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Integrated Fee Model

Executive Summary

The Canadian Securities Administrators (**CSA**) have approved CIRO's proposed integrated fee model (**Fee Model**) and related amendments to the Mutual Fund Dealer Rules (**MFD Rules**), which were originally published for public comment in CIRO Bulletin 24-0154. The new Fee Model will be effective April 1, 2025.

Background

CIRO currently operates two separate fee models to recover costs from Mutual Fund Dealer Members and from Investment Dealer and Marketplace Members (the **Interim Fee Models**), which are based on the fee models that were in place at the legacy organizations¹ with necessary modifications to align administration of fees. Dealer Members who are registered as both an investment dealer and a mutual fund dealer pay fees under both Interim Fee Models. The Interim Fee Models were to be maintained and administered until such time as an integrated fee model is developed.

On April 25, 2024 CIRO published for comment the Fee Model, which covered changes to the following:

- Annual Dealer Member Fee,
- Membership Application Fees and Fees for Dealer Member Business Changes,
- Qualified Market Maker Discount within the Equity Market Regulation Fee Model.

¹ The Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA)

Comments Received

Comments from 15 stakeholders were received in response to the CISO Bulletin 24-0154. The summary of these comments and our responses are provided in Appendix F to this notice.

Description of Non-Material Changes

Following the review of comments received, CISO has made the following non-material revisions to the Fee Model and MFD Rules, which were approved by CISO's President and Chief Executive Officer:

- Reduced rates and minor terminology revisions for clarity in Section 1 Entrance Fees, and related table regarding the Annual Fee for New Members in Section 7.
- Clarifying update to table in Section 6 Minimum Dealer Regulation Fee Component.
- Reduced rates and simplified structure for fees for business changes in Sections 10 through 12,
- Minor terminology revisions for clarity in the MFD Rules 7.4.8(e), 8.1.5 and 8.6.

Blacklined versions of these non-material changes to the Fee Model published in April 2024 are included in Appendix B.

Transitional Clarifications

Necessary updates to Frequently Asked Questions will be provided².

The following clarifications are provided for applications and business changes accepted prior to April 1, 2025 under the Interim Fee Models and approved after March 31, 2025, under the new Fee Model.

New Membership Applications

We will be contacting applicants who have a new membership application in process on April 1, 2025 to explain how the new Fee Model will apply in their circumstances.

Business Changes

Fees related to business changes will apply to applications accepted after April 1, 2025.

Extraordinary Costs and Expenses, where applicable and charged after March 31, 2025, will be calculated in accordance with Section 19 and rates in related Sections 1, 10, 11 and 12 of the new Fee Model.

Implementation

The Fee Model will become effective on **April 1, 2025**.

² [Fee Models](#)

Appendices

Appendix A – Fee Model (blacklined to existing Interim Fee Model)

Appendix B – Fee Model (blacklined to April 25, 2024 proposal publication)

Appendix C – Fee Model (clean)

Appendix D – MFD Rules 1, 3, 7 & 8 (clean and blacklined to existing)

Appendix E – MFD Rules 7 & 8 (clean and blacklined to April 25, 2024 proposal publication)

Appendix F – Summary of comments received and CISO's responses