



How CIRO impacts your business

What is CIRO?

On January 1, 2023, The Mutual Fund Dealers Association (MFDA) and Investment Industry Regulatory Organization of Canada (IIROC), two self-regulatory organizations (SROs) that governed the wealth management industry and enforced professional regulations and standards, officially merged into a single new SRO to govern advisors and dealers registered with either body.

On June 1, 2023, the new SRO officially changed its name to the Canadian Investment Regulatory Organization (CIRO). CIRO is seeking to create consistent rules across registrant categories that present a risk and principles-based approach to rules, compliance and enforcement.

What does this mean for you?

Right now, **NOTHING** changes for you and your business. CIRO will take some time to define their rules and policies, so we don't anticipate any major impacts for you this year.

An [interim rulebook](#) consisting of a combination of both former SRO's rules is available while regulators work on a harmonized rulebook. This will likely take more than two years to complete.

Highlights:

- A mutual fund dealer can now introduce all or any part of its business to an investment dealer. This will make it possible for Quadrus to expand its offerings from mutual funds only to other product types, such as ETFs, which until now have only been offered on a limited basis to a pilot group of advisors. You can also bring over client assets held in ETFs, stocks, bonds, etc., using our Canada Life Securities Limited program if you're bringing in clients with assets not covered by their current credentials
- Payment of mutual fund commissions to corporations is still allowed for mutual fund advisors in provinces which previously allowed it

Please keep following Quadrus's policies and procedures. We'll let you know when there's a change that affects you and your clients.



It's a good thing

This is an important and positive change that will benefit you and your clients.

CIRO asks dealers to comment on new policies and rules - Quadrus always reviews them to ensure they reflect your needs. We'll be at the table advocating for you. As always, we'll keep you updated as CIRO evolves.

FAQ

Will I have to update my website with the new CIRO logo?

It depends. If you were displaying the MFDA logo on your website, you'll need to be update to the new CIRO logo by Dec. 2024. The same is true for the new Investor Protection Fund logo. While the logo specifications aren't yet available, we'll keep you informed when they are, so you have them available as needed.

Will CIRO impact my compensation?

No - Currently, there are no changes to compensation grids, National Registration Database (NRD) or provincial licensing renewal fees.

Will CIRO require me to complete the Conduct and Practices Handbook (CPH) course as a mutual fund advisor?

No - Mutual fund advisors remaining with Quadrus will not need to complete the CPH.

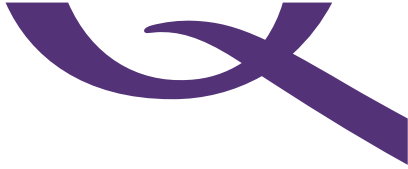
Will I still be able to direct my commissions to a corporation?

Yes – Former MFDA advisors who directed their mutual fund commissions to a corporation pre-amalgamation can continue to do so post-amalgamation. However, advisors who become an investment dealer cannot continue to direct their mutual fund commissions to a corporation as this is not permitted under the interim rules. CIRO has indicated reviewing this capability for advisors associated with an investment dealer will be a priority, but there is no guarantee this will change.

What kind of products will I have access to?

Under the interim rules, product shelves will largely remain the same. Quadrus offers many investment products including:

- Mutual funds
- Liquid Alternatives
- Segregated funds
- High Interest Savings Accounts
- GICs

- 
- Labour Sponsored Funds (MB, SK)
 - ETFs (on a separate platform for pilot eligible advisors)

Advisors should think about their practice, the products and solutions to best service their clients and the target markets in which they work.

If I become an investment dealer, do I still need to repaper my clients?

Yes – For now, repapering clients (i.e., amending client contracts) will continue to be required for advisors when their registration changes.