

Headnote

Delegation of registration-related powers and duties to the Canadian Investment Regulatory Organization; delegation of registration functions for firms registered as investment dealers, mutual fund dealers, and futures commission merchants, and the registration and status of individuals who act on their behalf; delegation of powers and duties under sections 11.9 and 11.10 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103); delegation of powers and duties regarding exemptions from certain proficiency requirements in NI 31-103 and the Regulation under the Commodity Futures Act; revocation of the assignment of powers and duties to the Investment Industry Regulatory Organization Of Canada.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 21.5, 27, 28, 30, 31, 33.1.

Commodity Futures Act, R.S.O. 1990, c. C.20, ss. 20, 23, 24, 28.

Regulation under Commodity Futures Act, R.R.O. 1990, Reg. 90: General, ss. 37(7), 38(2).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 3.3, 3.5, 3.6, 11.9, 11.10, 15.1.

March 5, 2025

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED (OSA)**

AND

**THE COMMODITY FUTURES ACT,
R.S.O. 1990, C.20, AS AMENDED (CFA)**

AND

**IN THE MATTER OF
THE REVOCATION OF THE
ASSIGNMENT OF CERTAIN POWERS AND DUTIES
OF THE DIRECTOR TO THE
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)**

AND

**THE DELEGATION OF CERTAIN POWERS AND DUTIES TO THE
CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)**

**REVOCATION
(Subsection 21.5(3) of the OSA and
Subsection 20(3) of the CFA)**

**DELEGATION
(Section 21.5 of the OSA and
Section 20 of the CFA)**

WHEREAS:

- A. CIRO was established effective January 1, 2023, as a result of the amalgamation of IIROC and the Mutual Fund Dealers Association of Canada (**MFDA**).

- B. By an order issued October 25, 2022, effective January 1, 2023, the Commission recognized CIRO as a self-regulatory organization under section 21.1 of the OSA and section 16 of the CFA (**Recognition Order**), which order was varied and restated effective June 1, 2023.
- C. Under section 21.4 of the OSA and section 19 of the CFA, the Commission accepted the voluntary surrender of the recognition of IIROC and the MFDA as self-regulatory organizations, effective January 1, 2023.
- D. Under the terms and conditions of the Recognition Order, CIRO must act in the public interest in regulating the operations and the standards of practice and business conduct of investment dealers and mutual fund dealers, including establishing rules governing dealer members and administering and monitoring compliance with applicable rules and Canadian securities legislation by members and others subject to its jurisdiction.
- E. Under subsection 21.5(1) of the OSA and subsection 20(1) of the CFA, the Commission may, on such terms and conditions as it may impose, delegate to a recognized self-regulatory organization any of the powers and duties of the Commission under Part XI of the OSA or the regulations related to that Part and any of the powers and duties of the Commission under Part VIII of the CFA or the regulations related to that Part.
- F. Under subsection 21.5(2) of the OSA and subsection 20(2) of the CFA, the Chief Executive Officer of the Commission may, with the approval of the Commission, delegate to a recognized self-regulatory organization any of the powers and duties of the Director under Part XI of the OSA or the regulations related to that Part and any of the powers and duties of the Director under Part VIII of the CFA or the regulations related to that Part.
- G. Under subsection 21.5(3) of the OSA and subsection 20(3) of the CFA, the Chief Executive Officer of the Commission, with the approval of the Commission, may at any time revoke a delegation made under section 21.5 of the OSA and section 20 of the CFA.
- H. On September 22, 2009, under subsection 21.5(2) of the OSA and subsection 20(2) of the CFA, the Executive Director, with the approval of the Commission, assigned to IIROC certain powers and duties of the Director in respect of the registration of individuals who are approved persons of IIROC members and applications for registration by individuals who are applying to become approved persons of IIROC members (**IIROC Assignment**).
- I. The Chief Executive Officer of the Commission and the Commission consider it desirable to revoke the IIROC Assignment and to delegate to CIRO certain powers and duties of the Director in respect of the registration of firms, under Ontario securities law and Ontario commodity futures law, in the categories of investment dealer, mutual fund dealer, and futures commission merchant and the registration and status of individuals who act on behalf of firms registered in the categories of investment dealer, mutual fund dealer, and futures commission merchant, subject to certain terms and conditions (**Delegation**).
- J. CIRO's performance of the delegated powers and duties will be subject to an enhanced risk-based framework of ongoing oversight by the Commission.
- K. The Commission and the Director retain concurrent authority for the delegated powers and duties and in the event of a conflict between an exercise by CIRO of a power or duty under the Delegation and an exercise of a power or duty by the Commission or the Director, the Commission's and the Director's authority will prevail.

NOW THEREFORE:

1. Under subsection 21.5(3) of the OSA and subsection 20(3) of the CFA, the Chief Executive Officer of the Commission revokes the IIROC Assignment.
2. Under subsection 21.5(2) of the OSA and subsection 20(2) of the CFA, the Chief Executive Officer of the Commission delegates to CIRO the powers and duties of the Director under the following provisions of Ontario securities law and Ontario commodity futures law:
 - (a) sections 27 and 31 of the OSA, section 23 of the CFA, and subsections 37(7) and 38(2) of R.R.O. 1990, Regulation 90, made under the CFA in respect of applications for registration, applications for reinstatement of registration, and applications for amendment of registration by
 - (i) firms in the categories of investment dealer, mutual fund dealer, or futures commission merchant,
 - (ii) individuals in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer, and
 - (iii) individuals in the categories of salesperson, partner, or officer of a registered futures commission merchant;
 - (b) section 28 of the OSA and subsection 23(2) of the CFA in respect of the registration of
 - (i) firms in the categories of investment dealer, mutual fund dealer, or futures commission merchant,
 - (ii) individuals in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer, and
 - (iii) individuals in the categories of salesperson, partner, or officer of a registered futures commission merchant;
 - (c) section 30 of the OSA in respect of applications for the surrender of registration by firms in the categories of investment dealer or mutual fund dealer;
 - (d) section 31 of the OSA and subsection 23(3) of the CFA in respect of the registration of
 - (i) firms in the categories of investment dealer, mutual fund dealer, or futures commission merchant,
 - (ii) individuals in the categories of

1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer, and
 - (iii) individuals in the categories of salesperson, partner, or officer of a registered futures commission merchant;
 - (e) section 33.1 of the OSA and section 28 of the CFA in respect of an application by or the registration of
 - (i) firms in the categories of investment dealer, mutual fund dealer, or futures commission merchant,
 - (ii) individuals in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer, and
 - (iii) individuals in the categories of salesperson, partner, or officer of a registered futures commission merchant;
 - (f) sections 11.9 and 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* but only in respect of notices required to be given by
 - (i) firms registered in the categories of investment dealer or mutual fund dealer and
 - (ii) individuals registered in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer;
 - (g) section 15.1 of NI 31-103 but only in respect of exemptions from the requirements of sections 3.3, 3.5, and 3.6 as they apply to an individual who is required to be registered in the categories of dealing representative and chief compliance officer to act on behalf of a firm that is registered as a mutual fund dealer.
3. Under subsection 20(1) of the CFA, the Commission delegates to CIRO the powers and duties of the Commission under section 24 of the CFA in respect of applications for the surrender of registration by firms registered, under Ontario commodity futures law, in the category of futures commission merchant (together with the powers and duties in section 2 of this Delegation, **Delegated Functions**).
 4. This Delegation is subject to the terms in conditions in Appendix A to the Delegation.

5. This Delegation takes effect on April 1, 2025.

"D. Grant Vingo"
Chief Executive Officer
Ontario Securities Commission

Board Approved: March 5, 2025

APPENDIX A

TERMS AND CONDITIONS

1. CIRO must exercise the Delegated Functions in the public interest and in accordance with the associated requirements of Ontario securities law and Ontario commodity futures law, including the requirements of section 27 of the OSA, as well as the terms and conditions of the Recognition Order.
2. CIRO must establish and maintain requirements in respect of the registration of firms and individuals under the Delegation that account for the proficiency, integrity, and solvency of those firms and individuals.
3. CIRO must ensure that it will maintain sufficient capacity to effectively and efficiently perform the Delegated Functions, including sufficient financial, technological, and human resources.
4. CIRO must establish service standards for the performance of the Delegated Functions that are satisfactory to the Commission. Such service standards must be established by October 1, 2025.
5. CIRO must publish the established service standards together with publication of CIRO's achievement of these standards on a quarterly basis.
6. CIRO must establish and maintain written policies and procedures, in a form satisfactory to the Commission, in respect of CIRO's performance of the Delegated Functions.
7. CIRO must provide the Commission with reasonable prior written notice of any significant proposed changes to the policies and procedures established under section 6 and CIRO must not implement the proposed changes until the Commission has notified CIRO that it has no further questions or comments.
8. CIRO must provide the Commission with reasonable prior written notice in respect of any firm registration matter where, in CIRO's opinion, an application or submission raises significant or novel issues and CIRO must not make a final determination in the matter until the Commission has notified CIRO that it has no further questions or comments.
9. For purposes of section 8, "significant or novel issues" means any issue that, without limitation, either:
 - (a) raises a significant new issue which has previously not been addressed, resolved, or used in the same context;
 - (b) may have a significant impact on:
 - (i) the interpretation of applicable rules or Ontario securities legislation, including the interpretation of the requirement to register, business trigger for trading or advising and fitness for registration;
 - (ii) registration applications;
 - (iii) applications for exemptive relief;
 - (iv) market participants, including members, approved persons, member employees and other registrants;
 - (v) investors or investor protection;
 - (vi) market structure;
 - (vii) market practices or industry standards; or
 - (viii) regulatory enforcement;
 - (c) may have an impact on policy development or rulemaking; or

- (d) relates to a new business model, financial instrument, service, product, technology, or innovation.
10. CIRO must establish a process for performing background checks as part of its process for making registration decisions under the Delegation.
 11. CIRO will submit to the Commission information and reporting in a form and frequency acceptable to the Commission, including, without limitation, risk analyses, examination schedules and reports for CIRO members with Ontario operations and enhanced reporting about CIRO regulatory actions and registration activities.