

Regulators delegate, CIRO regulates

April 04, 2025

Registration changes for investment dealers and mutual fund dealers in multiple jurisdictions and for futures commission merchants in Ontario

*This is an update to our previous bulletin published on March 18, 2025.

On April 1, 2025, the securities regulatory authorities of Alberta, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, and Yukon, (collectively, the Jurisdictions) delegated certain registration functions to the Canadian Investment Regulatory Organization (CIRO). The changes affect firms registered in the Jurisdictions in one or more of the following categories, and the individuals acting on their behalf (collectively, the Delegated Categories):

- Investment dealer
- Mutual fund dealer¹
- Futures commission merchant (Ontario)

The securities regulatory authorities of the Northwest Territories and Nunavut indicate they have also delegated certain registration functions to CIRO, effective April 1, 2025, however they have not yet published their respective delegation orders.

The Jurisdictions' respective delegation orders² aim to streamline the registration process by eliminating duplicative workstreams, while ensuring ongoing oversight through an enhanced risk-based framework. The Autorité des marchés financiers expects to publish its delegation order for investment dealers, mutual fund dealers and derivatives dealers in Québec later this month, with an expected effective date of July 1, 2025, and similar delegations by the Financial and Consumer Affairs Authority of Saskatchewan, the Manitoba Securities Commission, and the British Columbia Securities Commission are expected to follow.

What's new as of April 1?

- **Delegation to CIRO** - CIRO will now review and approve all initial registration applications and changes to registration information, and review permitted individuals, for the Delegated Categories in the Jurisdictions. This is in addition to the registration functions that were already being carried out by CIRO.

- **Coordinated review to single review** - Changes affecting a firm or an individual's registration that were previously subject to review by the securities regulators in the Jurisdictions and a separate process under CIRO rules, such as **initial registration and review of certain transactions involving a registrant's securities or assets**, will now be subject to a single review process conducted by CIRO.
- **Significant or novel issues** - CIRO must give the securities regulators of the Jurisdictions concerned advance notice of any firm registration matter where a "**significant or novel issue**" is present, including any issue that raises significant new regulatory questions, impacts rule interpretation or policy development, affects market participants or investor protection, or relates to new business models or innovations, among other things. CIRO cannot finalize its decisions on such matters until the securities regulators notified have confirmed they have no further questions or comments.
- **Registration in multiple categories** - If a firm or individual is applying for registration in multiple categories including both a Delegated Category and a non-Delegated Category (portfolio manager, exempt market dealer, investment fund manager, commodity trading manager, etc.), that firm or individual will be subject to a coordinated review by both the principal regulator and CIRO, and will also have to file any changes to their registration information with both regulators.
- **How to file** - An individual seeking registration or review as a permitted individual for a Delegated Category or updating their existing information must still file the relevant form through the National Registration Database (NRD), and the application will be directed appropriately. A firm in a Jurisdiction that is seeking registration in a Delegated Category, or seeking to update its registration information, must file the relevant form directly with CIRO, and should refer to the guidance provided by CIRO for instructions on how to do so.
- **Applying for relief** - All applications by firms seeking relief from a requirement in securities legislation and its regulations will continue to be made to their principal regulator. However, individuals seeking relief from the proficiency requirements applicable to their Delegated Category of registration in a Jurisdiction must apply to CIRO for an exemption.

What's next?

The impact of these changes will be most significant for mutual fund dealers who will now have their dealing representative registrations approved by CIRO. The **Jurisdictions' delegation of registration functions to CIRO is intended to improve** efficiency, but may cause growing pains as registrants and regulators adjust to the changes. The details and timing of corresponding delegation by the remaining members of the CSA is still uncertain, which may add complexity while the jurisdictions align. In the long run we expect this to be a positive change.

CIRO and the regulatory authorities of the Jurisdictions are expected to provide additional guidance, which should clarify how CIRO will exercise its new authority and **the process for the Jurisdictions' review of "significant or novel issues"**. As always, registered firms (with the help of sound legal advice) must adapt quickly to ensure ongoing compliance in the evolving registration landscape.

Please reach out to BLG or BLG Beyond AUM Law should you require assistance navigating this transition.

Footnotes

¹ Excluding certain mutual fund dealer firms that rely on legacy exemptive relief from the requirement to be members of the former Mutual Fund Dealers Association of Canada (and are presently exempt from CIRO membership).

² [Ontario delegation order](#); [Alberta delegation order](#); [New Brunswick delegation order](#); [Newfoundland and Labrador delegation order](#); [Nova Scotia delegation order](#); [Prince Edward Island delegation order](#); [Yukon delegation order](#)

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