Rules Bulletin

Request for Comments

IDPC Rules and MFD Rules

26-0161
July 23, 2026
Comments Due By: October 21, 2026

Contact:
Member Regulation Policy
Email: memberpolicymailbox@ciro.ca

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Modernization of requirements for account transfers and bulk account movements (IDPC Rule 4800, MFD Rule 2.12 and CIRO Rule 4800)

Executive Summary

A client service disruption can occur when a client decides to transfer their account from one firm to another and there are significant delays in moving some or all of the client's account positions to the new firm. Reasons for these delays largely stem from:

(1) outdated and inefficient account transfer processes collectively across:

   (a) the intermediary firms that are involved in facilitating the account transfer (i.e., regulated dealers), and

   (b) the product manufacturer firms that are responsible for the reregistration of positions in certain types of investment products (i.e., guaranteed investment certificates and segregated funds)

and

(2) account transfer regulatory requirements that are outdated, inconsistent and are currently only being applied to a subset of intermediary firms (i.e. mutual fund dealers and investment dealers only) and not at all to product manufacturer firms.

To reduce the likelihood of delays in transferring a client account from one firm to another, both:

- the introduction of technology solutions to replace manual processes, and
- the updating and expansion of regulatory requirements

are necessary.

The Canadian Investment Regulatory Organization (**CIRO**) is republishing for further comment revised proposed rule amendments that are designed to modernize its rule requirements relating to account transfers. CIRO published for public comment its initial account transfer proposals on July 10, 2025 within Bulletin 25-0199.

How to Submit Comments

Comments on the proposed account transfer rule amendments should be in writing and delivered by October 21, 2026 (90 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**):

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

and

Trading and Markets
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, Ontario M5H 3S8
e-mail: **TradingandMarkets@osc.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

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1. Matter

A client service disruption can occur where a client decides to move their account from their current dealer (**delivering dealer**) to a new dealer (**receiving dealer**) and it takes an extended period of time for the client's account positions to move between the two dealers. While improving the timeliness of account transfers is primarily an issue of expanding the availability of and dealer access to additional and more highly automated account transfer facilities/protocols, we've also identified a number of improvements that can be made to modernize CIRO's account transfer rule requirements. These improvements include amending the rule requirements to:

- enable CIRO to approve the dealer use of a broader number of automated account transfer facilities
- specify that firms must electronically communicate with each other where a recognized account transfer facility with electronic communication capabilities is available to do so, even in cases where the investment products being transferred cannot be transferred through the facility
- clarify and reorder the account transfer process steps to ensure that clients are adequately consulted early on in the account transfer process and to help improve the timeliness of account transfers
- more precisely specify the time to complete important individual account transfer steps relating to the transfer process (i.e., providing the receiving dealer with an account cash balances and positions list, informing the client of impediments relating to the pending account transfer, commencing the account transfer process once impediments have been resolved with the involvement of the client, and overall time to complete account transfer)

2. Background

Current requirements for account transfers

The current regulatory requirements for account transfers are outdated, inconsistent and are currently only being applied to a small subset of firms within the investment services sector. Specifically, the only current regulatory requirements we are aware of that specifically relate to account transfers are those set out in:

- CIRO Investment Dealer and Partially Consolidated (IDPC) Rule 4800, Part A
- CIRO Mutual Fund Dealer (MFD) Rule 2.12
- Proposed CIRO Rule 4800, Part A

IDPC Rule 4800, Part A

The main provisions within IDPC Rule 4800, Part A were implemented by the Investment Dealers Association of Canada (IDA) to support the launch of the CDS Clearing and Depository Services Inc. (CDS Inc.) Account Transfer Online Notification (ATON) service early in the year 2000.[1] The

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[1] The ATON service is:
- an electronic communication service, and
- an automated transfer service for certain types of investment product positions including:

focus of the rules at that time was to require investment dealers to use the ATON service and to require that account transfers be completed within 10 clearing days. There were expectations at the time that the types of account positions that could be transferred using the service and the number of service users would be significantly expanded over time. This has not occurred to any significant degree.

MFD Rule 2.12

MFD Rule 2.12 is a principles-based rule that requires that the firms involved in the account transfer "act diligently and promptly in order to facilitate the transfer of the account in an orderly and timely manner".

Proposed CIRO Rule 4800, Part A

The provisions within proposed CIRO Rule 4800, Part A were adopted with little revision from IDPC Rule 4800, Part A. As such is the case, these provisions require revision for the same reasons that the related IDPC rule provisions require revision.

Other rule requirements

We are not aware of any other requirements within the Canadian investment services sector that specifically relate to account transfers.

3. Analysis and discussion

Issues relating to current account transfer rules and account transfer environment

The lack of an updated, complete and consistent standard that applies to all account transfers, and the failure to develop technology solutions to support the standard, has resulted in an account transfer environment that continues to rely too much on manual processes and related bespoke timelines to facilitate account transfers.

From a rulemaking standpoint, the rules that apply to account transfers in the Canadian investment services sector are:

- **outdated**, because:
    - in the case of the IDPC Rules they assume that one transfer facility will be capable over time of providing timely and efficient account position transfer services for all account position types and all investment services sector participants (i.e. both intermediaries and investment product manufacturers) and this has not occurred nor is likely to occur
    - in the case of the MFD Rules they do not specifically require the use of electronic communications to facilitate an account transfer
- **incomplete**, because:
    - not all account positions can currently be transferred in an automated manner (refer to footnote on previous page for discussion of ATON)

- certain debt, equity and money market securities (i.e. those cleared and settled by The Canadian Depository for Securities Limited (CDS Limited) and/or by the Depository Trust Company (DTC))
- certain mutual funds (i.e. those supported by fundserv)

Other types of account positions outside of the CDS Limited, DTC and fundserv environments (which include non-depository eligible debt, equity and money market securities, mutual funds not supported by fundserv, guaranteed investment certificates and segregated funds) cannot be transferred using ATON.

- **inconsistent**, because:
  - the standards that apply to investment dealers and mutual fund dealers are different and no specific standards apply to other participants in the Canadian investment services sector

While it is important to acknowledge that rule amendments alone will not facilitate improvements in the timeliness and efficiency of account transfers, we believe they are necessary:

- to facilitate the introduction of technology solutions that result in a more consistent and timely client account transfer experience across investment dealers and mutual fund dealers, and
- to encourage other regulators to adopt them as harmonized standards for the rest of the Canadian investment services sector.

4. Proposals

4.1 Initial proposals published within CIRO Bulletin 25-0199

The initial proposals published for public comment on July 10, 2025 within CIRO Bulletin 25-0199:

- introduced a definition for the term "positions" to clarify that the scope of positions that are to be transferred pursuant to a client-initiated account transfer request includes:
  - positions where the firm is the "dealer of record"[2], and
  - positions held or controlled by the firm for the client[3,4].
- expanded the types of organizations that may be approved by CIRO to enable more timely account transfers by:
  - renaming the defined term "recognized depository" as "recognized account transfer facility",
  - revising the definition for the renamed "recognized account transfer facility" term to expand the scope of parties that would be permitted to provide automated account transfer services, provided these parties meet approval conditions maintained by CIRO[5], and
  - replacing all references to "CDS's account transfer facility" with reference to a "recognized account transfer facility" throughout the account transfer requirements[6]
- clarified that dealers must electronically communicate with each other regarding account transfers where a recognized account transfer facility is available, even in cases where not all investment product positions being transferred can be transferred through the facility[7]

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[2] These are book-based client name positions where the firm is the "dealer of record".

[3] These are physical client name positions and nominee name positions that are held (or controlled) by the firm in safekeeping and segregation, respectively, for the client.

[4] Proposed amended IDPC Rule subsection 4851(1) and MFD Rule 2.12.1(a).

[5] Proposed amended IDPC Rule subsection 4851(1) and MFD Rule 2.12.1(a).

[6] Proposed amended IDPC Rule subsections 4854(1), 4855(2) and 4858(2) and MFD Rules 2.12.4(a), 2.12.5(b) and 2.12.8(b).

[7] Proposed amended IDPC Rule subsection 4854(1) and MFD Rule 2.12.4(a).

- ensured that clients make a fully informed decision regarding their requested account transfer, by requiring that:
    - the receiving dealer inform the client of:
        - all transfer impediments at the delivering dealer and receiving dealer,
        - the client's options for resolving these impediments, and
        - the impacts of each impediment resolution option

        within 2 clearing days (reduced from 10 clearing days) after receipt of the account's cash balances and positions list,

  and
    - obtain client instructions on the option to pursue to address each impediment in advance of the client being asked to make a final decision on how to proceed with their account transfer request[8]
- clarified that dealers must settle each account transfer request within 10 clearing days (including transfers with impediments)[9]

The initial proposals also included proposed corollary rule amendments designed to clarify:

- when the client-initiated account transfer rules apply and when the firm-initiated bulk account movements apply
- each party's obligations in a bulk transfer situation

4.2 Public comments received on the initial proposals published within Bulletin 25-0199

Included as Appendix 1 is a summary of the public comments received on CIRO's initial account transfer proposals, along with CIRO's responses to these comments. In general, commenters:

- raised no fundamental concerns with expanding the number of organizations that may facilitate an account transfer, but some expressed the view that CIRO should not be involved in determining this expanded list of approved organizations
- raised no fundamental concerns with informing clients up-front of any transfer impediments regarding their account, and their options to resolve these impediments, but raised concerns regarding:
    - the feasibility of informing clients of any impediments within 2 clearing days
    - the amount of information (including income tax impact information) they would be required to provide to clients relating to each impediment resolution option
- raised concerns about the feasibility of requiring that an account transfer with impediments be settled within 10 clearing days, as any client delays in deciding on how to resolve any transfer impediments are not under the delivering Dealer's or receiving Dealer's control
- identified the following other concerns with the initial proposals:
    - it should be clarified that an account transfer should not be permitted when an account is subject to a temporary hold

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8 Proposed amended IDPC Rule sections 4857 and 4858 and MFD Rules 2.12.7 and 2.12.8.

9 Proposed amended IDPC Rule subsection 4859(1) and MFD Rule 2.12.9(a).

- it should be clarified that for all steps of the account transfer process that both the delivering Dealer and the receiving Dealer should make best efforts to complete the step as soon as practically possible
- the rule requirements for bulk account movements should include standards that ensure the rights of clients, whose accounts are being moved, are protected

4.3 Proposed revisions to address the comments received

Revisions to the initial proposals have been made to address a number of the comments received. The most material revisions we have made to the initial proposals are to:

- clarify that accounts that are subject to a temporary hold may not be transferred until the hold is removed by the delivering Dealer[10]
- clarify throughout the proposed amendments that both the delivering Dealer and the receiving Dealer should make best efforts to complete each account transfer step as soon as practically possible[11]
- clarify that electronic communications must be used where possible, including in cases where it is not possible to facilitate the transfer through the vendor providing the electronic communications[12]
- specifically prohibit the practice of tying the opening or maintenance of a client account to the client agreeing to be contacted in the event they request to transfer their account elsewhere[13]
- clarify that the information that must be provided to a client relating to the impacts of transfer impediment resolution options is information that can be "realistically identified"[14]
- unbundle the timelines for transfer request notification, acknowledgement, asset list provision and impediment resolution from the timeline for post impediment resolution account transfer settlement as follows:
  - receiving Dealer to send delivering Dealer of transfer request within 1 clearing day after the client authorizes the request[15]
  - delivering Dealer to "promptly" acknowledge receipt of transfer request from receiving Dealer[16]
  - delivering Dealer to send asset list receiving Dealer within 2 clearing days of receipt of transfer request from receiving Dealer[17]

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10 Revised proposed amended IDPC Rule section 4852 and MFD Rule 2.12.2; and proposed amended CIRO Rule section 4852.

11 Revised proposed amended IDPC Rule sections 4857 and 4859 and MFD Rules 2.12.7 and 2.12.9; and proposed amended CIRO Rule sections 4857 and 4859.

12 Revised proposed amended IDPC Rule section 4854 and MFD Rule 2.12.4; and proposed amended CIRO Rule section 4854.

13 Ibid.

14 Revised proposed amended IDPC Rule section 4857 and MFD Rule 2.12.7; and proposed amended CIRO Rule section 4857.

15 Revised proposed amended IDPC Rule section 4855 and MFD Rule 2.12.5; and proposed amended CIRO Rule section 4855.

16 Revised proposed amended IDPC Rule section 4856 and MFD Rule 2.12.6; and proposed amended CIRO Rule section 4856.

17 Ibid.

- receiving Dealer and delivering Dealer to identify transfer impediments within 2 clearing days after the asset list return date[18]
- receiving Dealer to inform client of any transfer impediments "promptly" after they have been identified, along with impediment resolution options[19]
- account transfer must settle within 5 clearing days of determining that no transfer impediments exist or no transfer impediments remain[20]

- clarify that in the case of certain client named positions, that there may be cases where the delivering Dealer must communicate with an investment product issuer (or their agent) in order to arrange for and complete the transfer of a position[21]
- emphasize that, in the case of bulk account movements, Dealer Members will only be given additional time to document this bulk group of accounts if CIRO is satisfied that the interests of the impacted clients are protected[22]

Further commentary is set out in Appendix 1 relating to the above initial proposal revisions we are proposing to make and other commenter suggestions. In addition:

- Appendices 2A through 2C provide clean copies of the revised proposed amendments to the IDPC, MFD and CIRO rules
- Appendices 3A through 3C provide blackline copies of the revised proposed amendments to the IDPC, MFD and CIRO rules (when compared to the equivalent current rules)
- Appendices 4A and 4B provide clean copies of the revised proposed amendments to the IDPC and MFD rules (when compared to the equivalent previously proposed amendments published in Bulletin 25-0199)

5. Impacts of the proposed amendments

5.1 Impact analysis of proposed rule amendments

We have assessed the near-term and longer-term impact of the proposed account transfer rule amendments. The longer-term assessment was considered important to perform for this project as it is intended/believed that implementation of these rule amendments:

- will help foster the introduction of technology solutions/protocols to more fully automate the account transfer process
- may lead to their adoption by other Canadian regulators as an investment services sector standard

The following table summarizes the near-term and longer-term assessed impact of the proposed account transfer rule amendments on stakeholders:

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18 Revised proposed amended IDPC Rule section 4857 and MFD Rule 2.12.7; and proposed amended CIRO Rule section 4857.

19 Ibid.

20 Revised proposed amended IDPC Rule section 4859 and MFD Rule 2.12.9; and proposed amended CIRO Rule section 4859.

21 Revised proposed amended IDPC Rule section 4860 and MFD Rule 2.12.10; and proposed amended CIRO Rule section 4860.

22 Revised proposed amended IDPC Rule section 4873; and proposed amended CIRO Rule section 4873.

	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
Near term	Minor positive	Minor negative	Minor negative	Neutral
Longer term	Positive	Minor positive	Minor positive	Minor positive

Further details of this analysis are included within Appendix 3.

5.2 Regional impacts

We have identified no regional impacts associated with the proposed rule amendments.

6. Alternatives to rule proposals considered

We considered the adoption of a principles-based account transfers rule but to support the Dealer Member desire adopt more specific rules and timelines as part of a harmonized account transfer process and timelines standard, we decided a prescriptive rule approach was needed.

7. Policy development process

7.1 Regulatory purpose

We took the public interest into consideration when developing the proposed rule amendments and we believe the proposals achieve their intended objective of facilitating improvements in the timeliness and efficiency of account transfers.

We also believe the proposed rule amendments will foster public confidence in capital markets by ensuring all CIRO Dealer Members will be held to standards of conduct that foster fair, equitable and ethical business standards and practices.

7.2 Regulatory process

The Board of Directors of CIRO (**Board**) has determined the revised proposed rule amendments to be in the public interest and on June 17, 2026, approved them for public comment.

We consulted with the following CIRO advisory committees on this matter:

- the Investor Advisory Panel
- the Account Transfers Working Group of the FOAS Operations Subcommittee

We also considered the public comments received on the initial proposals published for public comment on July 10, 2025 within CIRO Bulletin 25-0199 in developing these revised proposed rule amendments.

After considering the comments received in response to this Request for Comments together with any comments of the CSA, CIRO staff may recommend revisions to the revised proposed rule 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 rule amendments will be subject to approval by the CSA. If the revisions or comments are material, CIRO staff will submit the proposed rule amendments, including any revisions, to the Board for approval for republication or implementation, as applicable.

7.3 CIRO advisory committee feedback

We have received overall positive feedback from our advisory committees on the proposed revised rule amendments except:

- we continue to receive a few concerns about the proposed shortened timeline to identify and inform the client of transfer impediments

8. Implementation

An implementation date will be determined closer to the date these rule amendments are approved for implementation. The implementation date chosen will take into consideration any implementation issues raised in response to this public comment request, along with the need to improve to timeliness of account transfers as soon as is feasible.

9. Appendices

Appendix 1 - **Prior publication comments received and CIRO responses**

Appendix 2 - Clean copies of proposed rule amendments

- **Investment Dealer and Partially Consolidated Rules [Appendix 2A]**
- **Mutual Fund Dealer Rules [Appendix 2B]**
- **CIRO Rules [Appendix 2C]**

Appendix 3 - Blackline copies of proposed rule amendments compared to current rules

- **Investment Dealer and Partially Consolidated Rules [Appendix 3A]**
- **Mutual Fund Dealer Rules [Appendix 3B]**
- **CIRO Rules [Appendix 3C]**

Appendix 4 - Blackline copies of proposed rule amendments compared to previously proposed rule amendments published in Bulletin 25-0199

- **Investment Dealer and Partially Consolidated Rules [Appendix 4A]**
- **Mutual Fund Dealer Rules [Appendix 4B]**

Appendix 5 - **Impact analysis of proposed rule amendments**