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## CSA STAFF NOTICE 25-313

2024 Annual Activities Report on the Oversight of  
Canadian Investment Regulatory Organization and  
Canadian Investor Protection Fund

**March 27, 2025**

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## 2024 HIGHLIGHTS

**249**

*Firms*

**107,772**

*Approved  
Persons*

**\$5.3 Trillion**

*Assets Under Administration*



*100 +  
Meetings*



*6 Rules  
Approved*



*11 Rules  
In Progress*



*71  
Materials  
Filed*

## WHO WE ARE

The Canadian Securities Administrators (**CSA**) is the council of Canada's provincial and territorial securities regulators. Its objective is to improve, coordinate and harmonize regulation of the Canadian capital markets to ensure the smooth operation of Canada's securities industry and protect investors.

The securities regulatory authorities (**CSA Members**) in all thirteen provinces and territories have recognized the Canadian Investment Regulatory Organization (**CIRO**)<sup>1</sup> and approved/accepted the Canadian Investor Protection Fund (**CIPF**)<sup>2</sup>.

Acronym	Name of CSA Members
AMF	Autorité des marchés financiers
ASC	Alberta Securities Commission
BCSC	British Columbia Securities Commission
FCAA	Financial and Consumer Affairs Authority of Saskatchewan
FCNB	Financial and Consumer Services Commission of New Brunswick
MSC	Manitoba Securities Commission
NL	Office of the Superintendent of Securities, Digital Government and Service Newfoundland and Labrador
NSSC	Nova Scotia Securities Commission
NT	Office of the Superintendent of Securities, Northwest Territories
NU	Office of the Superintendent of Securities, Nunavut Office
OSC	Ontario Securities Commission
PEI	Prince Edward Island Office of the Superintendent of Securities
YT	Office of the Yukon Superintendent of Securities

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<sup>1</sup> Each province and territory issues a [recognition order](#) (Recognition Order) pursuant to applicable legislation providing a securities regulator with the power to recognize a self-regulatory organization or entity responsible for regulating the operations and the standards of practice and business conduct of investment dealers and mutual fund dealers (SRO). The Canadian Investment Regulatory Organization (CIRO) is the SRO, which operates as a successor to the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). IIROC and the MFDA amalgamated to continue as the New Self-Regulatory Organization of Canada (New SRO), on January 1, 2023, which subsequently changed its name to CIRO on June 1, 2023.

<sup>2</sup> An investor protection fund (**IPF**) may compensate investors for financial losses in respect of property held in their account caused solely by the insolvency of an investment dealer or mutual fund dealer. There is currently one approved/accepted IPF, CIPF formed through the amalgamation of two protection funds, the former Canadian Investor Protection Fund and the MFDA Investor Protection Corporation, on January 1, 2023. Analogous to the recognition of CIRO, CIPF has been approved/accepted through [approval orders](#) (**Approval Orders**).

# EXECUTIVE SUMMARY

We are pleased to share CSA Staff Notice 25-313 *2024 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investor Protection Fund (Report)* summarizing the key activities through which we conduct oversight of CIRO and CIPF.

This Report covers the period of January 1 – December 31, 2024 (the **Reporting Period**).

During the Reporting Period we addressed a variety of matters, some relating to CIRO's amalgamation<sup>3</sup>. Key matters we considered during the Reporting Period include:

- dual registration of CIRO dealer members;
- the consolidation of rules applicable to investment dealers and mutual fund dealers;
- a new consolidated fee model that CIRO will apply to investment dealers and mutual fund dealers;
- the exploration of CSA Members delegating the registration of investment dealers and mutual fund dealers, and the individuals who act on their behalf, to CIRO;
- expediting the registration of crypto trading platforms as CIRO members.

In addition to these key matters, CSA Members also conducted continuing regular oversight which includes our review of amendments to CIRO rules and CIPF policies and by-laws; review of required filings from CIRO and CIPF; and the CSA's 2024 Oversight Review of specific processes in three functional areas of CIRO. Post-close initiatives will continue to be an area of focus in 2025.

This Report is an important tool for engaging with our stakeholders. The objectives of this Report are to provide transparency, foster public confidence in the regulatory framework, and explain our role in overseeing CIRO's and CIPF's compliance with securities regulation. We welcome any questions or feedback that you may have.

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<sup>3</sup> A number of these matters relates to the amalgamation of IIROC and MFDA as described in the CSA Position Paper 25-404 [New Self-Regulatory Organization Framework](#) published on August 3, 2021.

# WHAT WE DO

The oversight of CIRO is coordinated through a [Memorandum of Understanding \(MOU\)](#) among CSA Members. The MOU describes the oversight program used by CSA Members to:

- oversee CIRO's performance of its self-regulatory activities and services;
- ensure that CIRO is acting in the public interest and complying with the terms and conditions of its Recognition Orders.

A [similar MOU](#) exists for the oversight of CIPF.

## Coordinators

Each MOU sets out that two CSA Members are designated as coordinators, tasked with the role of coordinating, communicating and scheduling activities of the oversight program between CSA Members, and between CSA Members and CIRO or CIPF (**Coordinators**).

The Coordinators serve for four years on a staggered rotation basis among the two designated CSA Members. In 2023, BCSC and OSC were designated as the inaugural Coordinators by consensus of all CSA Members. Starting in 2026, ASC will replace BCSC as Coordinator for a four-year term.

## Oversight Committees

Each MOU requires the establishment of the [CSA Market Regulation Steering Committee \(MRSC\)](#)<sup>4</sup> and the [Oversight Committees for CIRO and CIPF \(Oversight Committees\)](#)<sup>5</sup>. Each Oversight Committee acts as a forum to discuss issues, concerns and proposals related to the oversight of their respective entities. The committees include representatives from CSA Members, with the Coordinators serving as the leads.

## CSA Oversight Program

Components of the self-regulatory organization (**SRO**) and investor protection fund (**IPF**) oversight program, including an annual risk assessment, the oversight review of CIRO which will be published in a separate report later this year, review of proposed rules and other materials filed, and meetings, are outlined in [Appendix A](#).

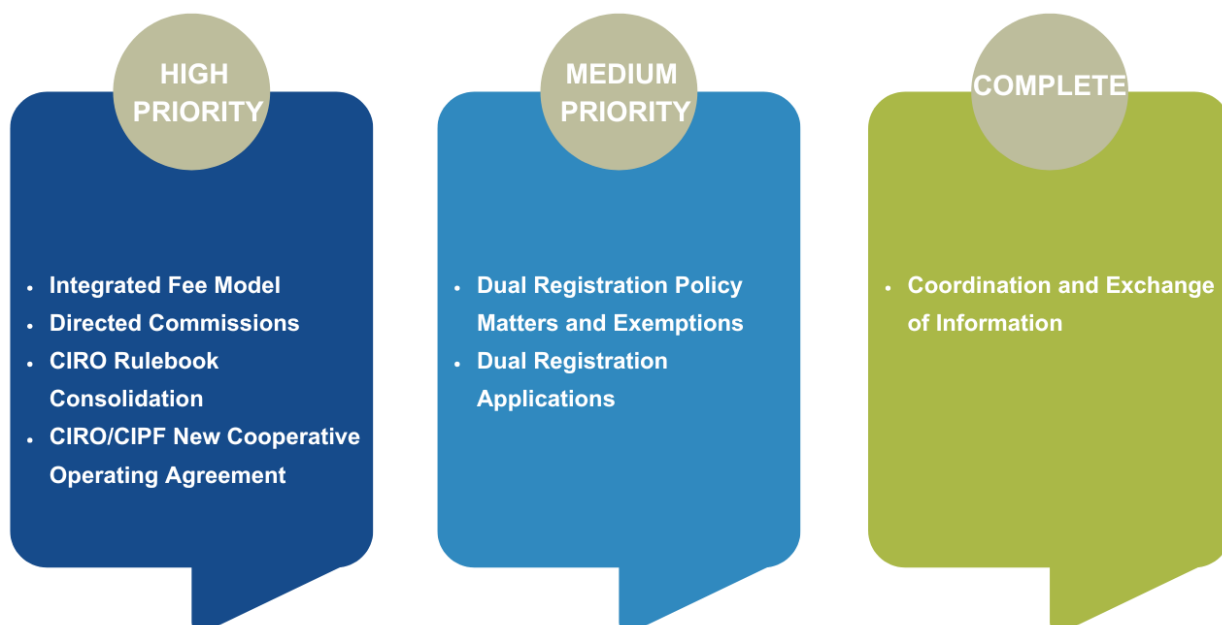
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<sup>4</sup> The MRSC is the forum for coordination and providing updates where issues relate to both CIRO and CIPF.

<sup>5</sup> The Oversight Committees are operational committees under the oversight of MRSC.

## POST-CLOSE INITIATIVES

During the Reporting Period, the Oversight Committees continued to work on various solutions outlined in CSA Position Paper 25-404 [New Self-Regulatory Organization Framework](#) (the Position Paper), as set out below.



	Post-close Initiative	Priority / Status	Scope
1.	Integrated Fee Model	High	<ul style="list-style-type: none"> <li>• CSA Members reviewed CIRO's new integrated fee model that CIRO proposed to integrate fees applied to all its members. CIRO will implement the new integrated fee model for its 2026 fiscal year.</li> </ul>
2.	Directed Commissions	High	<ul style="list-style-type: none"> <li>• CSA Members are monitoring steps that CIRO is proposing relating to the compensation of dealing representatives of investment dealers and mutual fund dealers, including the <a href="#">publication</a> on January 25, 2024, of CIRO's Position Paper requesting public comments on its proposed approaches.</li> </ul>
3.	CIRO Rulebook Consolidation	High	<ul style="list-style-type: none"> <li>• CSA Members are reviewing CIRO's proposed Dealer and Consolidated Rules (the <b>DC Rules</b>) to consolidate and harmonize the rulebooks for investment dealers and mutual fund dealers over five phases. The entirety of the five phases will be republished in 2026. The DC Rules</li> </ul>

	Post-close Initiative	Priority / Status	Scope
			would replace the current Investment Dealer and Partially Consolidated ( <b>IDPC</b> ) and mutual fund dealer Rules.
4.	CIRO/CIPF New Cooperative Operating Agreement	High	<ul style="list-style-type: none"> <li>In 2022, the predecessor SROs and IPFs entered into a Transitional Agreement, that came into effect on January 1, 2023, designed to ensure that existing arrangements between the predecessor entities would continue to govern the relationship between CIRO and CIPF.</li> <li>CSA Members continue to oversee the development of the new Cooperative Operating Agreement which will replace the current Transitional Agreement entered into by the respective legacy entities of CIRO and CIPF.</li> </ul>
5.	Dual Registration Policy Matters and Exemptions	Medium	<ul style="list-style-type: none"> <li>CSA Members continue to consider dual registration matters and whether there are any potential challenges associated with these applications. CSA Members and CIRO staff are discussing novel issues related to the dual registration of investment dealers and mutual fund dealers.</li> </ul>
6.	Dual Registration Applications	Medium	<ul style="list-style-type: none"> <li>As policy issues are identified, they are being discussed among CSA Members working on Initiatives #5 (dual registration policy matters and exemptions) and #6 (dual registration applications).</li> </ul>
7.	Coordination and Exchange of Information	Complete	<ul style="list-style-type: none"> <li>CSA Members continued to engage CIRO on the coordination and exchange of information, regarding the supervision of market related data and other information. The project was completed in November 2024.</li> </ul>



# WHO WE REGULATE



## (A) CIRO

### (i) Regulatory Status

CSA Members have given CIRO, as an SRO, the responsibility to govern the operations and business conduct of investment dealers and mutual fund dealers and their representatives, and the trading activity on members of CIRO that are marketplaces. The authority of CIRO to carry out certain regulatory functions is set out in the Recognition Orders, along with the terms and conditions that CIRO is required to comply with in carrying out its regulatory functions.

### (ii) Member Firm Statistics

As of December 31	2024	2023	% Change
Assets Under Administration	\$5.3 Trillion	\$4.5 Trillion	17.8%
Approved Persons	107,772	109,777	-1.9%
Firms			
Investment Dealer	161 <sup>7</sup>	169	
Mutual Fund Dealer	80	82	
Dual Registered <sup>6</sup>	<u>8</u>	<u>4</u>	
Total	249 <sup>8</sup>	255	-2.4%

The increase in CIRO's assets under administration was mainly attributable to an increase in equity markets during the Reporting Period.

<sup>6</sup> A dual registered firm is a firm that is registered as both an investment dealer and a mutual fund dealer.

<sup>7</sup> Within the 160 investment dealers are 3 crypto-asset trading platforms.

<sup>8</sup> The total does not include the 17 Québec "deemed members" that are not subject, during the transition phase, to CIRO's rules and continue to be subject to the regulatory framework applicable in Québec, including National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

### (iii) Member Firms by Head Office Location

The following diagram represents the distribution of 249 member firms by head office location.

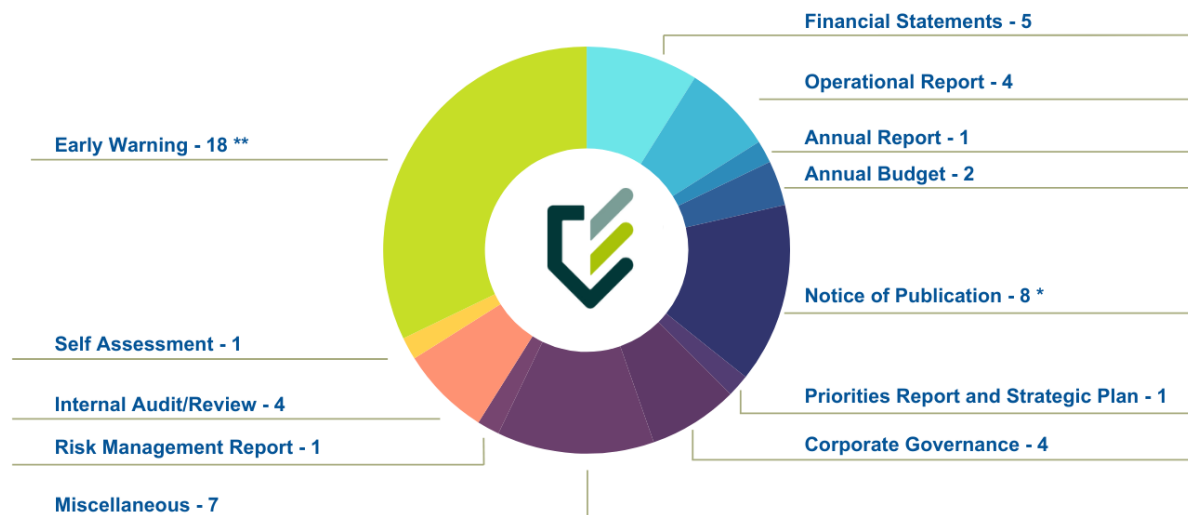
Head Office Location	Members	Head Office Location	Members	Head Office Location	Members
Alberta	20	New Brunswick	1	Saskatchewan	3
British Columbia	16	Ontario	163	United Kingdom	2
Manitoba	4	Québec	33	United States	7

### (iv) Rule Reviews

During the Reporting Period, 6 CISO rule amendments were [approved or not objected](#) to by CSA Members. Eleven rule amendments [continue to be under review](#) as of December 31, 2024.

### (v) Materials Filed

CISO was responsible for filing certain information with CSA Members on a regular or ad hoc basis. During the Reporting Period, 56 filings were received from CISO and reviewed by CSA Members.



\* Advance notice of CISO publications is provided to the CSA

\*\* Early warning filings are notifications about dealer members in financial distress

## (vi) Meetings and Other Discussions

During regular meetings held with CIRO, among other varied topics, the following key subjects were discussed and followed up by CSA Members.

Topic	Activities During the Reporting Period
SRO Transition	<ul style="list-style-type: none"><li>• Integration priorities, including: Toronto and Calgary office moves; and migration of the mutual fund dealer information technology environment (e.g., networks, servers at data centres) to the existing investment dealer environment.</li><li>• Completion of back-office information technology harmonization.</li><li>• Completion of a revised Risk Management Framework, which incorporates the risks of both the investment dealer and mutual fund dealer environments. The Risk Management Framework was reviewed by CSA Members.</li><li>• CIRO's Transition Management Office (TMO) was wound down on September 30, 2024. All remaining integration work has transitioned to the Enterprise Project Management Office.</li><li>• Completion of an integrated budget for CIRO's current 2025 fiscal year, which was reviewed by CSA Members.</li><li>• New Cooperative Operating Agreement with CIPF. Work on completing the agreement continues into 2025.</li></ul>
Registration Delegation	<ul style="list-style-type: none"><li>• On November 20, 2024, the CSA announced exploring streamlining registration delegation to CIRO. Work has begun in specific jurisdictions under varying timelines; and subject to the development of an enhanced oversight framework, the registration of investment dealers and mutual fund dealers, and the individuals who act on their behalf are proposed to be delegated to CIRO.</li></ul>
Strategic Plan	<ul style="list-style-type: none"><li>• CIRO filed its new three-year strategic plan, for April 1, 2024 to March 31, 2027, which CSA Members reviewed and provided input.</li><li>• On April 11, 2024, CIRO published its new three-year strategic plan.</li></ul>
Annual Priorities	<ul style="list-style-type: none"><li>• CIRO filed its annual priorities for Fiscal 2025 which CSA Members reviewed and provided input.</li><li>• On June 26, 2024, CIRO published its annual public priorities for Fiscal 2025.</li></ul>
Short Selling	<ul style="list-style-type: none"><li>• CIRO has, together with CSA Members, been working to address concerns relating to short selling.<sup>9</sup></li><li>• On January 11, 2024, CIRO published amendments to the Universal Market Integrity Rules (UMIR) to support and clarify the short selling framework by adding a new positive requirement to have, prior to order entry, a reasonable expectation to settle a short sale. <a href="#">Proposed guidance</a> was published for comment on the same date to clarify various current and proposed requirements related to short sales and failed trades. The approval and final amendments were published on December 5, 2024.</li></ul>

<sup>9</sup> Joint CSA/IIROC Staff Notice 23-329 [Short Selling in Canada](#) was published on December 8, 2022. The consultation resulted from: (i) concerns raised by the Capital Markets Modernization Taskforce; and (ii) issues identified during the CSA's work on CSA Staff Notice 25-306 [Activist Short Selling Update](#). The consultation provided an overview of the existing regulatory landscape surrounding short selling and requested public feedback on areas for regulatory consideration. CSA/CIRO's responses to the public comment letters were published in Joint CSA/CIRO Staff Notice 23-332 [Summary of Comments and Responses to CSA/IIROC Staff Notice 23-329 Short Selling in Canada](#) on November 16, 2023. CSA and CIRO have formed a working group to more broadly examine short selling issues in the Canadian market context.

Topic	Activities During the Reporting Period
Crypto Assets	<ul style="list-style-type: none"> <li>• CIRO's Membership Intake Team continued to review applications for: (i) new membership from crypto-asset trading platforms; and (ii) business change from existing CIRO investment dealers planning on expanding into the distribution of crypto asset products.</li> <li>• On August 6, 2024, CIRO and CSA Members published a <a href="#">news release</a> reminding crypto trading platforms to prioritize their applications to become investment dealers.</li> </ul>
Distributing Funds Disgorged and Collected through CIRO Disciplinary Proceedings to Harmed Investors	<ul style="list-style-type: none"> <li>• On February 1, 2023, CIRO published a consultation paper <a href="#">Proposal on Distributing Funds Disgorged and Collected through New SRO Disciplinary Proceedings to Harmed Investors</a>. The public comment period ended on May 1, 2023.</li> <li>• On October 21, 2024, after carrying out additional research, CIRO published a consultation paper <a href="#">Distributing Funds Disgorged and Collected through CIRO Disciplinary Proceedings to Harmed Investors (Phase II)</a>. The public comment period ended on January 20, 2025.</li> </ul>
Arbitration Program Review	<ul style="list-style-type: none"> <li>• On December 6, 2022, IIROC published a consultation paper <a href="#">Review of the IIROC Arbitration Program</a>. The public comment period ended on March 6, 2023.</li> <li>• On October 31, 2024, after reaching out to stakeholders and conducting additional research, CIRO published a follow-up consultation paper <a href="#">Proposal to Modernize the CIRO Arbitration Program</a>. The public comment period ended on January 31, 2025.</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>• On December 19, 2024, CIRO published a request for comments on its proposal to introduce a phased approach to <a href="#">Harmonizing CIRO's CE Programs</a> as between investment dealers and mutual fund dealers. Phase 1 proposes to amend rules that have a minimal impact on the CE cycle, while Phase 2 will consider future amendments that have significant impact on operations and/or information technology systems. The current request for comments focuses on the proposed rules for the first phase of harmonization.</li> </ul>
Proficiency Regime	<ul style="list-style-type: none"> <li>• CIRO has undertaken a multi-year initiative to enhance proficiency standards for individuals at investment dealers to improve investor protection.<sup>10</sup></li> <li>• During the Reporting Period, CSA staff continued monitoring and reviewing CIRO's proposed proficiency regime.</li> <li>• On June 22, 2024, CIRO published clarifying amendments to registration and proficiency requirements.<sup>11</sup></li> <li>• On July 4, 2024, CIRO published for comment proposed rule amendments respecting <a href="#">Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules</a>. The public comment period ended on September 17, 2024.</li> <li>• On November 8, 2024, CIRO announced Fitch Learning as its service provider for its new proficiency regime. Fitch Learning's scope of work includes developing and maintaining examinations, and delivering examinations for individuals at investment dealers.</li> </ul>

<sup>10</sup> Consultation paper [Proposed Proficiency Model](#) was published on July 7, 2023. The paper sought feedback on a proficiency model for individuals at investment dealers, approved under the Investment Dealer and Partially Consolidated (IDPC) Rules. CIRO proposed a shift from the course-centric model (i.e. exams tied to courses) to an assessment-centric model (i.e. exams based on competency profiles). On September 25, 2023 CIRO published [updated competency profiles](#) for Approved Person categories at an investment dealer.

<sup>11</sup> CIRO Notice 23-0096 [Proposed Clarifying Amendments to Registration and Proficiency Requirements](#) was published on August 31, 2023 to refine and clarify certain registration and proficiency requirements in the IDPC Rules. The public comment period ended on October 2, 2023.

Topic	Activities During the Reporting Period
Client Focused Reforms ( <b>CFRs</b> )	<ul style="list-style-type: none"> <li>CSA and CIRO staff conducted reviews in 2024 to assess registrants' compliance with other CFRs obligations, including the know your client, know your product, and suitability determination requirements that came into force on December 31, 2021. Together, CSA and CIRO staff are discussing the findings and plan to publish additional guidance, which will include suggested practices for industry on compliance with these reform areas.<sup>12</sup></li> </ul>
Cybersecurity	<ul style="list-style-type: none"> <li>CSA Members oversaw CIRO's continuing cybersecurity incident reporting by investment dealers.</li> <li>CIRO continues to provide members with resources for cybersecurity preparedness on its website.</li> </ul>
Modernizing Back-Office Arrangements / Subordinated Loans	<ul style="list-style-type: none"> <li>GN-4300-23-001 <a href="#">Direct Registration System Guidance</a> was published on October 12, 2023, and sets out the IDPC Rules requirements as they relate to the dematerialization of physical certificates and the recording of securities held with issuers in Direct Registration Systems.</li> <li>CIRO completed the engagement phase with industry to discuss the modernization of rules around back-office arrangements and subordinated debt financing.</li> <li>In the next phase, recommendations will be reviewed and a plan of action developed.</li> <li>Future topics for consultation include account transfers and arrangement between introducing and carrying brokers.</li> </ul>
Total Cost Reporting	<ul style="list-style-type: none"> <li>CSA and Canadian Council of Insurance Regulators (<b>CCIR</b>) <a href="#">published changes</a> on April 20, 2023 to enhance total cost reporting (<b>TCR</b>) disclosure for investment funds and segregated funds. The TCR enhancements (<b>Enhancements</b>) will improve transparency and require annual reporting to clients to show the ongoing costs of owning mutual funds, exchange-traded funds, scholarship plans, and segregated funds.</li> <li>Enhancements were jointly developed by the CSA, CCIR, the Canadian Insurance Services Regulatory Organizations and CIRO.</li> <li>On October 10, 2024, CIRO published for comment <a href="#">proposed rule amendments</a> respecting enhanced cost reporting. The public comment period ended on January 8, 2025.</li> <li>Enhancements should take effect on January 1, 2026.</li> </ul>
Trading Increments	<ul style="list-style-type: none"> <li>CIRO published, on December 12, 2024, its <a href="#">proposal</a> respecting minimum price increments following the publication of Joint CSA/CIRO Staff Notice 23-331 <a href="#">Request for Feedback on December 2022 SEC Market Structure Proposals and Potential Impact on Canadian Capital Markets</a> and the final rules adopted by the U.S. Securities and Exchange Commission (<b>SEC</b>) in September 2024. The public comment period ended on January 27, 2025.</li> </ul>
CIRO's Office of the Investor and CIRO Investor Advocacy Panel	<ul style="list-style-type: none"> <li>CIRO provided quarterly updates on Office of the Investor outreach activities including its Awareness Campaign on fraud and upcoming publications. Also, CSA Members reviewed the following CIRO publications: <ul style="list-style-type: none"> <li>On April 4, 2024, CIRO published its inaugural <a href="#">Office of the Investor — Fiscal Year in Review report</a>;</li> </ul> </li> </ul>

<sup>12</sup> Findings from the coordinated reviews by the CSA, IIROC and the MFDA during 2022 on the enhanced conflict of interest requirements under the CFRs were published in Joint CSA / CIRO Staff Notice 31-363 [Client Focused Reforms: Review of Registrants' Conflict of Interest Practices and Additional Guidance](#) on August 3, 2023.

Topic	Activities During the Reporting Period
	<ul style="list-style-type: none"> <li>○ On June 4, 2024, CIRO published its inaugural <a href="#">Investor Survey</a> to gather financial concerns and trends affecting Canadian investors;</li> <li>○ On September 19, 2024, CIRO published its inaugural <a href="#">Investor Advisory Panel Annual Report</a>.</li> </ul>
Other Initiatives	<ul style="list-style-type: none"> <li>• CSA Members engaged CIRO staff on other regulatory matters, such as:             <ul style="list-style-type: none"> <li>○ CIRO's ongoing role in the surveillance of equity markets in real time, along with its monitoring of debt trading, cross asset trading between derivatives listed on the Montréal Exchange and the underlying securities, and Canadian crypto asset trading platform activity;</li> <li>○ In June 2023, the AMF issued a new delegation of functions and powers to CIRO and revoked the previous delegation to IIROC issued in 2009. The 2023 delegation order incorporated the functions and powers previously delegated to IIROC and added the registration of individuals who act on behalf of mutual fund dealers and the inspection of mutual fund dealers. On July 11, 2024, the inspection component took effect;</li> <li>○ After taking into consideration input from stakeholders, including CSA Members, on December 13, 2024, <a href="#">CIRO published an administrative bulletin</a> on its intent to evaluate the limitation of advice in the order execution only channel given the significant growth and evolution in the do-it-yourself (DIY) investing segment. The public comment period ended on February 26, 2025.</li> </ul> </li> </ul>

## (B) CIPF



### (i) Regulatory Status

CIPF is approved and accepted as an IPF<sup>13</sup> to provide protection within prescribed limits to eligible clients of CISO dealer member firms suffering losses, if client property held by a member firm was unavailable as a result of the insolvency of a dealer member.

### (ii) Fund Statistics

CIPF maintains two separate funds designed to provide coverage to eligible clients of CISO members: an Investment Dealer Fund (**IDF**) and Mutual Fund Dealer Fund (**MFDF**).

The IDF liquidity resources are available to satisfy potential claims for coverage by clients of CISO members registered as an “investment dealer” or in the categories of both “investment dealer” and “mutual fund dealer”. The MFDF liquidity resources are available to clients of CISO members registered as a “mutual fund dealer”, except for customer accounts located in Québec for which mutual fund dealers are not required to contribute to the MFDF and, accordingly, those accounts are not afforded coverage by the MFDF.

Both funds maintain their own insurance and lines of credit.

	December 31, 2024	December 31, 2023	% Change
IDF <sup>14</sup> Liquidity Resources			
IDF	\$572M	\$543M	5.3%
Insurance	\$440M	\$440M	-
Lines of Credit	\$125M	\$125M	-
MFDF Liquidity Resources			
MFDF	\$57M	\$53M	7.5%
Insurance	\$40M	\$40M	-
Lines of Credit	\$30M	\$30M	-
<b>TOTAL</b>	<b>\$1,264M</b>	<b>\$1,231M</b>	<b>2.7%</b>

### (iii) Rule Reviews

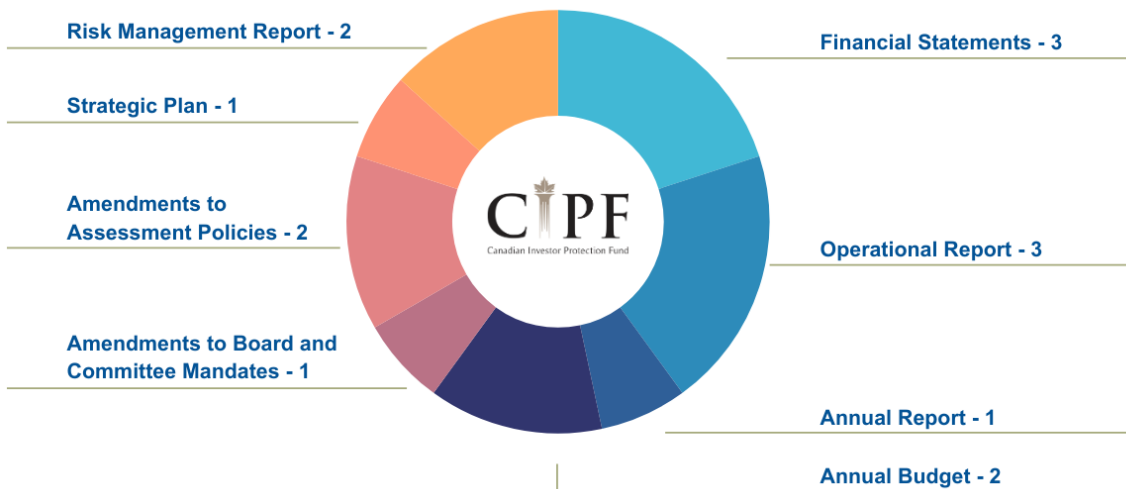
During the Reporting Period, there were no changes to CIPF’s policies and by-laws that required approval by CSA Members.

<sup>13</sup> In Québec, CIPF is an accepted contingency fund. Please refer to Footnote #2 on page 4.

<sup>14</sup> Values relating to IDF’s and MFDF’s General Fund, insurance and lines of credit are from CIPF’s 2024 unaudited semi-annual financial statements.

#### (iv) Materials Filed

CIPF was responsible for filing certain information with CSA Members on a regular or ad hoc basis. During the Reporting Period, 15 filings were received from CIPF and reviewed by CSA Members.



#### (v) Meetings and Other Discussions

During regular meetings held with CIPF, among other varied topics, the following key subjects were discussed and followed up by CSA Members.

Topic	Activities During the Reporting Period
IPF Transition	<ul style="list-style-type: none"> <li>• CIPF continues with its post-close integration efforts. <ul style="list-style-type: none"> <li>◦ Work on completing the new Cooperative Operating Agreement continues into 2025.</li> <li>◦ Ongoing alignment of investment policies and strategies of the IDF and MFDF. The CIPF Board has approved an external investment manager who will act in accordance with one investment policy for both funds.</li> <li>◦ Fit-for-purpose review of the investment dealer credit risk model to assess if it is appropriate to be extended to the mutual fund dealer universe. This is expected to be a multi-year project.</li> <li>◦ Continuing to consolidate the predecessor IPFs' enterprise risk management practices.</li> <li>◦ Ongoing consideration with CIRO regarding dual registration and its impact on CIPF's liquidity resources.</li> </ul> </li> </ul>
Review of Adequacy of Assets in the Funds	<ul style="list-style-type: none"> <li>• Separate funds, insurance and lines of credit continue to be maintained for the coverage of investment dealers and mutual fund dealers.</li> <li>• For the IDF, CIPF continues to use a credit-risk based fund model to project its liquidity resource requirement and assist in the setting of its fund size (<b>IDF Model</b>). During the Reporting Period, CIPF's Board reviewed the adequacy of the level of resources available in relation to the risk exposure of investment dealer member firms. No changes have been made to the methodology,</li> </ul>



Topic	Activities During the Reporting Period
	<p>parameters and input since October 2021 when former CIPF's Board reviewed and approved the IDF Model.</p> <ul style="list-style-type: none"> <li>During the Reporting Period, third-party actuaries performed a review of the fund size of MFDF and determined that its current size is adequate to cover multiple insolvencies. As well, MFDF continues to have a secondary layer of insurance in the amount of \$20 million in respect of any losses to be paid out of the MFDF in excess of \$50 million. This is in addition to the original layer of insurance of \$20 million in respect of any losses to be paid out of the MFDF in excess of \$30 million.</li> </ul>
Crypto Assets	<ul style="list-style-type: none"> <li>The Coverage Policy continues to state explicitly that crypto assets are excluded from CIPF's coverage.</li> <li>CIPF will undertake regular reviews of the scope and terms of its Coverage Policy; however, the primary areas of interest for CIPF continue to be the custody, control and pricing of crypto assets.</li> </ul>
Strategic Plan	<ul style="list-style-type: none"> <li>At the end of the Reporting Period, CIPF filed its new three-year strategic plan which continues to be reviewed by CSA Members.</li> </ul>
Meeting of International IPFs	<ul style="list-style-type: none"> <li>CIPF led the steering committee of international protection funds at the 2024 Forum of International Investor Compensation Schemes (<b>ICS</b>) in France on May 28, 2024, which included discussions on international ICS regulatory frameworks and a comparison of different approaches to insolvency files.</li> <li>The opportunity to exchange information with international compensation funds has been valuable.</li> <li>CIPF also held meetings with domestic compensation funds and representatives of the Canada Deposit Insurance Corporation.</li> </ul>
Insolvencies	<ul style="list-style-type: none"> <li>During the Reporting Period, there were no CIRO member insolvencies whereby CIPF was actively involved.</li> </ul>

# COMPOSITION OF OVERSIGHT COMMITTEES

## Market Regulation Steering Committee

<b>AMF</b>	Dominique Martin	<b>MSC</b>	Angela Duong
<b>ASC</b>	Lynn Tsutsumi	<b>NSSC</b>	Doug Harris
<b>BCSC</b>	Mark Wang	<b>OSC</b>	Susan Greenglass
<b>FCAA</b>	Liz Kutarna	<b>PEI</b>	Steven Dowling
<b>FCNB</b>	Clayton Mitchell		

## CIRO Oversight Committee

<b>AMF</b>	Jean-Simon Lemieux Roland Geiling Herman Tan	Pascal Bancheri Catherine Lefebvre Cheick Kaba Diakité	Serge Boisvert Lucie Prince Victorien Kabiwa
<b>ASC</b>	Sasha Cekerevac Amy Tollefson	Rose Rotondo Shafyn Manji	Gerald Romanzin Jessica Kester
<b>BCSC</b>	Michael Brady Navdeep Gill Liz Coape-Arnold Catherine Tearoe	Joseph Lo Zach Masum Michael Grecoff Anton Lunyov	Eric Lan Anne Hamilton Georgina Steffens
<b>FCAA</b>	Liz Kutarna	Curtis Brezinski	
<b>FCNB</b>	Nick Doyle	Jake Calder	
<b>MSC</b>	Kim Asano	Angela Duong	Aishah Abdullahi
<b>NL</b>	Loyola Power		
<b>NSSC</b>	Doug Harris Cynthia Tambago-Alday	Brian Murphy	Angela Scott
<b>NT</b>	Matthew Yap		
<b>NU</b>	Debora Bissou		
<b>OSC</b>	Joseph Della Manna Stacey Barker Dimitri Bollegala Shivkanwal Padam	Karin Hui Christopher Byers Andrea Maggisano Elizabeth King	Scott Laskey Chris Jepson Jina Aryaan
<b>PEI</b>	Curtis Toombs		
<b>YT</b>	Rhonda Horte		







## CIPF Oversight Committee

<b>AMF</b>	Jean-Simon Lemieux Cheick Kaba Diakité	Lucie Prince Kim Legendre	Herman Tan
<b>ASC</b>	Sasha Cekerevac Amy Tollefson	Rose Rotondo Shafyn Manji	Gerald Romanzin Jessica Kester
<b>BCSC</b>	Michael Brady Eric Lan Liz Coape-Arnold Anton Lunyov	Joseph Lo Zach Masum Navdeep Gill	Georgina Steffens Anne Hamilton Catherine Tearoe
<b>FCAA</b>	Liz Kutarna	Curtis Brezinski	
<b>FCNB</b>	Nick Doyle		
<b>MSC</b>	Kim Asano	Angela Duong	Aishah Abdullahi
<b>NL</b>	Loyola Power		
<b>NSSC</b>	Doug Harris Cynthia Tambago-Alday	Brian Murphy	Angela Scott

<b>NT</b>	Matthew Yap		
<b>NU</b>	Debora Bissou		
<b>OSC</b>	Joseph Della Manna Scott Laskey Andrea Maggisano	Stacey Barker Christopher Byers Jina Aryaan	Karin Hui Chris Jepson Shivkanwal Padam
<b>PEI</b>	Curtis Toombs		
<b>YT</b>	Rhonda Horte		

# RULE/BY-LAW/POLICY AND PROCEDURES AMENDMENTS

As of December 31, 2024

Completed	CIRO Rule/By-Law Amendments	Publication Date
	Derivatives Rule Modernization, Stage 1	<a href="#">January 18, 2024</a>
	Amendments to IDPC Rules and the IDPC Form 1 regarding margin requirements for structured products	<a href="#">February 22, 2024</a>
	Housekeeping Amendments to the Auditor's Report and Agreed-upon Procedures Report in Mutual Fund Dealer Form 1 and IDPC Form 1, and the relevant Mutual Fund Dealer and IDPC Rules	<a href="#">February 22, 2024</a>
	Clarifying Amendments to Registration and Proficiency Requirements	<a href="#">June 27, 2024</a>
	Housekeeping Amendments to repeal IDPC Rule 2603(2) which required incremental proficiency requirements for mutual funds only registered individuals wishing to trade in exempt market products	<a href="#">October 10, 2024</a>
	Amendments to UMIR respecting the Reasonable Expectation to Settle a Short Sale	<a href="#">December 5, 2024</a>

As of December 31, 2024<sup>1516</sup>

In Progress	CIRO Rule/By-Law Amendments	Publication Date
	Rule Consolidation Project – Phase 1	<a href="#">October 20, 2023</a>
	Rule Consolidation Project – Phase 2	<a href="#">January 11, 2024</a>
	Proposed Amendments Respecting Fully Paid Securities Lending and Financing Arrangements	<a href="#">February 15, 2024</a>
	Rule Consolidation Project – Phase 3	<a href="#">April 18, 2024</a>
	Proposed Integrated Fee Model <sup>17</sup>	<a href="#">April 25, 2024</a>
	Proposed Amendments Respecting Proficiency Model - Approved Persons under the IDPC Rules	<a href="#">July 4, 2024</a>
	Proposed Amendments to UMIR Respecting Net Asset Value Orders and Intentional Crosses	<a href="#">July 18, 2024</a>
	Proposed Enhanced Cost Reporting	<a href="#">October 10, 2024</a>
	Rule Consolidation Project – Phase 4	<a href="#">October 17, 2024</a>
	Proposed Amendments Respecting Trading Increments	<a href="#">December 12, 2024</a>
	Proposed Amendments to Harmonize CIRO Continuing Education (CE) Programs	<a href="#">December 19, 2024</a>

<sup>15</sup> Proposed Amendments Respecting Reporting, Internal Investigation and Client Complaint Requirements was put on hold. Publication date: [January 13, 2022](#).

<sup>16</sup> Proposed Amendments Respecting Mandatory Close-Out Requirements was published after the Reporting Period. Publication date: [January 9, 2025](#).

<sup>17</sup> Proposed Amendments Respecting the Integrated Fee Model was published after the Reporting Period. Publication date: [January 30, 2025](#).

## APPENDIX A – REGULATORY PROGRAM

Oversight Function	Activities During the Reporting Period
Annual Risk Assessment	<ul style="list-style-type: none"> <li>Evaluation of each entity's potential inherent risks and mitigating controls in each functional area of the entity.</li> <li>Evaluation can become the basis for future oversight activities.</li> </ul>
<a href="#">Review of Proposed Rules</a>	<ul style="list-style-type: none"> <li>CIRO is required to seek approval from CSA Members for proposed new rules, policies, and constating documents (collectively, the <b>rules</b>) and by-laws, and any changes to existing rules and by-laws.</li> <li>CIPF is required to seek approval or non-objection of any changes to certain policies (e.g., coverage policy) and its by-laws.</li> <li>A "housekeeping" rule change is one that has no material impact on investors, issuers, registrants, CIRO, CIPF, or the Canadian capital markets generally (e.g., changes of an editorial nature; changes necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards).</li> <li>If a rule change is not classified as housekeeping, it is published for public comment.</li> </ul>
Review of Materials Filed	<ul style="list-style-type: none"> <li>CIRO and CIPF are responsible for filing certain information (other than proposed rules or by-laws) with each CSA Member.</li> <li>This information includes, but is not limited to, reports on financial condition, regulatory self-assessment, risk management, systems integrity, market surveillance, internal audit, progress on compliance examination results, and enforcement matters.</li> <li>During the Reporting Period, 71 filings were reviewed.</li> <li>CSA Members reviewed issues and the materials filed, which informed the annual risk assessment.</li> </ul>
Meetings	<ul style="list-style-type: none"> <li>During the Reporting Period, quarterly meetings were scheduled with CIRO and semi-annual meetings with CIPF, to discuss the oversight process and to share information about emerging and/or ongoing regulatory issues and trends.</li> <li>In addition to regularly scheduled monthly meetings with CIRO and CIPF through September 2024, numerous ad hoc meetings were held throughout the Reporting Period, as part of the oversight of specific issues – primarily relating to the integration of the predecessor SROs and, separately, the predecessor IPFs, as well as proposed rule amendments and filing requirements.</li> </ul>
Oversight Reviews	<ul style="list-style-type: none"> <li>A more in-depth process for CSA Members to make an independent assessment of whether and how CIRO or CIPF have met their regulatory obligations.</li> <li>The scope of an oversight review is determined by the results of the annual risk assessment and/or specific issues that arise on a periodic basis.</li> <li>As part of an oversight review, CSA Members may interview CIRO or CIPF staff, review written policies and procedures to understand the systems and processes in place, and examine files on a sample basis.</li> <li>During the Reporting Period, CSA Members jointly conducted a risk-based oversight review of CIRO that targeted specific processes within the areas of: (i) trading conduct compliance; (ii) membership intake; and (iii) information technology. The results of the oversight review will be published in a separate report later this year.</li> </ul>

# QUESTIONS

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