto

Kathryn Chisholm

First Appointed: January 2023
Location: Alberta

CIRO Committees:
- Appointments
- Governance
- HR&P, Chair

Other Boards:
- University of Alberta Board of Governors (Chair)
- Alberta Cancer Foundation
- Emissions Reduction Alberta
- Palix Foundation

Reasons for Nomination to Our Board:
Ms. Chisholm is a retired energy executive with experience that spans strategic planning, sustainability, legal and regulatory, investor and government relations, market forecasting and analytics, media and communications, internal audit, ethics and compliance and stakeholder engagement. She holds an LL.B, MBA, and ICD.D designation.

Additional Leadership Experience and Service:
- Former Member of Alberta Securities Commission as Lead Independent Director
- Women's Executive Network Canada's Most Powerful Women: Top 100 Hall of Fame Canadian
- Corporate Counsel Association "Robert V.A. Jones" Lifetime Achievement Award.

Career Highlights:
Capital Power | 2009–2023
- Senior Vice President, Chief Legal, Strategy and Sustainability Officer

Louis Marcotte

First Appointed: January 2023
Location: Québec

CIRO Committees:
- Governance
- FAR

Other Boards:
- RSA Insurance Group Limited (UK regulated)
- Royal & Sun Alliance Insurance Limited (UK regulated)
- RSA Luxembourg SA (regulated)
- Cartan Trade (France)
- Financial Executive International Canada (Québec Chapter)

Reasons for Nomination to Our Board:
As a prior Chief Financial Officer of a large Canadian regulated publicly listed insurance company, Mr. Marcotte brings significant financial management acumen to the Board, including M&A, systems implementation, public reporting, tax and corporate governance. Additionally, his global experience with regulated environments and his appointment as board member of foreign subsidiaries brings an important lens to CIRO's business. He holds an FCPA designation and completed an Executive MBA in financial services.

Additional Leadership Experience and Service:
- Fellow of Québec Order of CPAs
- Leadership role in Canada's Sustainable Finance Action Council
- Board member of Governor and Finance Montréal (until 2025)

Career Highlights:
Intact Financial | 2006–Present
- Vice-Chair and Managing Director, RSAL
- Executive Vice-President and Chief Financial Officer
- Senior Vice-President of Strategic Distribution
- Treasurer

Philip Mayers

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- Chair of FAR
- HR&P

Other Boards:
- Sagen MI Canada

Reasons for Nomination to Our Board:
Mr. Mayers has 30 years of finance and general management experience in regulated financial services and other businesses. His leadership skills in this area help support the CIRO Board's oversight role. He holds CPA, CA and CMA designations.

Additional Leadership Experience and Service:
- Youth Mentor in Jane-Finch Community (Toronto) with Seeds of Hope.
- Founding sponsor of the University of Waterloo School of Accounting and Finance's Financial Literacy Competition.
- Top Gun CFO (2019) based on Brendan Wood International Shareholder Confidence survey of public company CFOs.

Career Highlights:
Sagen MI Canada | 2009–2023
- Senior Vice President and Chief Financial Officer

Mortgage Insurance Company of Canada
Esso Petroleum Canada
Deloitte & Touche

Jennifer Newman

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- Appointments, Chair
- FAR
- Governance, Chair

Reasons for Nomination to Our Board:
Ms. Newman is a CPA and has extensive experience in finance, technology, project, risk and change management. She also brings valuable institutional knowledge having Chaired the FAR Committee of the Investment Industry Regulatory Organization of Canada (IIROC) board, one of CIRO's predecessors. She holds an ICD.D. designation.

Additional Leadership Experience and Service:
- Former IIROC board member

Career Highlights:
Mastercard Foundation Asset Management (MFAM) | 2022–Present
- Chief Operating Officer
- Special Advisor to the Investment Committee of Mastercard Foundation

Ontario Teachers' Pension Plan | 2009–2021
- Senior Managing Director, Operations and Technology Delivery
- Senior Managing Director, Enterprise Service Delivery
- Vice President, Investment Finance Operations

CIBC | 2005–2009
- Vice President, Finance

BMO | 1997–2005
- Director, Finance

PricewaterhouseCoopers | 1992–1997

Laura Tamblyn Watts

First Appointed: January 2023
Location: Nova Scotia

CIRO Committees:
- Appointments
- Governance
- HR&P

Other Boards:
- Consumer Advisory Panel (Chair)
- Financial Services Regulatory Authority of Ontario
- Retirement Homes Regulatory Authority
- Consumer Advisory Panel Bereavement Authority of Ontario (Consumer Appointee)

Reasons for Nomination to Our Board:
Ms. Tamblyn Watts has done extensive advocacy work focusing on aging, inclusion, consumer rights and social justice. She is a public interest executive with 25 years' experience giving a lens to a key CIRO stakeholder group, as well as institutional knowledge from her service on the IIROC board. She holds an LL.B designation.

Additional Leadership Experience and Service:
- Former IIROC board member.
- #1 Best-selling author of *Let's Talk About Aging Parents* released in April 2024.
- Canadian expert appointee on the North American Securities Administrators' Association's Seniors' and Vulnerable Persons' Committee.
- Founding Member of the OSC's Seniors' Expert Advisory Committee 2020/2021.
- Community Leadership in Justice Fellowship by the Law Foundation of Ontario
- Distinguished International Fellow Award from Stetson University Centre for Excellence in Elder Law.
- Canadian Representative to the International Guardianship Network Fellow of the World Congress on Adult Guardianship.

Career Highlights:
CanAge | 2019–Present
- Chief Executive Officer

University of Toronto | 2011–Present
- Assistant Professor, Adjunct Professor

Janet Woodruff

First Appointed: January 2023
Location: British Columbia

Other Boards:
- Ballard Power Systems (BLDP-TSX, Nasdaq)
- Keyera Corporation (KEY-TSX)
- Altus Group Limited (AIF-TSX)

Reasons for Nomination to Our Board:
Ms. Woodruff brings significant governance, financial and human resources experience to the Board from regulated and other industries. She also brings extensive mutual fund dealer self-regulatory knowledge having served on the board of one of CIRO's predecessors, the Mutual Fund Dealers Association of Canada (MFDA). She holds FCPA, FCA and ICD.D designations.

Additional Leadership Experience and Service:
- Former MFDA board member
- Former board member of Capstone Infrastructure Corporation (CSE.A-TSX)
- Fellow Chartered Accountants of British Columbia

Career Highlights:
BC (British Columbia) Hydro | 2010–2011
- Vice-President and Special Advisor

British Columbia Transmission Corporation | 2007–2010
- Interim President
- Vice-President, Corporate Services and Chief Financial Officer

Industry Directors

Patricia Callon

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- FAR

Other Boards:
- Dean's Advisory Council, Western University Law
- Legal Leaders for Diversity and Inclusion

Reasons for Nomination to Our Board:
Ms. Callon brings significant legal and compliance expertise and mutual fund dealer self-regulatory knowledge having served on the board of one of CIRO's predecessors, the MFDA.

Additional Leadership Experience and Service:
- Former Vice-Chair, MFDA
- Former Vice-Chair, MicroSkills
- Former board member of Meridian Credit Union, Toronto Hydro Corporation and Women General Counsel Canada
- Two-time recipient of the Canada's Most Powerful Women: Top 100 award in the Corporate Directors (2013) and Executive Leaders (2020) categories.

Career Highlights:
Sun Life | 2022–Present
- Senior Vice-President, General Counsel, Corporate

Sun Life | 2014–2022
- Senior Vice-President, General Counsel, Canada

Canadian Securities Transition Office | 2009–2014
- Chief Legal Officer and Director, Stakeholder Outreach and Communications

OSC | 2005–2009
- Consultant, Policy development for mutual fund disclosure

CIBC | 1998–2004
- Vice-President and Associate General Counsel, Wealth Management

Debra Doucette

First Appointed: January 2023
Location: British Columbia

CIRO Committees:
- Appointments
- HR&P

Other Boards:
- Providence Health Care
- Alumni UBC (past Chair)
- Drug Free Kids Canada

Reasons for Nomination to Our Board:
Ms. Doucette's background with a medium-sized self-clearing, investment dealer that services retail and wealth management channels brings an important member perspective to CIRO's Board. She also brings self-regulatory governance experience and extensive leadership skills.

Additional Leadership Experience and Service:
- Former Chair, Canadian Investor Protection Fund
- Former MFDA board member
- Order of British Columbia 2021
- Canada's Most Admired CEO 2017
- BC CEO Award 2016
- Joseph and Rosalie Segal United Way Community Vision Award 2016
- Influential Women in Business 2015
- Queen Elizabeth II Diamond Jubilee Medal 2012
- BC Community Achievement Award 2012
- Women's Executive Network Canada's Most Powerful Women: Top 100 Hall of Fame

Career Highlights:
Odlum Brown | 1991–Present
- Chair
- President and CEO

Luc Fortin

First Appointed: January 2023
Location: Québec

CIRO Committees:
- FAR (until resignation from the board)

Other Boards:
- CDCC-Canadian Derivatives Clearing Corporation
- CDS-The Canadian Depository for Securities
- BOX Holdings Group LLC and BOX Market LLC (BOX-NYSE)
- Finance Montréal

Reasons for Nomination to Our Board:
Mr. Fortin brings a wealth of stock exchange, market trading and clearing, and derivatives expertise to the Board. His perspective as a serving CEO of a member organization provides a valuable perspective.

Additional Leadership Experience and Service:
- Former IIROC board member
- Former Chair, CANMarket Data

Career Highlights:
TMX Group | 2016–Present
- President and Chief Executive Officer of the Montréal Exchange (MX) and Global Head of Trading TMX Group

HSBC Bank Canada | 2011–2016
- Managing Director, Canadian Head of Institutional Client Group

TD Securities | 1987–2010
- Managing Director

Robert Frances

First Appointed: January 2023
Location: Québec

CIRO Committees:
- Appointments
- HR&P

Other Boards:
- LANDR Audio (Chair)

Reasons for Nomination to Our Board:
Mr. Frances dedicates much of his time to the finance community and investment industry in Québec. His investment dealer and mutual fund dealer experience at a small- to medium-sized member firm provides invaluable insight to the CIRO Board. He holds a CFP and an ADMA Pl. Finance designation.

Additional Leadership Experience and Service:
- Former Chair, Investment Funds Institute of Canada
- Concordia University John Molson School of Business Advisory Board
- International Board Chair, Young President's Organization (2011–2012)
- Ernst & Young Entrepreneur of The Year (Business Services Category)

Career Highlights:
PEAK Financial Group | 1992–Present
- Founder, Board Chair and Chief Executive Officer

Rhonda Goldberg

First Elected: September 2024
Location: Ontario

CIRO Committees:
- FAR

Other Boards:
- Wealthsimple

Reasons for Nomination to Our Board:
Ms. Goldberg's deep knowledge of the securities regulatory environment and the asset and wealth management industry positions her to contribute meaningfully to CIRO's Board. She brings the unique skills and experience of both the public and private sectors. She holds an LL.B designation.

Additional Leadership Experience and Service:
- Former board member, Ombudsman for Banking Services and Investments (OBSI)
- Former member, Ontario Securities Commission, Securities Advisory Committee
- 2019 United Way Campaign Cabinet

Career Highlights:
IGM Financial Inc. | 2015–Present
- Executive Vice-President and General Counsel
- Senior Vice-President, Client and Regulatory Affairs
- Vice-President, Regulatory Affairs

Ontario Securities Commission (OSC) | 1999–2015
- Director, Investment Funds and Structured Products
- Acting Director, Office of the Investor
- Deputy Director-Manager, Investment Funds
- Senior Legal Counsel, Investment Funds

Kevin Kennedy

First Appointed: December 2024
Location: Pennsylvania, USA

CIRO Committees:
- FAR

Other Boards:
- The Options Clearing Corporation
- Nasdaq CXC Limited

Reasons for Nomination to Our Board:
Mr. Kennedy has worked in the capital markets for over 35 years, beginning his career as an independent market maker. He brings deep knowledge of options and equities products to our board, as well as significant cross-border expertise.

Additional Leadership Experience and Service:
- Former U.S. Commodity Futures Trading Commission
- Former Governor of Philadelphia Stock Exchange

Career Highlights:
Nasdaq | 2007–Present
- Executive Vice President and Head of North American Markets
- Head of U.S. Derivatives

Trinity Derivatives | 2005–2006
- Derivatives Trader
- Head of U.S. Derivatives

Goldman Sachs | 2001–2004
- Vice President, Equities

Oppenheimer, Noonan and Weiss | 1999–2001
- Derivatives Trader

Michelle Khalili

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- HR&P

Reasons for Nomination to Our Board:
Ms. Khalili brings experience from a large bank-owned dealer firm, along with extensive capital markets and leadership expertise. She has held CA and CFA designations.

Additional Leadership Experience and Service:
- Former board member Women's College Hospital and Ontario Brain Institute
- Former Chair and Canadian Committee Member of 100 Women in Finance Canada
- Former Vice Chair, IIROC board member

Career Highlights:
Scotiabank | 2018–Present
- Managing Director and Global Head, Equity Capital Markets and Corporate Finance Advisory

CIBC | 2016–2018, 2000–2012
- Managing Director, Private Capital Investment Banking
- Managing Director

Goldman Sachs | 2012–2016
- Managing Director and Head of Equity Capital Markets-Canada

Timothy Mills

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- FAR

Reasons for Nomination to Our Board:
Mr. Mills brings a wealth of risk management and financial expertise to the CIRO board from a large bank-owned, fully integrated (retail and institutional) dealer member, as well as legacy board experience from IIROC, CIRO's predecessor. He holds CFA and FCA designations.

Additional Leadership Experience and Service:
- Former IIROC board member
- Chartered Financial Analyst Fellow of the Institute of Chartered Accountants in England and Wales

Career Highlights:
CIBC (Canadian Imperial Bank of Commerce) | 2009–Present
- Senior Vice President, Treasury Market and Liquidity Risk Management
- Vice President, Capital Markets Risk Management

Kaupthing Singer & Friedlander, London, England | 2007–2009
- Head of Interest Rate Derivatives Trading

Nationwide Building Society, Northampton, England | 2003–2007
- Head of Derivatives Trading

Management Discussion and Analysis

The Management Discussion and Analysis [“MD&A”] on CIRO’s operations and financial position is presented for the fiscal year [“FY”] ended March 31, 2025. The MD&A should be read in conjunction with the Financial Statements and related notes.

CIRO is a cost-recovery, not-for-profit, pan-Canadian organization that recovers its operating expenses for each of its key areas of regulation. CIRO was formed through the amalgamation of the Mutual Fund Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada on January 1, 2023. The fee structures and models of the legacy organizations continued to apply in FY 2025. On April 1, 2025, CIRO’s new Integrated Fee Model came into effect. CIRO’s primary source of revenue is through fees for Investment and Mutual Fund Dealer regulation, Equity Market regulation, Debt Market regulation and Debt IP activities, which are collected through the application of their respective fee models.

Investment Dealer regulation secondary sources of revenue include underwriting levies, which represent a stipulated percentage share of the value of certain public equity and debt underwritings in Canada and registration fees based on arrangements with provincial securities authorities. CIRO also collects fees for Continuing Education [“CE”] course accreditation services and registration. In addition, within Equity Market regulation, CIRO separately recovers expenses for administering timely disclosure services for the TSX, TSXV, CSE and Cboe exchanges.

This report provides a comprehensive review of our financial performance and operating results for the fiscal year, as well as an update on our strategic initiatives and outlook for the future. Throughout this report, amounts are shown in thousands of dollars Canadian.

Certain statements in this MD&A are forward-looking and are therefore subject to risks and uncertainties. The financial performance or events forecast in these statements may differ materially from actual financial performance or events. CIRO has based these forward-looking statements on its views of future events and financial performance as of the date of the MD&A. Any assumptions, although reasonable in judgement at the time of publication, are not guarantees or predictions of future performance.

Key Changes in Senior Management

On May 1, 2025, CIRO implemented organizational changes to support integration efforts and improve operational alignment. Subsequent to the fiscal year-end, Laura McNeil, Chief Financial Officer (CFO), and Karen McGuinness, SVP Finance, Investor and Member Relations, made the decision to leave CIRO. Nicholas Hrebicek joined CIRO effective July 30, 2025, as CFO.

FY 2025 in Review

Economic & Market Environment

In FY 2025, Canada's economic growth was influenced by the Bank of Canada's monetary policy shifts, including multiple interest rate cuts that aimed to support economic activity while moderating inflation. More recently, external trade, geopolitical challenges and ongoing market volatility have adversely impacted economic stability. These factors have impacted CIRO's financial results as follows:

- The economic environment together with changes in interest rates have resulted in higher underwriting levies from increased debt issuance and a remeasurement gain for the pension and post-retirement benefit plans.
- Inflationary pressures contributed to increased costs in the year, with notable impacts on compensation, information technology and travel.
- Despite inflationary pressure, CIRO generated a surplus, enabling the Internally Restricted Integration Fund to be closed two years ahead of schedule.

Key Initiatives

CIRO's public priorities in FY 2025 set ambitious goals to realize the promise of the amalgamation between predecessor organizations and to pursue our goal of supporting the public interest by transforming our regulatory model for the benefit of investors, our member firms and the financial system. CIRO successfully delivered on all of its FY 2025 priorities, with the following initiatives having a notable financial impact:

- **Registration and Proficiency:** In FY 2025, CIRO started to develop a framework to receive expanded registration-related powers and duties from all provincial securities regulatory authorities across the country. Additionally, CIRO selected an exam service provider to support the new Proficiency Model.
- **Integration:** CIRO expanded its examination process to include Mutual Fund Dealer firms with activities in Québec.
- **Investor Research, Education and Protection:** CIRO launched its first Investor Survey and increased awareness through social media campaigns.
- **Market Regulation:** CIRO focused on market integrity through expansion of cross-asset surveillance capabilities, including implementation of interest rate derivatives monitoring and surveillance for potential Canadian Overnight Repo Rate Average (CORRA) manipulation, supported through capital investment to enhance technological infrastructure.

Summary Financial Information

Unrestricted Fund

	FY 2025 $	FY 2024 $	Variance $	Variance %
Revenue				
Dealer regulation				
Investment Dealer membership fees	**61,661**	58,564	3,097	5.3%
Mutual Fund Dealer membership fees	**38,857**	37,237	1,620	4.4%
Underwriting levies	**11,272**	9,327	1,945	21%
Registration fees	**1,840**	1,883	(43)	(2%)
Continuing education revenue	**625**	827	(202)	(24%)
Entrance fees	**115**	130	(15)	(12%)
	114,370	**107,968**	**6,402**	**6%**
Market regulation				
Equity regulation	**31,930**	31,156	774	2.5%
Debt regulation	**2,511**	2,415	96	4.0%
Timely disclosure	**3,668**	3,397	271	8%
Marketplace revenue	**464**	557	(93)	(17%)
	38,573	**37,525**	**1,048**	**3%**
Debt Information Processor [“Debt IP”]	**1,634**	**1,634**	**-**	**0%**
Other revenue				
Investment income including interest	**5,575**	6,002	(427)	(7%)
Recoveries of enforcement costs	**311**	661	(350)	(53%)
Miscellaneous	**2,805**	1,165	1,640	*
	8,691	7,828	863	11%
Total Unrestricted Fund revenue	**163,268**	**154,955**	**8,313**	**5%**
Expenses				
Investment Dealer regulation	**75,192**	73,488	1,704	2%
Mutual Fund Dealer regulation	**40,364**	35,898	4,466	12%
Market equity regulation	**36,198**	35,802	396	1%
Market debt regulation	**2,840**	2,660	180	7%
Debt IP	**1,341**	1,252	89	7%
Total Unrestricted Fund operating expenses, before integration costs	**155,935**	**149,100**	**6,835**	**5%**
Excess of revenue over expenses for the year before integration costs and recoveries	**7,333**	5,855	1,478	25%
Integration cost recovery fees	**5,091**	4,751	340	7%
Integration costs	**-**	10,928	(10,928)	*
Excess (deficiency) of revenue over expenses for the year	**12,424**	(322)	12,746	*

* Variance is greater than +/- 100%

Externally Restricted Fund

	FY 2025 $	FY 2024 $	Variance $	Variance %
Revenue				
Entrance fees	**252**	40	212	*
Monetary sanctions and other fines	**4,660**	8,197	(3,537)	(43%)
Interest Income	**938**	768	170	22%
Miscellaneous Revenue	**11**	31	(20)	(65%)
Total Externally Restricted Fund revenue	**5,861**	**9,036**	**(3,175)**	**(35%)**
Externally restricted fund expenses				
Costs of administration (hearings, investor advisory panel, investor office)	**1,552**	**2,028**	**(476)**	**(23%)**
Non-profit contributions				
Financial education	**390**	75	315	·
Complaint support	**171**	75	96	·
Investor advocacy	**25**	40	(15)	(38%)
Total non-profit contributions	**586**	**190**	**396**	*****
Other public interest project expenses				
Education end research	**253**	626	(373)	(60%)
Proficiency framework infrastructure	**409**	-	409	
Awareness campaign	**531**	-	531	
Amortization, interest and impairment an capital assets	**892**	1,481	(589)	(40%)
Total other public interest project expenses	**2,085**	**2,107**	**(22)**	**(1%)**
Total Externally Restricted Fund expenses	**4,223**	**4,325**	**(102)**	**(2%)**
Excess of revenue over expenses for the year	**1,638**	**4,711**	**(3,073)**	**(65%)**

* Variance is greater than +/- 100%

Integration Recoveries and Costs

	FY 2025 $	FY 2024 $	Variance $	Variance %
Revenues				
Integration cost recovery fees	5,091	4,751	340	7%
Total Integration cost recovery fees	**5,091**	**4,751**	**340**	**7%**
Expenses				
Human resources and related advisory costs	–	6,301	(6,301)	*
Technology	-	3,354	(3,354)	*
Communication	-	549	(549)	*
Legal	-	359	(359)	*
Change management	-	342	(342)	*
Financial advisory & insurance premiums	-	12	(12)	*
Governance	-	11	(11)	*
Total Integration costs	**-**	**10,928**	**(10,928)**	*****
Excess (deficiency) of revenue over expenses for the year	**5,091**	**(6,177)**	**11,268**	*****

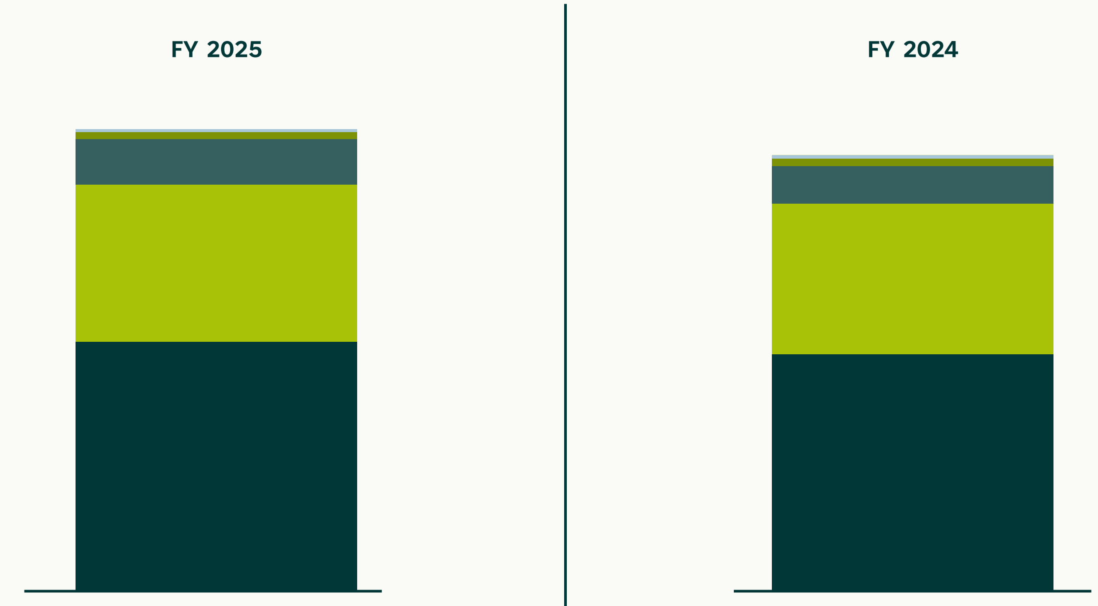
*Variance is greater than +/- 100%

Unrestricted Fund — Revenues

Unrestricted Fund revenue for the period increased by $8,313 [5%] to $163,268 from $154,955 in FY 2024.

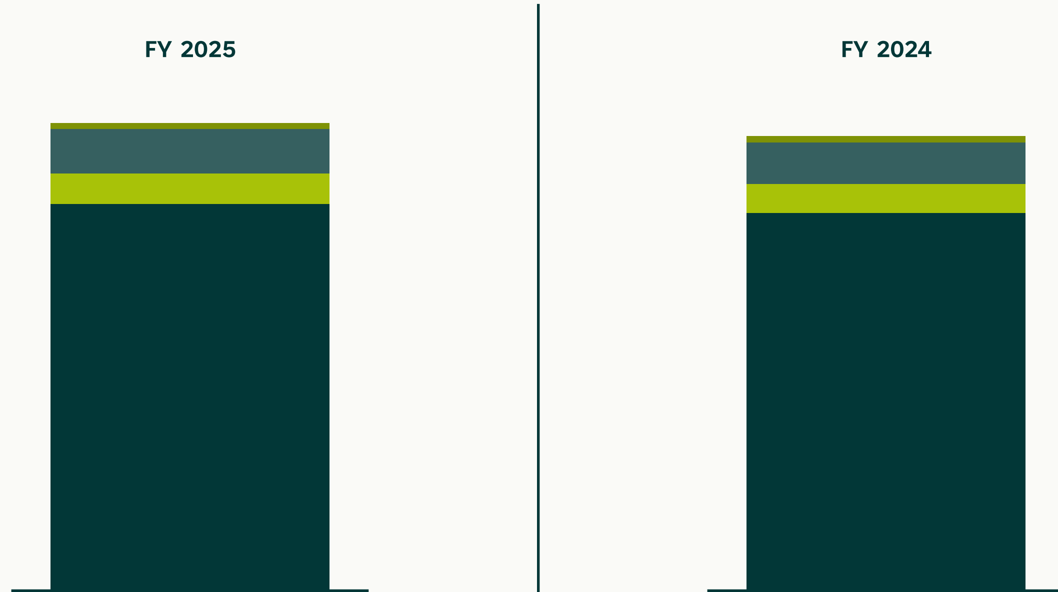
Fees from Investment Dealer and Mutual Fund Dealer regulation, Equity Market regulation, Debt Market regulation and Debt IP fee models are the primary sources of revenue. Fees collected from these five fee models, at an aggregate of $136,593, represent approximately 84% of total CIRO revenue [85% in FY 2024]. Fees are approved by the Board, based on projected operating expenses, and reduced by any related secondary sources of revenue. Reasonability is assessed in aggregate and for each fee model when fees are set.

Dealer Regulation Revenue ($)



	FY 2025	FY 2024
Entrance fees	115	130
Continuing education revenue	625	827
Registration fees	1,840	1,883
Underwriting levies	11,272	9,327
Mutual Fund Dealer Membership fees	38,857	37,237
Investment Dealer Membership fees	61,661	58,564

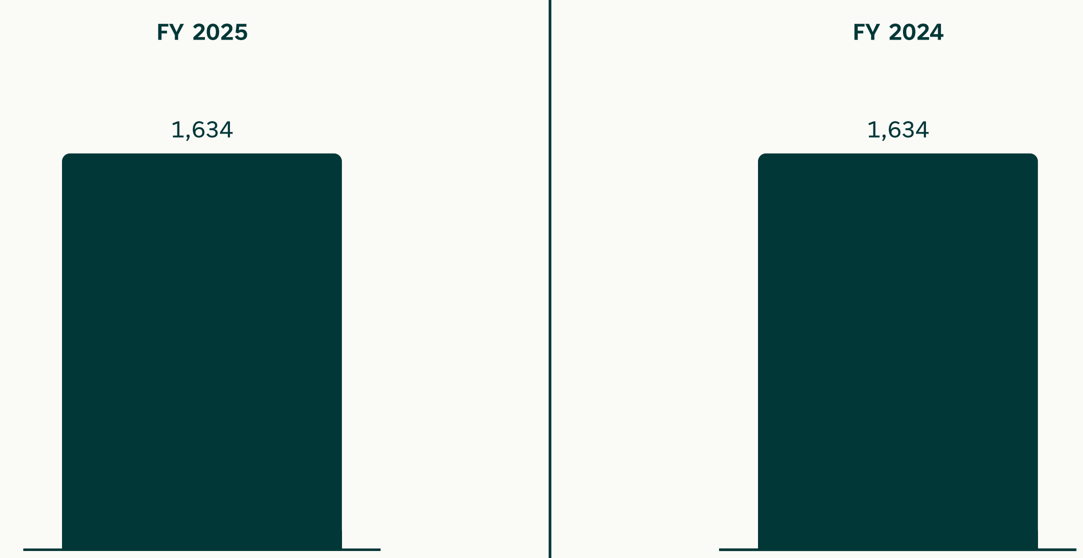
Market Regulation Revenue ($)



FY 2025	
Marketplace revenue	464
Timely disclosure	3,668
Debt regulation	2,511
Equity regulation	31,930

FY 2024	
Marketplace revenue	557
Timely disclosure	3,397
Debt regulation	2,415
Equity regulation	31,156

Debt Information Processor Revenue ($)



Investment Dealer membership fees increased by $3,097 [5%] to $61,661 compared with $58,564 in FY 2024. Mutual Fund Dealer membership fees increased by $1,620 [4%] to $38,857 compared with $37,237 in FY 2024. Equity Market fees increased by $774 [2%] to $31,930 compared with $31,156 in FY 2024. Debt Market fees increased by $96 [4%] to $2,511 compared with $2,415 in FY 2024. The fee increases across these models were driven by higher expenses, which reflect the impact of inflation, increased amortization from the new Toronto premises, higher information technology costs to support business operations and a return to regular project spending following a period predominantly focused on integration. Debt IP fees were flat to FY 2024 at $1,634.

Total revenue from secondary sources increased by $1,863 [12%] to $17,984 from $16,121 in FY 2024.

Underwriting levies, a significant secondary source of Investment Dealer regulation revenue, increased by $1,945 [21%] to $11,272 in FY 2025 from $9,327 in FY 2024. This was mainly due to an increase in corporate and provincial debt issuances, which fluctuate due to market conditions.

Revenue from registration fees, the other significant secondary source of revenue, decreased slightly by $43 [2%] to $1,840 from $1,883 in FY 2024 due to lower registration activities.

Continuing education revenue decreased by $202 [24%] to $625 from $827 in FY 2024. The decrease in revenue is driven by lower activity during the year and a minor one-time adjustment recorded in FY 2024 following a change in the CERTS revenue recognition policy.

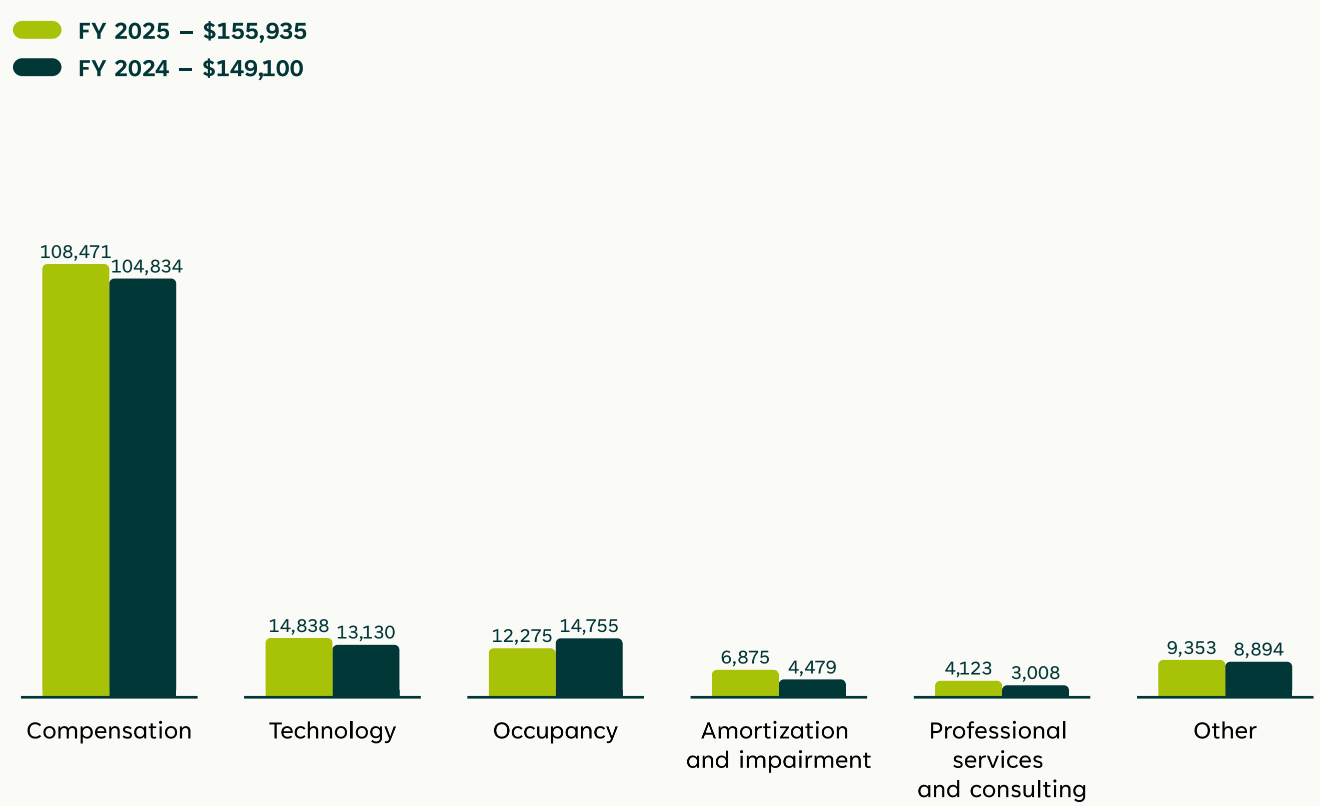
A significant secondary revenue source for Market regulation is timely disclosure fees from the TSX, TSXV, CSE and CBOE exchanges for administering their timely disclosure policies on a cost-recovery basis. Fees increased by $271 [8%] to $3,668 from $3,397 in FY 2024. The higher fees are due to increased committed costs related to systems, overhead and compensation to support the delivery of timely disclosure services. Marketplace revenue, another source of revenue for Market regulation, decreased by $93 [17%] to $464 from $557 in FY 2024. The decrease in revenue can primarily be attributed to the recovery of costs related to adapting the CIRO systems to changes made by marketplaces in FY 2024.

Other revenue increased by $863 [11%] to $8,691 in FY 2025, up from $7,828 in FY 2024. This growth was primarily driven by higher miscellaneous revenue, including a full year of sublease income from a legacy Toronto premises. However, this was partially offset by lower investment income including interest, which includes revenue on earmarked investments for non-registered employee pension and post-retirement benefit plans. The decline in interest income was mainly due to reduced invested assets and declining interest rates. Additionally, enforcement cost recoveries declined in FY 2025, reflecting fewer settlements and several unpaid cost awards.

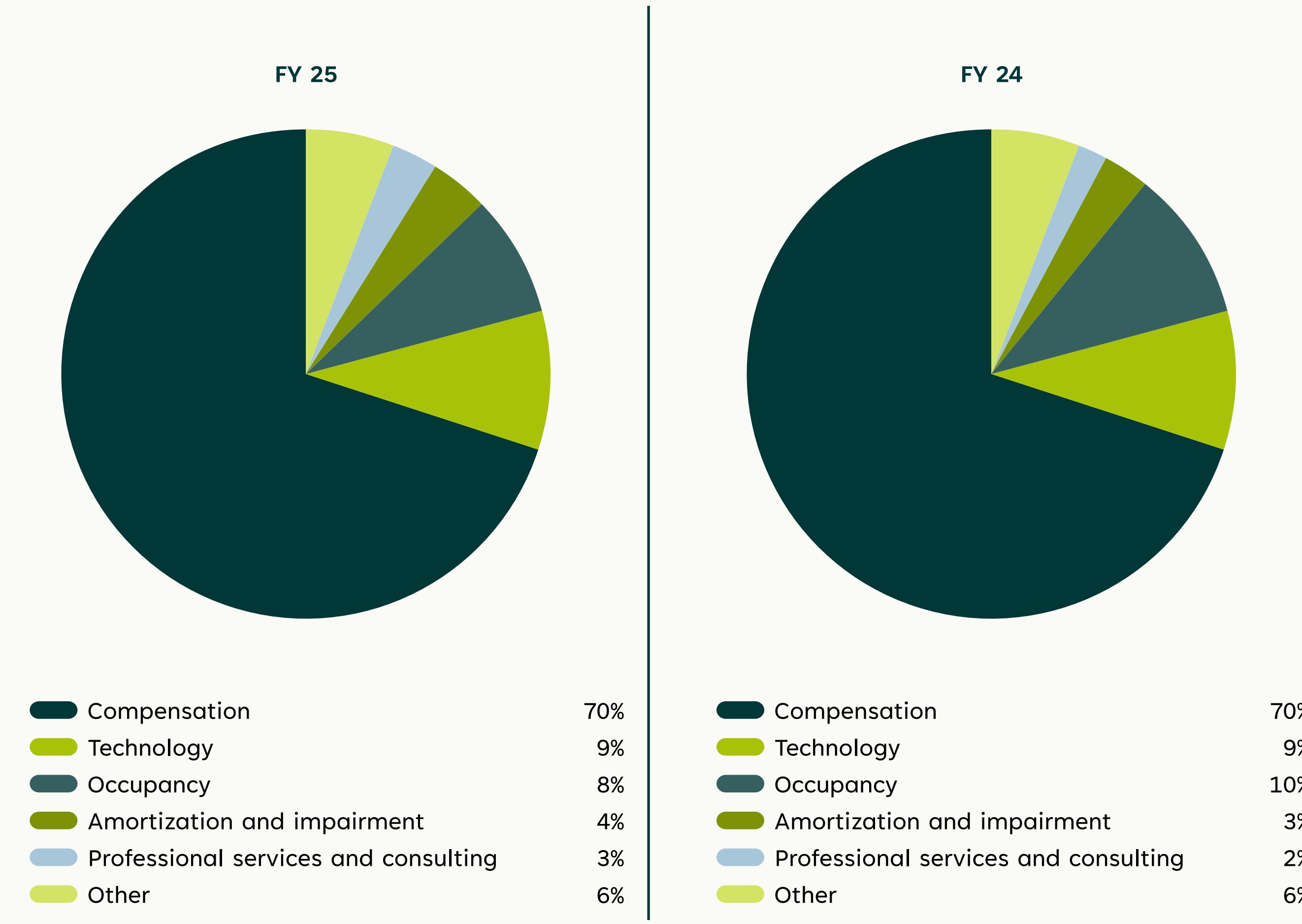
Unrestricted Fund — Expenses

CIRO's total operating expenses increased $6,835 [5%] to $155,935 from $149,100 in FY 2024. CIRO's operating expenses consist of six main categories.

Total Operating Expenses ($)



Total Operating Expenses (%)



In FY 2025, compensation accounted for approximately 70% of operating expenses (similar to FY 2024), representing the largest expense category. Compensation saw an increase of $3,637 [3%], primarily due to CIRO's pay-for-performance culture, including merit increases aligned with market conditions and performance pay tied to the successful delivery of all FY 2025 public priorities. Higher costs of added resources to support new mandates and increased business demands, including project-related contractors, were partially offset by labour capitalization resulting from capital project spend.

Technology costs increased by $1,708 [13%] mainly to support server and storage growth for business operations, inflationary price increases, enhanced firewall protection, and scaling of applications for more users following integration.

Occupancy costs decreased by $2,480 [17%], primarily due to overlapping rent of the legacy Toronto offices in FY 2024. Additionally, there were moving and relocation expenses incurred in FY 2024 from transitioning to the new Toronto premises.

Amortization and impairment increased by $2,396 [53%], primarily from amortization of leasehold improvements, furniture and equipment for the new Toronto premises.

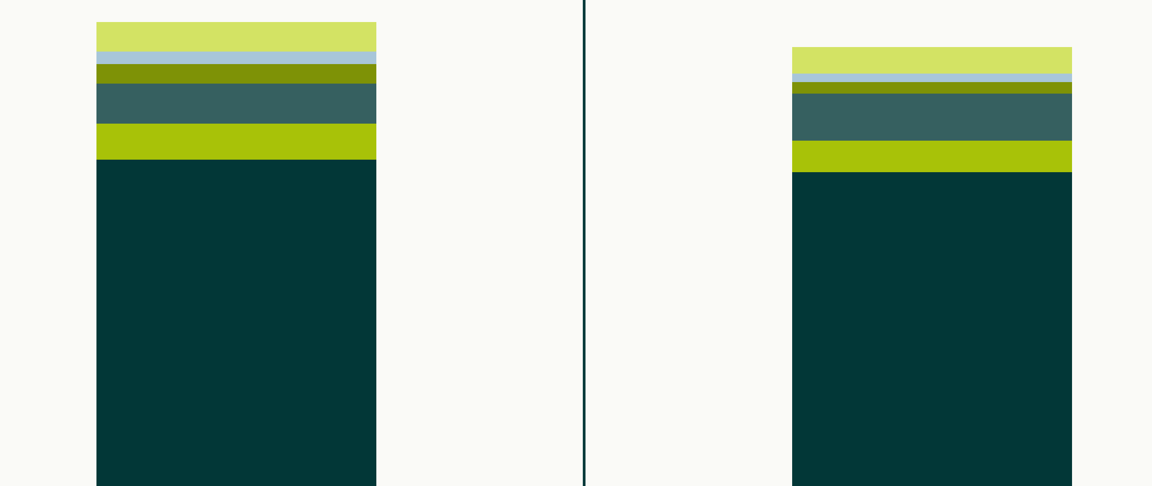
Professional services and consulting expenses increased by $1,115 [37%], mainly driven by carry-over integration projects, which were anticipated and accounted for as part of the planned deficit in FY 2025. Additionally, HR and IT consulting costs also increased for ongoing system improvements, upgrades and new initiatives.

Other expenses increased by $459 [5%], mainly driven by higher travel as employees resumed in-person activities. Inflationary pressures also contributed to this increase.

Direct business unit expenses are separately captured for each of the five fee models with indirect expenses being allocated using a cost allocation model based on either direct business unit expenses or business unit head count as appropriate.

Dealer Regulation Operating Expenses ($)

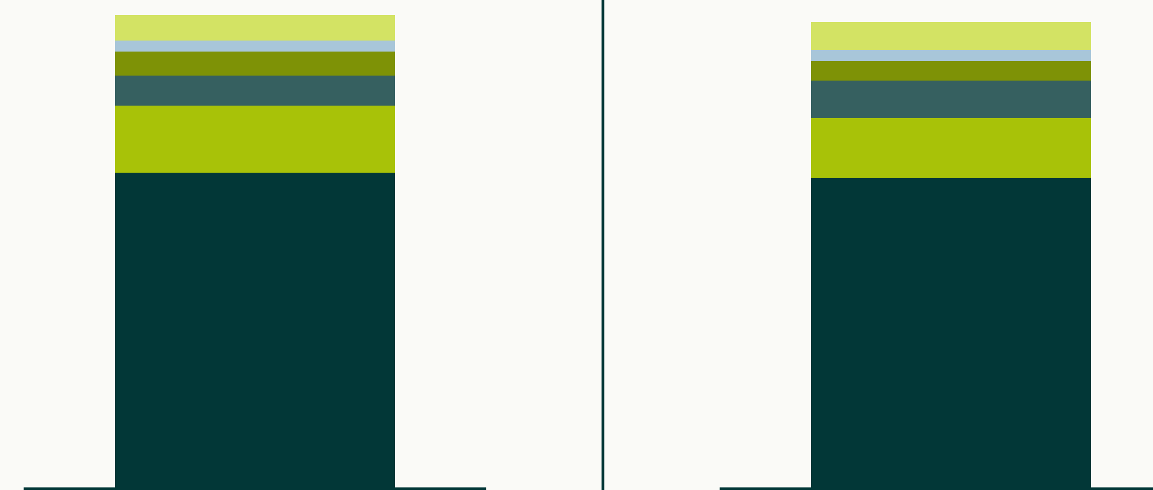
FY 2025 | FY 2024



	FY 2025	FY 2024
Other	7,224	6,548
Professional services and consulting	3,192	2,100
Amortization and impairment	4,834	2,849
Occupancy	9,800	11,584
Technology	9,011	7,909
Compensation	81,495	78,396

Market Regulation Operating Expenses ($)

FY 2025 | FY 2024



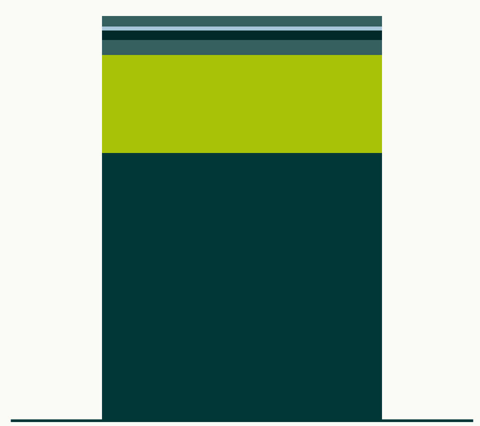
	FY 2025	FY 2024
Other	2,099	2,314
Professional services and consulting	916	895
Amortization and impairment	1,997	1,600
Occupancy	2,443	3,126
Technology	5,518	4,918
Compensation	26,065	25,609

Debt Information Processor Operating Expenses ($)

FY 2025

Other	30
Professional services and consulting	15
Amortization and impairment	44
Occupancy	32
Technology	309
Compensation	911

FY 2024



Other	32
Professional services and consulting	13
Amortization and impairment	30
Occupancy	45
Technology	303
Compensation	829

Dealer regulation expenses increased by $6,170 [6%] to $115,556 from $109,386 in FY 2024. Investment Dealer regulation expenses increased by $1,704, and Mutual Fund Dealer regulation expenses increased by $4,466. The higher allocation of expenses to the Mutual Fund Dealer model is from a shift in allocation of costs consistent with regulatory activities. The higher expenses are mainly driven by compensation, amortization, technology and consulting expenses as noted above. Compensation increases included investments made in resources to support Policy, Québec Mutual Fund Dealer examinations, Registration, Proficiency and support departments.

In addition, higher contractor costs were incurred mainly to support carry-over integration projects, which were anticipated and are accounted for as part of the planned deficit in FY 2025.

Market regulation expenses increased by $576 [1%] to $39,038 from $38,462 in FY 2024, Equity Market regulation increased by $396 and Debt Market regulation expenses increased by $180. The higher expenses are mainly driven by compensation, technology and amortization expenses as noted above. Technology storage costs increased from server upgrades and storage expansion to support expanded capacity of the existing market surveillance system.

Debt IP expenses slightly increased by $90 [7%] to $1,341 from $1,251 in FY 2024, the higher expenses are mainly driven by compensation expenses as noted above.

Unrestricted Fund

There was an excess of revenues over expenses, before integration costs net of recoveries of $7,333 in FY 2025, compared to $5,855 in FY 2024. The excess in FY 2025 reflects non-controllable revenue items that fluctuate with market conditions comprised of higher underwriting levies, investment income on short-term investments and non-registered employee pension and post-retirement benefit earmarked investments. Additionally, project expenditures were lower during the year due to the advancement of capital projects that aligned with in-year priorities. The surplus in FY 2024 was primarily driven by the non-controllable revenue items.

The Unrestricted Fund balance increased from $101,727 to $106,674 due to the excess of revenues over expenses for FY 2025 of $12,424, a net remeasurement gain of $6,994 for the pension and the post-retirement benefit plans, less an interfund transfer of $14,471 to the Internally Restricted Integration Fund. This transfer included $5,091 of integration cost recovery fees collected during the year and $9,380 approved by the Board to eliminate the remaining integration costs.

In assessing the reasonability of the Unrestricted Fund balance, CIRO notes that the balance provides for liquidity requirements as per internal guidelines, protection against potentially significant adverse moves in the funding position and solvency requirements for pension plans, non-registered Supplemental Executive Retirement Plans ["SERP"] and Post Retirement Benefits Plans ["PRB"]. In addition, CIRO sets aside reasonable amounts for a portion of the Canadian Investor Protection Fund ["CIPF"] loan guarantee, as well as other contingencies.

Externally Restricted Fund

Revenues for the Externally Restricted Fund come from monetary sanctions, meaning any fines or other monetary amounts, including disgorgement, ordered in or arising from an Enforcement Proceeding or any other measure taken by CIRO. Monetary sanctions do not include costs ordered in Enforcement Proceedings.

According to the Recognition Orders effective January 1, 2023, and amended June 1, 2023 for the new name, all monetary sanctions collected by the CIRO, may only be used, directly or indirectly, in the public interest as follows:

a) As approved by the Governance Committee,

   i) for the development of systems or other related expenditures that are necessary to address emerging regulatory issues and are directly related to protecting investors or the integrity of the capital markets, provided that any such use does not constitute normal course operating expenses;

   ii) for education or research projects that are directly relevant to the investment industry, and which benefit the public or the capital markets;

   iii) for specific funding related to a whistle-blower program, provided that any such use does not constitute normal course operating expenses;

   iv) to contribute to a non-profit, tax-exempt organization, the purposes of which include protection of investors, or those described in paragraph [a][ii]; or

   v) for such other purposes as may be subsequently approved by the Commission.

Or

b) for reasonable costs associated with the administration of CIRO's Office of the Investor, Investor Advisory Panel and CIRO's hearings.

Total revenues for the year amounted to $5,861, compared with $9,036 for FY 2024, a decrease of $3,175 [35%]. The decrease is primarily driven by lower monetary sanctions and other fines assessed in FY 2025.

Total expenses decreased by $102 [2%] to $4,223, driven by lower administrative costs for hearing panels and legal fees for cost collection, reduced amortization following the full amortization of an asset in FY 2024 and reduced education and research costs with the completion of the cybersecurity table-top exercise and crypto insolvency simulation in FY 2024. The lower costs are partially offset by one-time public interest project expenses in FY 2025, including start-up costs for the new Proficiency Program and an awareness campaign. Additionally, non-profit contributions are higher from increased financial education commitments to support initiatives by Prosper Canada and Canadian Foundation for Economic Education. Other contributions to non-profit organizations in FY 2025 included support for initiatives by Code F, Clinique Juridique de l'Université de Montréal, Osgoode Hall Law School Investor Protection Clinic and MÉDAC [Mouvement d'Éducation et de Défense des Actionnaires].

The resulting excess of revenues over expenses for the year was $1,638, compared to an excess of $4,711 in the previous year.

The Governance Committee, as noted above, is responsible for approving expenditures in compliance with the Recognition Orders. Any items approved by the Governance Committee are commitments of the funds until the amounts are spent. CIRO therefore tracks not just the accounting balances but also the uncommitted funds that are available. The uncommitted funds are required by internal policy to fund three years' worth of hearing panel costs, Office of the Investor and Investor Advisory Panel-related expenses, and they may be earmarked for external and internal purposes.

At the end of FY 2025, the Externally Restricted Fund balance was $25,366. Committed funds were $9,705. Remaining uncommitted funds after accounting for three years' worth of costs for hearing panels, Office of the Investor and Investor Advisory Panel [$6,500], amount to approximately $9,161. These remaining amounts are expected to be sufficient to fund both upcoming external and internal needs.

In January 2025, CIRO issued an open call inviting external parties to submit applications for funding from CIRO. The open call process will allow CIRO to strategically allocate funding to support external investor protection initiatives representing various geographic locations, investor protection mandates and segments of the Canadian population. The open call process will further draw down the Externally Restricted Fund reserves over the next three years.

Integration Costs and Recoveries

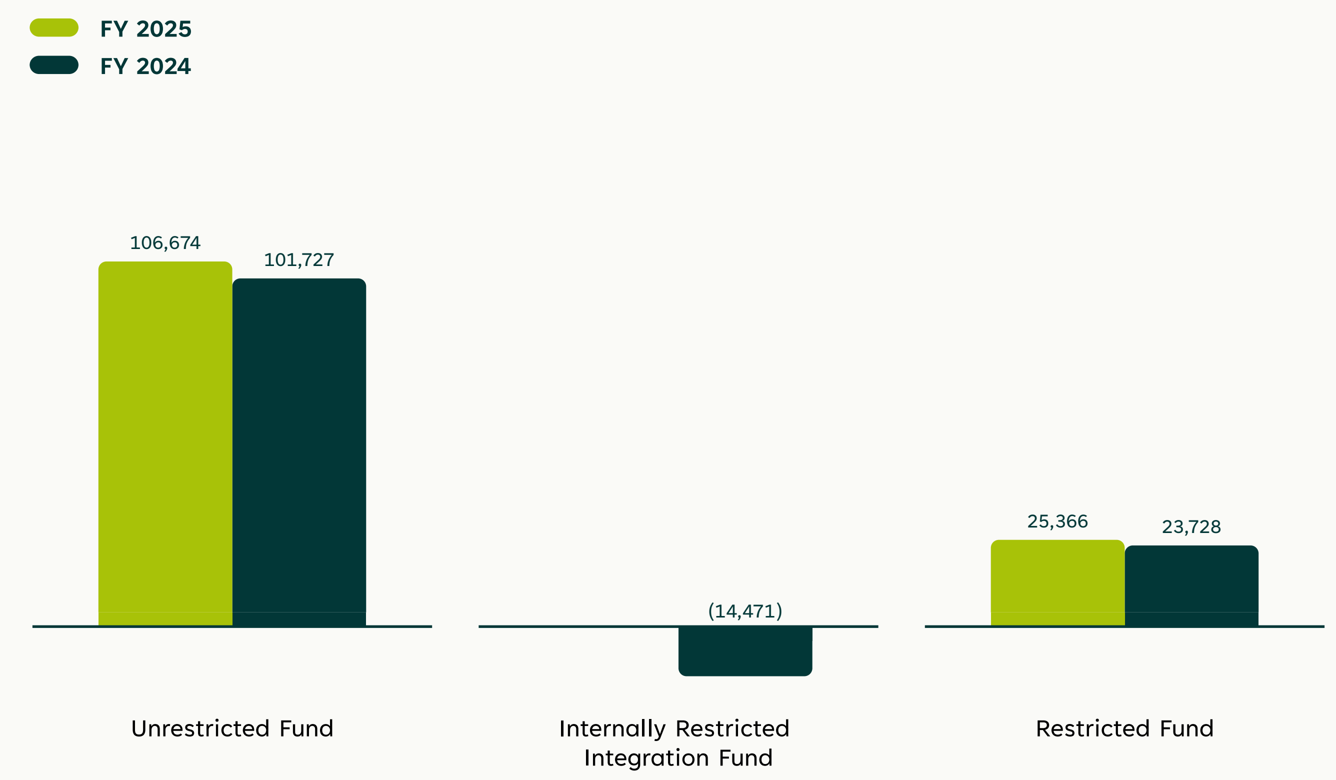
Integration costs related to the amalgamation were incurred up to March 31, 2024, and reported in the Internally Restricted Integration Fund. As outlined in the Integration Cost Recovery Fee Model Guideline, these costs were to be borne by CIRO and recovered over a period of three to five years from affiliated and dual-registered Dealer Members.

Total integration costs amounted to $31,228, with $8,531 funded through Restricted Funds, leaving $22,697 to be recovered through the Integration Cost Recovery Fee Model beginning in FY 2024. Over the two fiscal years since the amalgamation, the integration cost recovery fee has recovered $9,842, or 32% of total costs.

A combination of careful management and strong market performance enabled the Board to apply $3,475 from unplanned surplus in FY 2023 and $9,380 from the Unrestricted Fund reserve balance in FY 2025 to eliminate the remaining amount. This concludes the recovery of the integration costs two years ahead of schedule.

Liquidity and Capital Resources

At the end of FY 2025, CIRO held total combined fund balances in the Unrestricted, Internally Restricted Integration and Externally Restricted Funds of $132,040, up $21,056 from the FY 2024 balance of $110,984. The increase in fund balances arose from the net remeasurement gain for the pension plans and post-retirement benefit plans of $6,994 and the excess of revenues over expenses of $14,062 [surplus of $7,333 in the Unrestricted Fund, $5,091 in the Internally Restricted Integration Fund and $1,638 in the Externally Restricted Fund].



During the year, CIRO increased its capital assets by $7,873 [$27,657 in FY 2024]. The increase was primarily driven by Calgary office move related construction, furniture and equipment and IT infrastructure [$3,047], amalgamation-related system development implementation [$1,544] and surveillance system-related hardware and software upgrades [$1,655].

In addition to cash and cash equivalents of $50,535, CIRO holds investments of $85,480 in high quality liquid short-term marketable securities, such as government-issued treasury bills, debt instruments of financial institutions with remaining maturities of greater than three months and mutual funds. Mutual funds are earmarked assets to fulfill non-registered employee pension and post-retirement benefits. Unrestricted cash and cash equivalents and investments excluding earmarked assets are $84,176. After including short-term obligations, pre-payments and receivables, the remaining available liquidity is $69,659.

CIRO has an internal liquidity guideline for the Unrestricted Fund of a minimum of three months of operating expenses. Based on FY 2026 expected operating expenses of $171,073, the minimum required by the guideline is $42,768. The Unrestricted Fund holds more than the minimum required and is expected to also provide sufficient liquidity to cover anticipated capital expenditures.

Commitments

In February 2023, CIRO entered into an agreement to sublease new office space in Toronto to support the integration of staff after the expiry of one of the two Toronto premises leases existing at amalgamation. The sublease turnover date was April 1, 2023, to begin construction and fixturing. The sublease agreement expires September 29, 2038.

This agreement includes a sublease of the remaining Toronto office lease existing at amalgamation until its expiry in August 2026. The obligations of that lease continue under the original accounting treatment and disclosed commitments. Rental revenue recognized by CIRO for the premises subleased during 2025 was $2,581 [FY 2024 – $215]. Remaining rental revenue to be recognized, excluding operating and other costs to be recovered, is $1,673.

In September 2023, CIRO entered into an agreement to lease new office space in Calgary. The lease turnover date was December 1, 2023, to begin construction and fixturing. The lease agreement expires May 31, 2036.

As of March 31, 2025, CIRO has basic minimum aggregate annual rental commitments of $68,807 [FY 2024 – $73,838], excluding GST/HST and shared operating expenses under long-term operating leases, with varying expiry dates to September 29, 2038. These rental commitments also require CIRO to pay its share of operating expenses, which fluctuate year to year.

Capital Leases

CIRO entered into a five-year IT services contract, expiring December 2024, with provisions for automatic renewal for additional one-year periods to a maximum of two years. In January 2025, the first-year renewal was applied. Certain arrangements relating to the use of dedicated physical hardware were assessed to be leases of a capital nature. During the year, ownership of the IT network, storage, security and market surveillance hardware were transferred to CIRO. Ownership of office equipment was also transferred to CIRO, upon expiry of the capital lease. The remaining leased assets are end-user computer equipment.

Contingencies

CIRO has an agreement with the Canadian Investor Protection Fund [“CIPF”], formed through the amalgamation of two predecessor protection funds, the former CIPF and the MFDA Investor Protection Corporation. CIPF is approved by the CSA to provide limited protection (per the CIPF Coverage Policy) for property held by a CIRO-registered Dealer Member firm on behalf of an eligible client who suffers financial loss due to the insolvency of the member firm. CIPF maintains two segregated funds, the Investment Dealer fund and the Mutual Fund Dealer fund. CIRO is responsible for collecting from Dealer Members (and whether or not collected, paying to CIPF) assessments calculated in respect of each such member firm.

In order to meet potential financial obligations, CIPF maintains the segregated funds, lines of credit provided by Canadian chartered banks and excess insurance in respect of each of the segregated funds. CIRO provides two guarantees on the bank lines of credit in the maximum amounts of $125,000 and $30,000 for the Investment Dealer and Mutual Fund Dealer funds, respectively. Any amount drawn on the CIRO guarantees would be assessed to member firms. The Mutual Fund Dealer Fund line of credit is secured by an assignment agreement for interest in assessments levied by CIRO to the Mutual Fund Dealer Members for the purposes of funding CIPF.

As of March 31, 2025, CIPF had not drawn on these lines of credit.

From time to time, CIRO may face claims by employees, the public and other third parties arising from the ordinary course and conduct of its business. As of March 31, 2025, estimates of loss on current claims are not determinable, and no provisions for such have been recorded. CIRO has no reason to believe that any of the matters would have a material adverse impact on the financial position, results of operations or ability to carry on its business.

Use of Estimates

Management reviews the carrying amounts of items in the financial statements at each period-end date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require the use of management's judgement in arriving at a best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to the statement of operations as appropriate in the year they become known.

Items subject to significant management estimates include:

a) Accruals — accruals are made for expenditures incurred but invoices not yet processed as of March 31, 2025. To be eligible for an accrual, CIRO must have received the goods or services as of March 31, 2025. For work-in-progress projects, the accrued amount is determined based on the percentage of completion of the projects.

b) Allowances for doubtful accounts — estimates are determined based on the Dealers' financial viability. The allowance for doubtful accounts as of March 31, 2025, was $49 [FY 2024 – $88].

c) Eligibility of expenditures for capitalization — eligibility is determined based on accounting rules. CIRO does not capitalize consumables nor individual assets falling below their capitalization threshold in accordance with their capitalization guideline.

d) Date of substantial completion of technology projects to begin amortization — this is the date at the commencement of the fiscal quarter following when an asset is considered substantially complete and available for use.

e) Useful lives of capital assets — amortization of office furniture and equipment is generally over five years; computer equipment, software and technology projects hardware are over three to five years. Leasehold improvements are amortized over the shorter of their useful life and the term of the respective leases.

f) Fair value of capital assets — capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. CIRO management undertakes an annual review to assess whether capital assets should be written off entirely and to identify partial impairment.

g) Minimum lease payments — minimum lease payments are estimated based on terms of lease contracts.

h) Lease discount rate — CIRO management determines an appropriate discount rate to apply in calculating the present value of lease payments for capital leases. A reasonable basis was determined to be CIRO's proxy rate for incremental borrowing. Considerations were given to CIRO's credit risk, the weighted average life of the leases and comparable yield curves.

i) Valuation of employee future benefits asset/liability — CIRO management, in consultation with actuaries, estimates the future earnings, discount rates and future salary increases or a prescribed range thereof for the purpose of the benefit asset/liability calculation, which is carried out by the actuaries.

Risk

CIRO utilizes a Three Lines of Defense approach for risk management: Business units and support functions are the first line, the Enterprise Risk Management ["ERM"] department is the second line; and Internal Audit is the third line. Oversight of risk management is provided by management's Risk Committee ["RC"], comprising senior executives of CIRO, and by the Finance, Audit and Risk ["FAR"] Committee of the Board, as set out in their respective Charters.

CIRO's risk management framework includes an annual risk and control self-assessment that combines a top-down and bottom-up evaluation of both operational and enterprise risks as well as emerging risks. The results are reviewed and discussed with the RC, the FAR Committee and the Board. Throughout the year, the Director, Enterprise Risk Management provides a formal update on risks and risk management activities at RC and FAR Committee meetings.

CIRO's Internal Audit function is outsourced to KPMG LLP. CIRO's FAR Committee approves the Internal Auditor Charter and annual Internal Audit Plan. Areas for internal audit are selected using a risk-based approach, and the audits performed serve to independently assess the adequacy and operating effectiveness of CIRO's internal controls. The results of each internal audit are documented in an internal audit report, with each report presented to the FAR Committee upon completion. The FAR Committee also received updates from the Internal Auditor at a minimum four times per year.

Litigation Risk

From time to time, CIRO may face claims by employees, the public and other third parties arising from the ordinary course and conduct of its business. CIRO mitigates the risk of such claims by implementing appropriate controls and policy and procedural safeguards, and by defending against any and all claims which, in its judgement, are without merit. CIRO continually reviews and enhances, as appropriate, its insurance coverage against various risks with a view to having sufficient coverage against potential losses, for existing and emerging risks whenever possible.

Cybersecurity Risk

CIRO's cybersecurity program continues to evolve based on industry best practices using the results of controls testing and vulnerability assessments, including assessment against the NIST framework. Technical controls and processes are in place, including regular user security training and awareness. The CIRO information security team works closely with key CIRO and third-party partners to deliver cybersecurity services.

Revenue Risk

About 84% of CIRO's revenue comes from Dealer membership fees, Equity and Debt Market regulation fees and Debt IP fees. Failure of a significant number of firms or a relatively large firm would have a critical impact on CIRO's financial operations. Prudent operating cost management and ongoing monitoring of the financial adequacy of firms helps to mitigate this risk. Additional risk arises from possible reductions in market activity that could adversely affect underwriting levies and from possible adverse changes in provincial registration-related revenues.

Regulatory Compliance Risk

Failure of CIRO to comply with the terms and conditions of recognition set by the recognizing securities commissions of Canada would have serious consequences for CIRO. CIRO uses robust processes and controls to ensure compliance with these terms and conditions for recognition. Ongoing communications with the CSA as well as periodic reviews of CIRO processes and procedures performed by the CSA also mitigates this risk.

Registered Pension, SERP and PRB Risk

Registered pension risk refers to the risk that CIRO's financial position could be adversely impacted because of the impact on CIRO's two registered plans of possible reductions in the future market value of the plan investments and/or increases in the pension liability if interest rates were to fall below current levels. These risks are mitigated by maintaining sufficient funding levels and by holding a diversified set of investments, which are managed by professional investment managers operating under specified mandates and tolerances. CIRO also carefully monitors and manages funding levels, makes contributions required by law and makes special contributions to maintain desired funding levels. Similar risks and funding considerations apply to the unregistered plans, including assets earmarked for SERP and PRB, although funding levels for these plans are not dictated by law. CIRO monitors and manages funding levels for all unregistered plans for which it makes predetermined and special contributions to achieve desired funding levels.

Financial Instruments Risk

CIRO's main financial instrument risk exposure is detailed as follows:

Credit Risk

CIRO has determined that the primary financial assets with credit risk exposure are accounts receivable, since failure of any of these parties to fulfill their obligations could result in financial losses for CIRO. The risk is mitigated by the distribution of receivables over the entire membership, with the most significant amounts exposed to highly rated bank-owned Dealers. Marketable securities also expose CIRO to credit risk, which CIRO limits by investing in high-quality short-term securities. Mutual fund investments also indirectly expose CIRO to credit risk. The risk is mitigated by the diversified holdings in mutual funds. The entity is also exposed to concentration risk in that all of its cash is held with financial institutions and the balances held are in excess of Canadian Deposit Insurance Corporation ["CDIC"] limits.

Liquidity Risk

CIRO's liquidity risk represents the risk that CIRO could encounter difficulty in meeting obligations associated with its financial liabilities. CIRO is exposed to liquidity risk with respect to its payables and accruals. CIRO mitigates its liquidity risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash and maintaining a minimum of three months of budgeted operating expense as required by CIRO's internal liquidity guideline.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. CIRO minimizes its exposure to market risk through its policy of investing a portion of its investments in Government of Canada treasury bills, bankers' acceptances and promissory notes. Market risk is comprised of currency risk, interest rate risk and other price risk. In addition, adverse or volatile capital market conditions, both in the primary market and secondary markets, could have an impact on CIRO's ability to collect underwriting levies.

Currency Risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of CIRO is the Canadian dollar. CIRO invests a portion of its investment portfolio in mutual funds that invest in foreign equities. CIRO mitigates its currency risk exposure by limiting the extent of foreign currency exposure.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. Fixed rate financial instruments are subject to fair value risk and floating rate financial instruments are subject to cash flow risk. CIRO is exposed to interest rate risk with respect to cash and cash equivalents and interest-bearing investments. Fluctuations in market rates of interest on cash and cash equivalents, short-term investments and guaranteed investment certificates do not have a significant impact on CIRO's results of operations. The objective of CIRO with respect to interest-bearing investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity and achieve a satisfactory investment return.

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. CIRO is exposed to other price risk because of its investment in mutual funds.

Trade Risk

In early 2025, the U.S. government started imposing and frequently changing tariffs on imports from Canada and much of the world, with the Canadian government and others responding with retaliatory tariffs on U.S. imports. These tariffs bring increased volatility on the financial markets both in Canada and abroad. The status of these tariffs long-term and their impact to CIRO and its members are unclear at this point. CIRO may be subject to greater operational, credit, liquidity and market risk.

Resiliency

CIRO has a robust resiliency program to ensure critical and core regulatory and support services can continue to function in the event of a disruption. This program includes crisis management protocols, playbooks, business continuity plans ["BCPs"] and IT Disaster Recovery protocols. CIRO has processes in place to update and strengthen the program as needed and to periodically test the functioning of various aspects of the program.

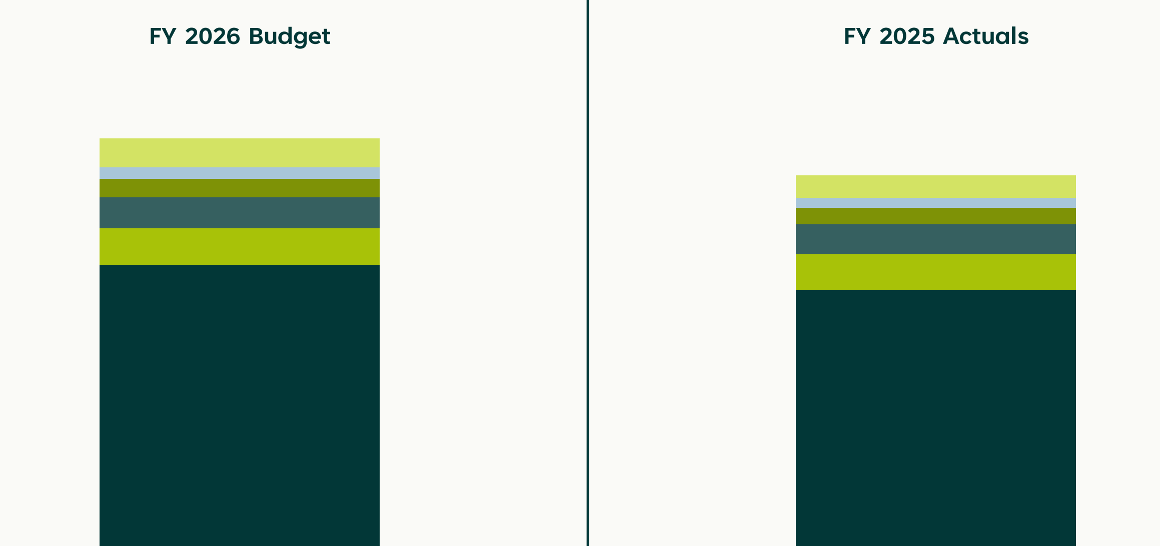
Outlook

Each year, CIRO publishes its Annual Priorities to provide members, investors and other stakeholders with a preview of upcoming CIRO initiatives and to build accountability and transparency.

The Annual Priorities are balanced across three key areas of Integration, Regulatory Delivery and Operations, and Strategic Objectives laid out in the three-year Strategic Plan. The Annual Priorities reflect a variety of considerations, including achievability, the ability to deliver on the Strategic Plan, as well as unforeseeable operating conditions that may require CIRO to pivot and respond as industry transformations are taken into account.

The operating budget presented reflects the costs of carrying out our mandate and supporting CIRO's Annual Priorities. Total operating expenses for the coming year are expected to increase to $171,073 in FY 2026 from $155,935 in FY 2025, an increase of $15,138 [10%]. Almost half of the increase [4.5%] results from a transfer of mandates to CIRO, including examination of Québec Mutual Fund Dealers and the assumption of additional delegated registration responsibilities from across Canada for both firms and individuals. Together, these initiatives will create consistency, economies of scale and bring efficiency to the compliance and registration processes. They also include planning for the launch of the new exam-based Proficiency Model for Investment Dealer Approved Persons, an initiative which will bring additional efficiencies to the system. The remaining 5.5% relates to increases in normal course operating expenses for compensation, including added staff to support growing operational complexity and volumes, higher project costs (as projects advanced in FY 2025 were more capital in nature) and continued increases in travel and office costs. Amortization has also increased due to higher FY 2025 capital expenditures, of which a portion will be funded from reserves. Additionally, higher occupancy costs reflect a full year in the new Toronto premises.

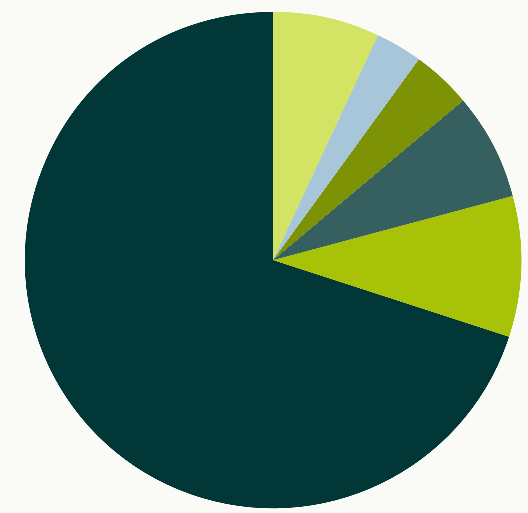
FY 2026 Budgeted Operating Expenses ($)



FY 2026 Budget	
Other	11,855
Professional services and consulting	4,835
Amortization and impairment	7,537
Occupancy	12,791
Technology	15,078
Compensation	118,977

FY 2025 Actuals	
Other	9,353
Professional services and consulting	4,123
Amortization and impairment	6,875
Occupancy	12,275
Technology	14,838
Compensation	108,471

FY 2026 Budgeted Operating Expenses (%)



Other	7%
Professional services and consulting	3%
Amortization and impairment	4%
Occupancy	7%
Technology	9%
Compensation	70%

Total revenues in the Unrestricted Fund are budgeted at $165,947, resulting in a planned deficit of $5,126. CIRO is using its reserves to make significant investments in the efficiency and effectiveness of the regulatory system, investments which will help the investment industry better serve Canadians by reducing complexity and administrative duplication. The planned deficit will support the rapid adoption of a single registration model and the harmonized delivery of Mutual Fund Dealer regulation across Canada.

The fees are derived from budgeted annual operating costs net of non-fee revenue. Non-fee revenues are budgeted at $26,078, an expected increase of $5,932 [29%] compared to the FY 2025 budget. This increase is largely driven by higher anticipated underwriting levies and incremental registration fees from newly delegated registration activity.

CIRO's overall budgeted fees are $139,869 for FY 2026, an increase of 2.4%. Dealer Regulation fees are up 2.1%, Equity Market Regulation fees are up 3.6%, Debt Market Regulation fees are up 2.4% and Debt Information Processor fees are flat to FY 2025. These fee increases support growing complexity and volume of ongoing activities resulting in additional compensation and information technology costs. They reflect both general cost increases necessary to maintain our ability to effectively deliver our regulatory mandate in a rapidly evolving environment and our commitment to deliver on our strategic plan while minimizing the financial impacts on our members.

As CIRO takes on new mandates, the organization may take a deficit in the initial year to avoid immediate significant impact to firms, with full cost recovery through new or expanded fees in subsequent years. As an example, in FY 2027 we anticipate full cost recovery of Québec Mutual Fund Dealer examinations and additional registration activities.

As previously noted, CIRO's Board approved the elimination of the remaining $9,380 of integration costs, bringing cost recovery to an end on March 31, 2025 (two years ahead of schedule). At that time, the Internally Restricted Integration Fund was permanently closed. CIRO's Board continues to support additional use of the Unrestricted Fund reserves to bolster our ability and speed to execute strategic projects that enhance regulatory efficiency and effectiveness, minimize impact on annual fees and deliver greater value to the investment industry.

Financial Statements

(March 31, 2025)

Independent Auditor's Report

To the Members of **Canadian Investment Regulatory Organization**

Opinion

We have audited the financial statements of the **Canadian Investment Regulatory Organization** [the "Organization"], which comprise the statement of financial position as at March 31, 2025, and the statement of changes in fund balances, statement of operations, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis in the Organization's Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Toronto, Canada

June 18, 2025

Statement of Financial Position

[in thousands of dollars]

As at March 31

	2025 $	2024 $
Assets		
Current		
Cash and cash equivalents	**50,535**	72,009
Investments *[note 3]*	**85,480**	53,691
Receivables *[note 4]*	**10,650**	12,197
Prepaid expenses	**6,360**	3,689
Total current assets	**153,025**	**141,586**
Employee future benefits *[note 7]*	**7,564**	3,852
Capital assets, net *[note 5]*	**37,261**	37,157
Deposit	**545**	488
	198,395	**183,083**
Liabilities and fund balances		
Current		
Payables and accruals	**30,010**	35,491
Government remittances payable	**447**	780
Current portion of capital lease obligations *[note 6]*	**353**	1,700
Deferred revenue	**75**	75
Current portion of deferred rent and lease inducements	**853**	655
Total current liabilities	**31,738**	**38,701**
Capital lease obligations *[note 6]*	**481**	474
Deferred rent and lease inducements	**8,970**	5,895
Employee future benefits *[note 7]*	**25,166**	27,029
Total liabilities	**66,355**	**72,099**
Commitments and contingencies *[notes 9 and 11]*		
Fund balances		
Unrestricted Fund	**106,674**	101,727
Internally Restricted Integration Fund	**—**	(14,471)
Externally Restricted Fund	**25,366**	23,728
Total fund balances	**132,040**	**110,984**
	198,395	**183,083**

See accompanying notes

On behalf of the Board:

Phil Mayers,
Chair of the Finance,
Audit and Risk Committee

Andrew J. Kriegler,
President and CEO

Statement of Changes in Fund Balances

[in thousands of dollars]

Year ended March 31

			2025		2024
	Unrestricted Fund $	Internally Restricted Integration Fund $	Externally Restricted Fund $	Total $	Total $
Fund balances, beginning of year	101,727	(14,471)	23,728	110,984	111,514
Excess of revenue over expenses for the year	12,424	—	1,638	14,062	4,389
Interfund transfer *[note 8]*	(14,471)	14,471	—	—	—
Remeasurements and other items *[note 7]*	6,994	—	—	6,994	(4,919)
Fund balances, end of year	**106,674**	**—**	**25,366**	**132,040**	**110,984**

Statement of Operations

[in thousands of dollars]

Year ended March 31

	Unrestricted Fund $	Restricted Fund $	2025 Total $	2024 Total $
Revenue				
Dealer regulation				
Investment dealer membership fees	61,661	—	**61,661**	58,564
Mutual fund dealer membership fees	38,857	—	**38,857**	37,237
Underwriting levies	11,272	—	**11,272**	9,327
Registration fees	1,840	—	**1,840**	1,883
Continuing education revenue	625	—	**625**	827
Entrance fees	115	252	**367**	170
	114,370	**252**	**114,622**	**108,008**
Market regulation				
Equity regulation	31,930	—	**31,930**	31,156
Debt regulation	2,511	—	**2,511**	2,415
Timely disclosure	3,668	—	**3,668**	3,397
Marketplace revenue	464	—	**464**	557
	38,573	**—**	**38,573**	**37,525**
Debt Information Processor	**1,634**	**—**	**1,634**	**1,634**
Other revenue				
Investment income including interest	5,575	938	**6,513**	6,771
Monetary sanctions and other fines	—	4,660	**4,660**	8,196
Recoveries of enforcement costs	311	—	**311**	661
Miscellaneous	2,805	11	**2,816**	1,196
	8,691	**5,609**	**14,300**	**16,824**
	163,268	**5,861**	**169,129**	**163,991**
Expenses *[note 8]*				
Investment dealer regulation operating	75,192	—	**75,192**	73,488
Mutual fund dealer regulation operating	40,364	—	**40,364**	35,898
Market equity regulation operating	36,198	—	**36,198**	35,802
Market debt regulation operating	2,840	—	**2,840**	2,660
Debt Information Processor operating	1,341	—	**1,341**	1,252
Externally Restricted Fund	—	4,223	**4,223**	4,325
	155,935	**4,223**	**160,158**	**153,425**
Excess of revenue over expenses for the year before integration costs and recovery fees	7,333	1,638	**8,971**	10,566
Integration costs *[note 8]*	—	—	**—**	(10,928)
Integration cost recovery fees	5,091	—	**5,091**	4,751
Excess of revenue over expenses for the year	**12,424**	**1,638**	**14,062**	**4,389**

See accompanying notes

Statement of Cash Flows

[in thousands of dollars]

Year ended March 31

	2025 $	2024 $
Operating activities		
Excess of revenue over expenses for the year	14,062	4,389
Add items not involving cash		
Amortization of capital assets	7,545	5,875
Rent amortization	712	3,213
Net loss on disposal of capital assets	219	77
Employee future benefits expense *[note 7]*	5,311	5,685
	27,849	**19,239**
Changes in non-cash working capital balances related to operations		
Receivables	1,547	(4,265)
Prepaid expenses	(2,671)	(586)
Deposit	(57)	(19)
Payables, accruals and government remittances payable	(5,814)	9,377
Deferred rent and lease inducements	2,561	(31)
Employer contributions for employee future benefits *[note 7]*	(3,892)	(4,137)
Deferred revenue	—	(136)
Cash provided by operating activities	**19,523**	**19,442**
Investing activities		
Disposal (purchase) of investments, net	(31,789)	18,748
Purchase of capital assets	(7,523)	(27,132)
Cash used in investing activities	**(39,312)**	**(8,384)**
Financing activities		
Repayment of capital lease obligations	(1,685)	(1,998)
Cash used in financing activities	**(1,685)**	**(1,998)**
Net increase (decrease) in cash during the year	(21,474)	9,060
Cash and cash equivalents, beginning of year	72,009	62,949
Cash and cash equivalents, end of year	**50,535**	**72,009**
Cash and cash equivalents consist of		
Cash on hand and balances with bank	19,124	40,206
Cash equivalents	31,411	31,803
	50,535	**72,009**
Supplemental cash flow information		
Acquisition of capital assets under capital lease	**(345)**	**(525)**

See accompanying notes

Notes to Financial Statements

1. Organization

Canadian Investment Regulatory Organization ["CIRO" or the "Organization"] is the pan-Canadian self-regulatory organization that oversees all Investment Dealers, Mutual Fund Dealers and trading activity on Canada's debt and equity marketplaces. CIRO carries out its regulatory responsibilities under Recognition Orders from the provincial securities commissions that make up the Canadian Securities Administrators ["CSA"]. The Organization sets and enforces rules regarding the proficiency, business conduct, and financial conduct of dealer firms and their Approved Persons, as well as market integrity rules regarding trading activity on Canadian debt and equity markets. The Organization is committed to the protection of investors, providing efficient and consistent regulation, and building Canadians' trust in financial regulation and the people managing their investments. As a not-for-profit organization, CIRO is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada).

CIRO was formed through the statutory amalgamation of the Mutual Fund Dealers Association of Canada [the "MFDA"] and the Investment Industry Regulatory Organization of Canada ["IIROC"] on January 1, 2023.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations using the restricted fund method of accounting.

Fund Accounting

Unrestricted Fund
The Unrestricted Fund includes:

a) Dealer regulation, market regulation, and Debt Information Processor revenue and expenses, including amortization of Unrestricted Fund capital assets;

b) Recoveries of enforcement costs ordered by the Organization hearing panels as part of enforcement actions; and

c) Funding of any deficit in the registered and non-registered defined benefit pension and post-retirement benefit plans.

Internally Restricted Integration Fund
The Organization established an Internally Restricted Integration Fund, representing integration costs incurred in connection with the amalgamation that may be partially funded by the Organization on a permanent basis upon approval by the Board of Directors [the "Board"] and/or by the Externally Restricted Fund for eligible expenses upon approval by the CSA and the Governance Committee. The remaining integration costs will be recovered by the Organization through the Integration Cost Recovery Fee Model.

Externally Restricted Fund
The collection of monetary sanctions [any fines and other monetary amounts, including disgorgement, ordered in or arising from an enforcement proceeding or any other measures taken by the Organization] and other revenue. Use of these funds must be in accordance with the terms and conditions of respective provincial securities commissions' and authorities' Recognition Orders. This fund may only be used, directly or indirectly, in the public interest as follows:

a) For the development of systems or other related expenditures that are necessary to address emerging regulatory issues and are directly related to protecting investors or the integrity of the capital markets, provided that any such use does not constitute normal course operating expenses;

b) For education or research projects that are directly relevant to the investment industry, and which benefit the public or the capital markets;

c) For specific funding related to a whistleblower program, provided that any such use does not constitute normal course operating expenses;

d) To contribute to a non-profit, tax-exempt organization, the purposes of which include protection of investors, or those described in paragraph [b];

e) For such other purposes as may be subsequently approved by the provincial securities commissions; or

f) For reasonable costs associated with the administration of the Organization's investor office, investor advisory panel and hearings.

Revenue Recognition

The Organization operates on a cost recovery basis generally through published fee models, which set out the basis of the cost recovery for each of the Organization's activities. The fee structures and models of the legacy organizations continued to apply through March 31, 2025, with necessary modifications, as the Interim Fee Model for the Organization. The new integrated Fee Model approved by the CSA takes effect April 1, 2025.

Unrestricted revenue is recognized as revenue as follows:

Dealer Regulation
Annual membership fees are assessed upon Investment Dealers and Mutual Fund Dealers for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. Underwriting levies are recognized when the underwriting transaction closes and the assessment basis is available with collection reasonably assured. Registration fees and entrance fees are recorded as revenue when billed and collection is reasonably assured. Continuing education accreditation revenue is recognized when the application is received to initiate the accreditation process. Course registration and renewal fees pertaining to course availability on the Continuing Education Reporting and Tracking System are recognized as revenue when received.

Market Regulation
Under the marketplace regulation services agreements, revenue from equity regulation fees is governed by the Market Regulation Fee Model. Fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. These fees are then allocated to Investment Dealers and Marketplace Members. For attribution to each Investment Dealer on each marketplace, technology costs are assessed on the number of messages sent, while non-technology costs are assessed on the number of trades executed.

Debt regulation fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. These fees are allocated to Investment Dealers who trade debt securities. Fees are allocated to each Investment Dealer based on its prorated share of the number of primary, secondary and repurchase agreement ["repos"] transactions, with a monthly fee reduction for repos on costs recovered from the Bank of Canada.

Timely disclosure revenue and marketplace revenue are recognized as billed and when collection is reasonably assured.

Debt Information Processor
Debt Information Processor fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year.

Other Revenue
Recoveries of enforcement costs from member firms are recognized as revenue when assessed and amounts become receivable. Recoveries of enforcement costs from Approved Persons are recognized as revenue when received. Miscellaneous revenue includes rental revenue recognized over the term of the premises sub-lease as it becomes due.

Integration Cost Recovery
Integration cost recovery fees for fiscal year 2024 and 2025 are assessed upon Dealer Member firms who are affiliated with the same controlling ownership interest and those who are dual-registered, as approved by the Board. Integration cost recovery fees are recognized as revenue on a straight-line basis over the fiscal year.

Restricted revenue is recognized as follows:

Monetary sanctions, continuing education and other fines due from member firms are recognized as revenue in the Externally Restricted Fund when they are assessed, amounts can be reasonably estimated, and collection is reasonably assured. Any other fines, including monetary sanctions from Approved Persons and late filing of notice of termination of registrants by member firms, are recognized as revenue in the Externally Restricted Fund when received.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid marketable securities such as government-issued promissory notes and treasury bills, and debt instruments of financial institutions with remaining maturities of three months or less.

Investments

Investments consist mainly of highly liquid marketable securities such as government-issued promissory notes and treasury bills, debt instruments of financial institutions with remaining maturities of greater than three months, mutual funds and an equity investment.

Financial Instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. A financial asset or liability is recognized when the Organization initially becomes party to contractual provisions of the instrument.

Initial Measurement
The Organization initially measures its financial instruments at fair value. For financial instruments subsequently measured at cost or amortized cost, the initial fair value incorporates the amount of the related financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations immediately when issued or acquired.

Subsequent Measurement
At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost [less impairment in the case of financial assets] or at fair value. Fair value treatment is applied to all cash equivalents and investments, both equity and debt, which the Organization has elected to measure at fair value. The financial instruments measured at cost or amortized cost are cash, receivables, loans receivable, and payables and accruals. The Organization uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees in the statement of operations for those items measured at cost or amortized cost.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indicators of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it immediately recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Capital Assets

Capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization of office furniture and equipment is computed by the straight-line method at 20% per annum, and computer equipment, software and technology projects at 33 1/3% per annum except for certain technology projects, which are amortized at 20% per annum to better reflect the useful life of these assets. Leasehold improvements are amortized over the term of the respective leases. Amortization commences the quarter after the assets are available for use.

When a capital asset no longer has any remaining service potential to the Organization, the net carrying amount is impaired. A partial impairment loss is recognized when a capital asset still has remaining service life but where the net carrying amount of a capital asset exceeds the asset's fair value or replacement cost. Impairment losses are recognized as an expense in the statement of operations. The Organization assesses whether fair value or replacement cost is applied to measure impairment on an asset-by-asset basis. Previously recognized impairment write-downs are not reversed. The Organization undertakes an annual review to assess whether capital assets are no longer in use and should be written off entirely.

Assets and Obligations Under Capital Lease
Leased capital assets are recognized at cost at the beginning of the lease term. For hardware and office equipment under capital lease, the beginning of the lease term is upon installation, which approximates the financing date. Cost corresponds to the present value of the estimated minimum lease payments, excluding executory costs, at the beginning of the lease term. Amortization is based on the lesser of estimated useful life of the asset or term of the lease and begins in the quarter after the asset is available for use. Both hardware and office equipment under capital lease have estimated useful lives of five years, amortized at 20% per annum. End-user computer equipment under capital lease has an estimated useful life of four years, amortized at 25% per annum.

An obligation under a capital lease is similar to a loan. Lease payments are allocated to a reduction of the obligation, interest expense and any related executory costs. The interest expense is calculated using the discount rate used in computing the present value of the estimated minimum lease payments applied to the remaining balance of the obligation. The discount rate used is equal to the Organization's rate for incremental borrowing at inception of the lease.

Deferred Rent and Lease Inducements

Certain of the Organization's operating leases contain predetermined fixed escalations of minimum property rentals during the original lease terms. The Organization recognizes the related rental expense on a straight-line basis over the life of the lease and records the difference between the amounts charged to operations and amounts paid as deferred rent [included in lease inducement] in the early years of the lease, when cash payments are generally lower than straight-line rent expense. Deferred rent is reduced in the later years of the lease when payments begin to exceed the straight-line expense.
The Organization also receives certain lease incentives in conjunction with entering into operating leases. These lease incentives are recorded as a lease inducement at the beginning of the lease term and recognized as a reduction of rent expense over the lease term.

Employee Future Benefits

The Organization accrues its obligation under employee defined benefit plans and related costs as follows:

- The defined benefit obligation is measured based on an actuarial valuation for accounting purposes at the statement of financial position date. The defined benefit obligation is determined using the projected benefit method prorated on services, which incorporates management's best estimate for each actuarial assumption. Actuarial assumptions are used in the calculation of the benefit obligation and the assumptions relate to administrative expenses and taxes, termination rates, disability claim rates, rates of employee turnover, retirement age, mortality, dependency status, per capita claims cost by age and by type of benefit, health care cost trend rates, discount rates to reflect the time value of money, and future salary and benefits level.
- Plan assets are measured at fair value as at the statement of financial position date. The Organization recognizes a valuation allowance for any excess of plan surpluses over the expected future benefit.
- The cost of the defined benefit plans relating to current service cost and financing cost [net of interest on the defined benefit liability] is recorded on the statement of operations.
- Remeasurements and other items are recorded directly on the statement of changes in fund balances. These relate to:

  a) The difference between the actual return on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation;

  b) Actuarial gains and losses;

  c) The effect of any valuation allowance;

  d) Past service costs; and

  e) Gains and losses arising from settlements and curtailments.

The Organization also offers a defined contribution pension plan to employees. An expense is recorded in the period when the Organization is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included on the statement of financial position under payables and accruals.

Allocation of Expenses

The Organization engages in dealer regulation, market regulation, and is the Debt Information Processor for certain securities.

To facilitate proper fee allocations, direct costs are separately captured for Investment Dealer and Mutual Fund Dealer regulation, market equity and debt regulation activities, and Debt Information Processor activities, with indirect costs being allocated to each of these using a cost allocation model based on either direct business unit cost or headcount as appropriate.

Use of Estimates

Management reviews the carrying amounts of items in the financial statements at each period-end date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require the use of management's judgment in arriving at a best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known. Items subject to significant management estimates include accruals, allowance for doubtful accounts, eligibility of expenditures for capitalization, date of substantial completion of technology projects to begin amortization, useful lives of capital assets, minimum lease payments, lease discount rate, and valuation of employee future benefits asset/liability.

3. Investments

Investments, at fair value, consist of the following:

	2025 $	2024 $
Marketable securities	57,702	27,991
Mutual funds		
Balanced funds	—	5,944
Bond funds	19,913	13,917
Global equity funds	7,865	5,839
	85,480	**53,691**

Marketable securities consist of government-issued promissory notes and treasury bills, and debt instruments of financial institutions with yields between 2.59% and 3.63% [2024 – 4.50% and 5.21%].

Mutual funds are earmarked assets to fund the liabilities of the non-registered employee pension and post-retirement benefits.

The Organization owns a 10% interest in the common shares of FundSERV Inc. ["FundSERV"], an organization created as a depository and clearing house for the investment fund industry, which is recorded at its original cost of nil.

4. Receivables

Receivables consist of the following:

	2025 $	2024 $
Trade	10,699	12,285
Allowance for doubtful accounts	(49)	(88)
	10,650	**12,197**

5. Capital Assets

Capital assets consist of the following:

			2025	2024
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Unrestricted Fund				
Tangible				
Leasehold improvements	26,708	5,354	21,354	20,890
Technology projects hardware	6,739	2,458	4,281	1,587
Office furniture and equipment	7,169	3,698	3,471	3,455
Computer equipment and software	626	561	65	154
Assets under capital lease				
Computer equipment	1,571	685	886	911
Hardware	–	–	–	2,142
Office equipment	–	–	–	10
Intangible				
Technology projects software	25,343	19,653	5,690	5,606
	68,156	**32,409**	**35,747**	**34,755**
Externally Restricted Fund				
Tangible				
Technology projects hardware	1,902	1,763	139	5
Computer equipment	52	44	8	27
Hardware under capital lease	–	–	–	297
Intangible				
Technology projects software	8,190	6,823	1,367	2,073
	10,144	**8,630**	**1,514**	**2,402**
	78,300	**41,039**	**37,261**	**37,157**

Computer Equipment Under Capital Lease
The Organization leases end-user computer equipment, with the intent to replace one-quarter of end-user computer equipment assets each fiscal year moving forward. These leases were assessed to be capital in nature. Computer equipment under capital lease is recorded as an asset at the beginning of the lease term, with present value calculations based on minimum lease payments, excluding executory costs, and the discount rate established at inception of the lease. Computer equipment ordered, shipped and held for preparation at a third-party location for the Organization is recognized as leased capital assets under development using management's best estimates for minimum lease payments, discount rate, and lease commencement date.

Hardware Under Capital Lease
The Organization entered into a five-year contract expiring December 2024 with an IT service provider for infrastructure services and information security operations within a new, secure, hybrid-cloud platform. The contract terms include provisions for automatic renewal for additional one-year periods to a maximum of two years at the Organization's sole discretion, the first of which was applied in January 2025. Certain arrangements relating to the use of dedicated physical hardware were assessed to be leases of a capital nature. The leased capital assets recorded use management's best estimates for eligibility of expenditures for capitalization, minimum lease payments, discount rate, and date of substantial completion. During the year, ownership of the equipment was transferred to the Organization and the assets were transferred from the "Hardware under capital lease" category to the "Technology projects hardware" category.

Office Equipment Under Capital Lease
The Organization has a service agreement with a vendor under a cost per impression model. Under this agreement, the Organization has committed to a monthly minimum volume on each copier that includes the cost of the copier plus executory costs for supplies, maintenance and support. The arrangements relating to the use of the copiers were assessed to be leases of a capital nature, with the minimum lease payments, excluding executory costs, used to determine the present value. During the year, ownership of the equipment was transferred to the Organization and the assets were transferred from the "Office equipment under capital lease" category to the "Office furniture and equipment" category.

Capital Assets Under Development
As at March 31, 2025, there are capital assets under development for hardware and software of $2,667. As such, these assets are not yet being amortized.

In addition, there are capital assets of $293 included in leasehold improvements, furniture and equipment, computer equipment and computer equipment under capital lease that were available for use in the last quarter of 2025. No amortization was recorded on these assets as amortization begins in the quarter after assets are available for use.

During the year, the Organization recognized disposal losses in the amount of $219 on applications, equipment and computer equipment under capital lease [2024 – $77 on office furniture, equipment, leasehold improvements, hardware and office equipment under capital lease]. The disposal losses were recognized in the statement of operations.

During the year, it was determined that assets with costs of $4,488 [2024 – $14,955] and accumulated amortization of $4,270 [2024 – $14,878], respectively, were no longer in use and written off.

6. Capital Lease Obligations

Concurrent with the recognition of assets under capital lease [note 5], equivalent capital lease obligations were recorded at the present value of estimated lease payments, excluding executory costs, using the Organization's estimated rate for incremental borrowing when the asset was recognized. The lease discount rates on the asset recognition dates are as follows:

	Discount Rate %
2025	3.55 – 4.73
2024	1.12 – 5.60
2023	1.07 – 5.02
2022	0.66 – 3.06

For end-user computer equipment under capital lease, the lease maturity dates will be four years following the first payment date. End-user computer equipment lease maturity dates are estimated between May 31, 2025 and January 31, 2029. There are no executory costs with the computer equipment leases. The capital lease obligations as at year-end is $834 [2024 – $2,174].

As at March 31, 2025, the estimated future minimum lease payments for capital lease obligations in each of the next four years are as follows:

	Obligations $
2026	358
2027	258
2028	183
2029	84
	883
Amount representing interest	(49)
Total capital lease obligations	**834**
Current portion	353
Long-term portion	481
Total capital lease obligations	**834**

7. Employee Future Benefits

Upon amalgamation, the retirement and post-employment benefit plans of IIROC and the MFDA continued for their respective members under the sponsorship and administration of the Organization, including both defined benefit and defined contribution plan provisions. The defined benefit plans provide benefits that are based on a combination of years of service and a percentage of the participant's plan earnings and are closed to new entrants. Effective January 1, 2024, eligible employees not previously covered by provisions of a registered plan became eligible under the defined contribution plan provisions. Under the defined contribution plan provisions, the Organization makes contributions based on a percentage of the participant's plan earnings as well as a match based on an employee's contributions. Effective January 1, 2024, the matching percentage equals the optional contribution rate for all CIRO DC participants.

Effective April 1, 2023, the New Self-Regulatory Organization of Canada Pension Plan for Members and Eligible Member of the Pension Plan for Employees of the Mutual Fund Dealers Association of Canada ["MFDA RPP"] was merged into the Retirement Plan for Employees of Investment Industry Regulatory Organization of Canada ["IIROC RPP"] and renamed the Retirement Plan for the Employees of Canadian Investment Regulatory Organization ["CIRO RPP"]. The net asset transfer of the MFDA RPP was completed on September 19, 2024 and the assets and liabilities are now shown on a combined basis under the CIRO RPP.

On February 25, 2025, CIRO engaged in a buy-out group annuity contract whereby obligations in respect of the pensions of the CIRO RPP's retired members were assumed by an insurer. A premium amount of $35,783 was transferred on March 11, 2025, resulting in an actuarial gain of $670.

As at March 31, 2025, the Organization has the following pension plans:

1. Retirement Plan for Employees of Canadian Investment Regulatory Organization ["CIRO RPP"] – active, includes defined benefit and defined contribution provisions. The defined benefit components of the CIRO RPP are closed to new members.
2. CIRO Supplemental Pension Plan for Executives ["CIRO SERP"] – active, non-registered plan including defined benefit and defined contribution provisions. Effective January 1, 2020, the defined benefit provision of the CIRO SERP was closed to new members. Employees who become eligible for SERP on or subsequent to January 1, 2020 participate in the defined contribution provision.
3. MFDA Supplemental Executive Retirement Plan ["MFDA SERP"] – inactive as of December 31, 2022, non-registered defined benefit pension plan. An RCA trust has been established for the purpose of funding the pension obligations under the Plan.

Effective September 19, 2024, the Non-Pension Post-Retirement Benefits Plan for the Mutual Fund Dealers Association of Canada ["MFDA PRB"] was merged into the IIROC Non-Pension Post-Retirement Benefit Plan ["IIROC PRB"] and renamed the Canadian Investment Regulatory Organization Post-Retirement Benefits Plan ["CIRO PRB"].

The legacy-IIROC PRB provisions were closed to new employees hired on or after September 1, 2015 and to members who would not otherwise be eligible for benefits by September 1, 2020.

The legacy-MFDA PRB provisions were closed to new employees hired on or after January 1, 2020. Effective April 1, 2025, the legacy-MFDA provisions were amended to restrict benefit eligibility to active members who will be retirement eligible by December 31, 2027, resulting in a curtailment as at March 31, 2025 of $2,279.

The most recent actuarial valuations for funding purposes were prepared with an effective date of April 1, 2023 for the CIRO RPP and the CIRO SERP [DB provisions]. For the MFDA SERP, the most recent actuarial valuations were prepared with an effective date of April 1, 2025. The next actuarial valuations will be prepared with an effective date of no later than three years from the date listed.

Actuarial valuations for the CIRO PRB, legacy-IIROC and MFDA PRB provisions, were conducted as of April 1, 2022 and July 1, 2022, respectively.

The asset (liability) on the statement of financial position is as follows:

2025	CIRO SERP $	CIRO PRB $	Subtotal $	CIRO RPP $	MFDA SERP $	Subtotal $
Accrued benefit obligation	(15,412)	(9,754)	(25,166)	(118,297)	(6,429)	**(124,726)**
Fair value of plan assets	—	—	—	123,499	8,791	**132,290**
Fund status – plan surplus (deficit)	(15,412)	(9,754)	(25,166)	5,202	2,362	**7,564**
Valuation allowance	—	—	—	—	—	**—**
Accrued benefit asset (liability), net of valuation allowance	**(15,412)**	**(9,754)**	**(25,166)**	**5,202**	**2,362**	**7,564**

2024	CIRO SERP $	CIRO RPP $	CIRO PRB $	Subtotal $	MFDA SERP $	Subtotal $
Accrued benefit obligation	(14,227)	(144,023)	(11,174)	(169,424)	(6,555)	**(6,555)**
Fair value of plan assets	—	149,410	—	149,410	8,993	**8,993**
Fund status – plan surplus (deficit)	(14,227)	5,387	(11,174)	(20,014)	2,438	**2,438**
Valuation allowance	—	(5,601)	—	(5,601)	—	**—**
Accrued benefit asset (liability), net of valuation allowance	**(14,227)**	**(214)**	**(11,174)**	**(25,615)**	**2,438**	**2,438**

The employee future benefit expense is as follows:

2025	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	Total $
Current service cost	649	348	3,081	—	**4,078**
Interest cost on accrued benefit obligation	708	557	7,199	309	**8,773**
Interest income on market value of assets	—	—	(7,389)	(428)	**(7,817)**
Interest on valuation allowance	—	—	277	—	**277**
Employee future benefit expense (recovery)	**1,357**	**905**	**3,168**	**(119)**	**5,311**

2024	CIRO SERP $	CIRO RPP $	CIRO PRB $	MFDA SERP $	Total $
Current service cost	568	4,010	334	—	**4,912**
Interest cost on accrued benefit obligation	641	6,885	530	304	**8,360**
Interest income on market value of assets	—	(7,311)	—	(425)	**(7,736)**
Interest on valuation allowance	—	149	—	—	**149**
Employee future benefit expense (recovery)	**1,209**	**3,733**	**864**	**(121)**	**5,685**

The remeasurements and other items charged on the statement of changes in fund balances are a gain of $6,994 [2024 – loss of $4,919] as follows:

2025	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	Total $
Actuarial losses (gains)	527	293	818	195	**1,833**
Losses and (gains) arising from settlements and curtailments	—	(2,279)	(670)	—	**(2,949)**
Change in valuation allowance	—	—	(5,878)	—	**(5,878)**
Remeasurements and other items	**527**	**(1,986)**	**(5,730)**	**195**	**(6,994)**

2024	CIRO SERP $	CIRO RPP $	CIRO PRB $	MFDA SERP $	Total $
Actuarial gains	707	1,647	(45)	174	**2,483**
Change in valuation allowance	—	2,436	—	—	**2,436**
Remeasurements and other items	**707**	**4,083**	**(45)**	**174**	**4,919**

There is no outstanding liability for the defined contribution plan as at March 31, 2025 [2024 – nil]. Current year expense for the defined contribution provisions of the CIRO RPP was $3,874 [2024 – $2,942].

The significant actuarial assumptions adopted in measuring the Organization's accrued benefit obligations are as follows:

	2025 %	2024 %
Discount rate – accrued benefit obligation	4.57 to 4.77	4.87 to 4.95
Discount rate – benefits cost	4.87 to 4.95	4.81 to 4.95
Rate of compensation increase	3.00	3.00

For measurement purposes in 2025, inflation of medical expenses and dental costs was assumed to remain unchanged at 5.0% and 4.5% to 6.0%, respectively.

The following is a summary of contributions and benefits paid for defined benefits and PRB plans:

2025	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	Total $
Employer contributions	699	339	2,854	—	**3,892**
Employee contributions	—	—	1,585	—	**1,585**
Settlements	—	—	(35,783)	—	**(35,783)**
Benefits paid	(699)	(339)	(5,345)	(456)	**(6,839)**

2024	CIRO SERP $	CIRO RPP $	CIRO PRB $	MFDA SERP $	Total $
Employer contributions	679	3,131	327	—	**4,137**
Employee contributions	—	1,684	—	—	**1,684**
Benefits paid	(679)	(3,889)	(327)	(456)	**(5,351)**

Registered Pension, SERP and PRB Risk

Registered pension risk refers to the risk that the Organization's financial condition on the statement of financial position would be adversely impacted because of the impact on the Organization's two registered plans of possible reductions in the future market value of the plan investments and/or increases in the pension liability if interest rates were to fall below current levels. These risks are mitigated by maintaining sufficient funding levels and by holding a diversified set of investments, which are managed by professional investment managers operating under specified mandates and tolerances. The Organization also carefully monitors and manages funding levels and makes contributions required by law and, in addition, makes special contributions to maintain desired funding levels. Similar risks and funding considerations apply to the unregistered plans including assets earmarked for SERP and PRB [note 3], although funding levels for these plans are not dictated by law. The Organization monitors and manages funding levels for all unregistered plans for which it makes predetermined and special contributions to achieve desired funding levels.

8. Expenses

Expenses consist of the following:

	2025 $	2024 $
Unrestricted Fund expenses		
Investment dealer regulation operating expenses		
Compensation	53,310	52,447
Technology	5,910	5,635
Occupancy	6,335	7,524
Amortization and impairment	2,931	1,840
Professional services and consulting	2,082	1,493
Other	4,624	4,549
	75,192	**73,488**
Mutual fund dealer regulation operating expenses		
Compensation	28,185	25,949
Technology	3,101	2,274
Occupancy	3,465	4,060
Amortization and impairment	1,903	1,009
Professional services and consulting	1,110	607
Other	2,600	1,999
	40,364	**35,898**
Market equity regulation operating expenses		
Compensation	24,236	23,896
Technology	5,068	4,524
Occupancy	2,298	2,927
Amortization and impairment	1,774	1,442
Professional services and consulting	853	839
Other	1,969	2,174
	36,198	**35,802**
Market debt regulation operating expenses		
Compensation	1,829	1,713
Technology	450	394
Occupancy	145	199
Amortization and impairment	223	158
Professional services and consulting	63	56
Other	130	140
	2,840	**2,660**
Debt Information Processor operating expenses		
Compensation	911	829
Technology	309	303
Occupancy	32	45
Amortization and impairment	44	30
Professional services and consulting	15	13
Other	30	32
	1,341	**1,252**
Total Unrestricted Fund expenses before integration costs	**155,935**	**149,100**

	2025 $	2024 $
Integration costs		
Human resources and related advisory costs	—	6,301
Technology	—	3,354
Communication	—	549
Legal	—	359
Change management	—	342
Financial advisory and insurance premiums	—	12
Governance	—	11
Total integration costs	**—**	**10,928**

Integration costs were incurred until March 31, 2024. During 2025, the Organization collected integration cost recovery fees of $5,091, which are recorded in the statement of operations and then transferred to the Internally Restricted Integration Fund. In January 2025, the Board approved the use of the Unrestricted Fund to fund the remaining balance as of the end of fiscal 2025 and close the Internally Restricted Integration Fund. As a result, the Organization recorded an interfund transfer of $9,380 from the Unrestricted Fund to the Internally Restricted Integration Fund, reducing the ending balance of the Internally Restricted Integration Fund to nil.

	2025 $	2024 $
Externally Restricted Fund expenses		
Costs of administration [investor office, investor advisory panel and hearings]	1,552	2,028
Non-profit contributions		
Financial education	390	75
Complaint support	171	75
Investor advocacy	25	40
Total non-profit contributions	**586**	**190**
Other public interest project expenses		
Education and research	253	626
Proficiency framework infrastructure	409	—
Awareness campaign	531	—
Amortization, interest and impairment on capital assets	892	1,481
Total other public interest project expenses	**2,085**	**2,107**
Total Externally Restricted Fund expenses	**4,223**	**4,325**

Contributions to non-profit organizations in fiscal 2025 included support for initiatives by Prosper Canada, the Canadian Foundation for Economic Education, Code F, Clinique juridique de l'Université de Montréal, Osgoode Hall Law School Investor Protection Clinic, and MÉDAC [Mouvement d'Éducation et de Défense des Actionnaires].

9. Commitments

As at March 31, 2025, the basic minimum aggregate annual rental payments, excluding GST/HST and shared operating costs under long-term leases, with varying expiry dates to September 29, 2038, for the Organization's premises are as shown below. In addition to the minimum lease payments noted below, the Organization is also obligated to pay its share of realty taxes, operating costs and utilities, which fluctuate from year to year.

	$
2026	6,510
2027	5,696
2028	5,131
2029	5,259
2030	4,782
Thereafter	41,429
	68,807

Rental revenue recognized by the Organization for the premises sub-leased during 2025 was $2,581 [2024 – $215]. The undiscounted lease payments to be received in future years are shown below. In addition to the minimum sub-lease payments noted below, the Organization will be receiving its share of realty taxes, operating costs and utilities pertaining to the premises sub-leased, which fluctuate from year to year.

	$
2026	1,181
2027	492
	1,673

10. Credit Facilities

The Organization had a demand credit facility in the amount of $6,000 [2024 – $6,000]. On May 23, 2024, this credit facility was closed.

11. Contingencies

The Organization has an agreement with the Canadian Investor Protection Fund ["CIPF"], formed through the amalgamation of two predecessor protection funds, the former Canadian Investor Protection Fund and the MFDA Investor Protection Corporation. CIPF is approved by the CSA to provide limited protection [per the CIPF Coverage Policy] for property held by a CIRO-registered Dealer Member firm on behalf of an eligible client who suffers financial loss due to the insolvency of the member firm. CIPF maintains two segregated funds, the Investment Dealer fund and the Mutual Fund Dealer fund. CIRO is responsible for collecting from Dealer Members whether or not collected, paying to CIPF] assessments calculated in respect of each such member firm.

In order to meet potential financial obligations, CIPF maintains the segregated funds, lines of credit provided by Canadian chartered banks, and excess insurance in respect of each of the segregated funds. CIRO provides two guarantees on the bank lines of credit in the maximum amounts of $125,000 and $30,000 for the Investment Dealer and Mutual Fund Dealer funds, respectively. Any amount drawn on the CIRO guarantees would be assessed to member firms. The Mutual Fund Dealer fund line of credit is secured by an assignment agreement for interest in assessments levied by the Organization to the Mutual Fund Dealer Members for the purposes of funding CIPF.

As at March 31, 2025, CIPF had not drawn on these lines of credit.

From time to time, the Organization may face claims by employees, the public and other third parties arising from the ordinary course and conduct of its business. As at March 31, 2025, estimates of loss on current claims are not determinable, and no provisions for such have been recorded. The Organization has no reason to believe that any of the matters would have a material adverse impact on the financial position, results of operations, or ability to carry on its business.

12. Financial Instruments and Risk Management

Carrying Amounts of Financial Assets

As at March 31, 2025, the carrying amounts of the Organization's financial assets measured at amortized cost and at fair value are as follows:

	2025			2024		
	Cost or amortized cost $	Fair value $	Total carrying value $	Cost or amortized cost $	Fair value $	Total carrying cost $
Cash and cash equivalents	19,124	31,411	**50,535**	40,206	31,803	**72,009**
Investments	—	85,480	**85,480**	—	53,691	**53,691**
Receivables	10,650	—	**10,650**	12,197	—	**12,197**
	29,774	**116,891**	**146,665**	**52,403**	**84,494**	**136,897**

The Organization's main financial instrument risk exposure is detailed as follows:

Credit Risk

The Organization has determined that the primary financial assets with credit risk exposure are accounts receivable since failure of any of these parties to fulfill their obligations could result in financial losses for the Organization. The risk is mitigated by the distribution of receivables over the entire membership, with the most significant amounts exposed to highly rated bank-owned dealers. Marketable securities also expose the Organization to credit risk, which the Organization limits by investing in high-quality securities. Mutual fund investments also indirectly expose the Organization to credit risk. The risk is mitigated by the diversified holdings in mutual funds. The Organization is also exposed to concentration risk in that all of its cash is held with financial institutions and the balances held are in excess of Canadian Deposit Insurance Corporation limits.

Liquidity Risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities.
The Organization is exposed to liquidity risk with respect to its payables and accruals. The Organization mitigates its liquidity risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash, and maintaining a minimum of three months of budgeted operating expenses as required by the Organization's internal liquidity guideline.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

Currency Risk
Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of the Organization is the Canadian dollar. The Organization invests a portion of its investment portfolio in mutual funds that invest in foreign equities. The Organization mitigates its currency risk exposure by limiting the extent of foreign currency exposure.

Interest Rate Risk
Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. Fixed rate financial instruments are subject to fair value risk and floating rate financial instruments are subject to cash flow risk. The Organization is exposed to interest rate risk with respect to cash and cash equivalents and interest-bearing investments. Fluctuations in market rates of interest on cash and cash equivalents, short-term investments and guaranteed investment certificates do not have a significant impact on the Organization's results of operations. The objective of the Organization with respect to interest-bearing investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory investment return.

Other Price Risk
Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices [other than those arising from currency risk or interest rate risk], whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization is exposed to other price risk because of its investment in mutual funds.

13. Comparative Financial Statements

The comparative financial statements have been reclassified from financial statements previously presented to conform to the presentation of the 2025 financial statements.

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