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Rules Bulletin > Request for Comments

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Rule Connection: CIRO Rules

Division: Investment Dealer/Mutual Fund Dealer

Contact:

Member Regulation Policy

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Proposed Dual Registration amendments – Proposed CIRO Rules

Executive Summary

Comments Due By: June 12, 2026

The Canadian Investment Regulatory Organization (**CIRO**) is publishing for comment amendments on the Proposed CIRO Rules published in Bulletin 26-0039 (the “Proposed Dual Registration amendments”).

The Proposed Dual Registration amendments retire the dual registration regulatory construct by repealing the proficiency upgrade requirement for mutual fund-only advisors who work at an Investment Dealer Member and codifying exemptive relief conditions under which existing dual-registered firms operate. This change will simplify registration requirements and provide a unified framework across all Dealer Members.

How to Submit Comments

Comments on the Proposed Dual Registration amendments should be in writing and delivered by June 12, 2026 (**120** days from the publication date of this Bulletin) to:

Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2600
40 Temperance Street
Toronto, Ontario M5H 0B4
e-mail: memberpolicymailbox@ciro.ca

A copy should also be delivered to the Canadian Securities Administrators (**CSA**):

Trading and Markets
Ontario Securities Commission

Suite 2200
20 Queen Street West Toronto, Ontario M5H 3S8
e-mail: TradingandMarkets@osc.gov.on.ca

and

Market Oversight
Alberta Securities Commission
Suite 600
250-5th Street SW, Calgary AB T2P 0R4
email: CIRO-Reporting@asc.ca

Commentators should be aware that a copy of their comment letter will be made publicly available on the CIRO website at www.ciro.ca.

1. Background

The dual registration regulatory construct was created to provide a legal and operational bridge that allows a single firm to carry on both investment dealer and mutual fund dealer activities while preserving existing registration categories and provincial institutions.

Given recent changes in the regulatory landscape, we are now proposing to adopt a simpler approach under which investment dealers can operate mutual fund divisions without the need to also be registered as a mutual fund dealer.

2. Proposed Dual Registration amendments

This Bulletin describes the Proposed Dual Registration amendments which are being proposed separately from the Rule Consolidation Project¹ because they introduce new changes. If approved, we intend to have the Proposed Dual Registration amendments come into force at the same time as the CIRO Rules.

The following documents have been included as appendices to this Bulletin to provide details of the Proposed Dual Registration amendments:

- Appendix 1: a clean copy of the Proposed Dual Registration amendments,
- Appendix 2: a blackline comparison of the Proposed Dual Registration amendments to the Proposed CIRO Rules.

In the next sections of this Bulletin, we summarize the key elements of the Proposed Dual Registration amendments.

2.1 Dual registration construct

Dual registration was originally introduced upon the IIROC–MFDA amalgamation to allow a single legal entity to hold both investment dealer and mutual fund dealer registrations without requiring mutual fund only advisors to upgrade their proficiencies to those of an advisor at an Investment Dealer Member. Dual registration is no longer needed under a consolidated rulebook where rule requirements applicable to Investment Dealer Members and Mutual Fund Dealer Members have been harmonized.

The Proposed Dual Registration amendments retire this regulatory construct by:

- repealing the proficiency upgrade requirement for mutual fund-only advisors who work at an Investment Dealer Member, and
- codifying exemptive relief conditions under which existing dual-registered firms operate.

As a result, an Investment Dealer Member would be able to operate a mutual fund division without the need to also be registered as a mutual fund dealer. The Approved Person categories of '*Investment Representative* dealing in mutual funds only,' and '*Registered Representative* dealing in mutual funds only' will remain, but will no longer be

¹ See [Rule Consolidation Project](#).

subject to the proficiency upgrade requirement. We believe repealing the proficiency upgrade requirement will improve advisor mobility across CIRO-regulated firms and harmonize proficiency across Dealer Member types.

Based on our regulatory experience onboarding dually registered firms and granting exemptive relief, we propose to codify these exceptions to clarify applicable regulatory requirements.

2.2 General application (CIRO Rule section 1102)

In Phase 1 of the Rule Consolidation project, we proposed to adopt a modified version of Mutual Fund Dealer Rule 1A, an application/interpretation provision that addresses the application of rules to dually registered firms (CIRO Rule subsection 1102(3)).

Specifically, this provision stated that a dually registered firm is exempted from a CIRO requirement only applicable to mutual fund dealers, provided they comply with the corresponding CIRO requirements applicable to investment dealers.

We propose to remove this provision as it will no longer be necessary under the proposed new approach. As a result, the Proposed CIRO Rules will be applicable to both types of Dealer Members, except where the requirements explicitly apply to either Investment Dealer Members or Mutual Fund Dealer Members.

2.3 Definitions (CIRO Rule section 1201)

In Phase 1 of the Rule Consolidation Project, we proposed to adopt a modified version of the definition of Dealer Member, introduce a definition for Investment Dealer Member, and maintain the definition of Mutual Fund Dealer Member as set out by the IDPC Rule subsection 1201(2). Under this proposal:

- The term Dealer Member included both Investment Dealer Members and Mutual Fund Dealer Members,
- Mutual Fund Dealer Members referred to firms registered exclusively as a mutual fund dealer, and
- Investment Dealer Member included both firms registered as an investment dealer or dually registered firms.

These distinctions were necessary to operationalize CIRO Rule subsection 1102(3), which indicated whether a requirement was applicable exclusively to Mutual Fund Dealer Members or not.

We propose to modify the definition of Mutual Fund Dealer Member, as the restriction for these Dealer Members to not be registered as an investment dealer is no longer necessary under the proposed new approach. Dealer Members will need to comply with the requirements that apply to all Dealer Members and to their category of registration.

2.4 Dealer Member Structure (CIRO Rule section 2208)

To enable Investment Dealer Members to operate a mutual fund division without the need to obtain exemptive relief, we are proposing to codify exemptive relief conditions under which existing dually registered firms operate. These relate to:

- the determination of clients' insider status (CIRO Rule clauses 3202(1)(ii), 3203(1)(iv), and 3204(1)(iv)),
- the designation and supervision of non-client accounts (CIRO Rule subsection 3214(6) and clause 3945(4)(i)), and
- the frequency of client statement reporting (CIRO Rule subsection 3851(2)).

We propose to add a new section 2208 to include these requirement exceptions for the mutual fund division of an Investment Dealer Member.

2.5 Principal and agent relationships (CIRO Rule section 2302)

To ensure the continuity of compensation options available to mutual fund representatives of existing dually registered firms, we propose changes to our principal and agent relationship requirements to reflect the new approach under which investment dealers can operate mutual fund divisions without the need to also be registered as a mutual fund dealer.

2.6 Proficiency requirements for representatives dealing in mutual funds only (CIRO Rule section 2605)

Under the current IDPC Rules and Proposed CIRO Rules, a Registered or Investment Representative dealing only in mutual funds who is employed by a firm registered as an investment dealer only is required to upgrade to meet the proficiency requirements applicable to either a Registered or Investment Representative, within 270 days of approval.

This upgrade requirement was included in the rules of CIRO's predecessor, IIROC, given the applicable regulatory landscape.

Upon amalgamation of the MFDA and IIROC, the construct of dual registration was introduced in our Rules to allow firms to conduct both investment dealer business and mutual fund dealer business within the same legal entity, without having to upgrade the proficiencies of their mutual funds only licensed advisors.

Given the changes to the regulatory landscape that have occurred since we published Phase 5 of the Rule Consolidation Project, we now propose to eliminate the upgrade requirement for mutual funds only licensed advisors who work at an Investment Dealer Member.

A Registered or Investment Representative dealing only in mutual funds at an Investment Dealer Member will be subject to the same proficiency requirements applicable to Registered Representatives of a Mutual Fund Dealer Member.

2.7 Other consequential amendments

We are proposing other consequential amendments to reflect the new approach under which investment dealers can operate mutual fund divisions without the need to also be registered as a mutual fund dealer. These include:

- updating references to section 2605, both within the section itself as in subsection 2625(1)
- referring to the proficiency requirements for Registered Representatives or Investment Representatives dealing in mutual funds only as found in sections 2603, 2604 and 2605
- referring to Investment Dealer Members with a mutual fund division instead of a dually registered firm in subsection 2704(2).

3. Impact of Proposed Dual Registration amendments

The Proposed Dual Registration amendments, which effectively retire the dual registration construct, will simplify the CISO Rules and make the regulatory framework easier to understand for industry participants and the public. These amendments will lower barriers for Dealer Members to diversify their business by reducing both costs and overlapping regulatory obligations.

Codifying exemptive relief will further reduce regulatory burden while increasing transparency and predictability of CISO requirements. Dealer Members will also benefit from lower recurring registration costs because they will no longer need to maintain and pay for two categories of registration.

Repealing the proficiency upgrade requirement will give firms greater flexibility in how they structure their businesses, making it easier to recruit and retain mutual fund only representatives within an integrated CISO firm and to create clear career development pathways for those representatives. By enabling transitions from mutual fund only roles to full securities licensing inside the same organization, the Proposed Dual registration amendments would reduce the need for repapering or transferring client accounts when representatives expand their scope of practice, saving time and lowering transaction costs for firms and investors. Overall, the change would deliver clearer, more cost effective operations for firms and smoother, more continuous service for clients.

These changes will also relieve pressure on CISO departments such as registration, policy, membership intake, and business conduct compliance.

The Proposed Dual Registration amendments are expected to involve some operational adjustments related to registration and approval categories for firms and individuals to transition them to the single registration model.

There are no regional impacts expected from the Proposed Dual Registration amendments.

4. Questions

While comment is requested on all aspects of the Proposed Dual Registration amendments, comment is also specifically requested on the following question:

Question #1 – Do you agree that the proposed approach under which an investment dealer can operate a mutual fund division without the need to also be registered as a mutual fund dealer simplifies registration requirements and provides a unified framework across all Dealer Members? Please explain.

Question #2 – Are there any remaining rule requirements or operational constraints that have not been addressed as part of the Proposed Dual Registration amendments? If yes, please explain.

5. Policy Development Process

5.1 Regulatory Purpose

We took the public interest into consideration when developing the Proposed Dual Registration amendments. We believe the Proposed Dual Registration amendments achieve their intended objective of simplifying registration requirements and providing a unified framework across all Dealer Members.

5.2 Regulatory Process

The Board of Directors of CIRO (**Board**) has determined the Proposed Dual Registration amendments to be in the public interest and on January 21, 2026, approved them for public comment.

After considering the comments on the Proposed Dual Registration amendments received in response to this Request for Comments together with any comments of the CSA, CIRO staff may recommend revisions to the Proposed Dual Registration amendments.

If the revisions and comments received are not material in nature, the Board has authorized the President to approve the revisions on CIRO's behalf and the revised Proposed Dual Registration amendments will be subject to approval by the CSA. If the revisions or comments are material, CIRO staff will submit the Proposed Dual Registration amendments, including any revisions, to the Board for approval for republication or implementation, as applicable.

6. Appendices

[Appendix 1](#) - Proposed Dual Registration amendments (clean)

[Appendix 2](#) - Proposed Dual Registration amendments blackline to Proposed CIRO Rules