

ALBERTA SECURITIES COMMISSION

REGISTRATION AUTHORIZATION ORDER AND REVOCATION

Citation: Re Canadian Investment Regulatory Organization, 2025 ABASC 19 Date: 20250313

Background

1. The Canadian Investment Regulatory Organization (**CIRO**), as successor to the Investment Industry Regulatory Organization of Canada, is authorized to register investment dealer firms and their approved persons pursuant to a previous order of the Alberta Securities Commission (the **Commission**) and its Executive Director dated May 16, 2008 and effective June 1, 2008 (the **Previous Order**).
2. CIRO has applied to the Executive Director of the Commission (the **Executive Director**) for revocation of the Previous Order under section 66(4) of the *Securities Act* (Alberta) (the **Act**) and for a new order under section 66(2) authorizing CIRO to register investment dealer and mutual fund dealer firms and their approved persons.
3. By an order dated November 15, 2022, effective January 1, 2023, the Commission recognized CIRO as a self-regulatory organization (**SRO**) under section 64(1) the Act, which order was varied and restated effective June 1, 2023 (the **Recognition Order**).
4. Under the terms and conditions of the Recognition Order, CIRO must act in the public interest in regulating the operations and the standards of practice and business conduct of investment dealers and mutual fund dealers, including establishing rules governing dealer members and administering and monitoring compliance with applicable rules and Canadian securities legislation by members and others subject to its jurisdiction.
5. The Executive Director considers it desirable to revoke the Previous Order and to authorize CIRO to exercise and perform certain powers and duties of the Executive Director in respect of the registration of firms in the categories of investment dealer and mutual fund dealer and the registration and status of individuals who act on behalf of investment dealers and mutual fund dealers, subject to certain terms and conditions (**Authorization**).

Purpose of Authorization

6. The Commission considers the registration function to be integral to the monitoring and oversight of the Alberta capital markets. Under this order, CIRO will be acting on behalf of the Executive Director.

Conflicts

7. The Executive Director retains concurrent authority for the delegated powers and duties and in the event of a conflict between an exercise by CIRO of a power or duty under the Authorization and an exercise of a power or duty by the Executive Director, the Executive Director's authority will prevail.

Decision

8. Pursuant to section 66(4) of the Act, the Executive Director revokes the Previous Order.
9. Pursuant to section 66(2) of the Act, the Executive Director authorizes CIRO to exercise and perform the powers and duties of the Executive Director under
 - (a) section 76 of the Act in respect of applications for registration, applications for reinstatement of registration, and applications for amendment of registration by
 - (i) firms in either or both categories of investment dealer and mutual fund dealer, and
 - (ii) individuals who act or are applying to act on behalf of investment dealers or mutual fund dealers in one or more of the categories of
 - (A) dealing representative,
 - (B) ultimate designated person, and
 - (C) chief compliance officer,
 - (b) sections 76(2), 76(3), and 76.1 of the Act in respect of the termination or suspension of, or the imposition of terms, conditions, restrictions, or requirements on, the registration of
 - (i) firms in either or both categories of investment dealer and mutual fund dealer, and
 - (ii) individuals who act on behalf of investment dealers or mutual fund dealers in one or more of the categories of
 - (A) dealing representative,
 - (B) ultimate designated person, and
 - (C) chief compliance officer,
 - (c) section 78 of the Act in respect of applications for the surrender of registration by firms in either or both categories of investment dealer and mutual fund dealer,
 - (d) section 82 of the Act,
 - (e) sections 11.9 and 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), but only to the extent notices given under those sections relate to
 - (i) firms registered in either or both categories of investment dealer and mutual fund dealer, and

- (ii) individuals who act on behalf of investment dealers or mutual fund dealers and who are registered in one or more of the categories of
 - (A) dealing representative,
 - (B) ultimate designated person, and
 - (C) chief compliance officer, and
 - (f) section 15.1 of NI 31-103, but only in respect of exemptions from the requirements of sections 3.3, 3.5, and 3.6 as they apply to an individual who is required to be registered in either or both categories of dealing representative and chief compliance officer to act on behalf of a firm that is registered as a mutual fund dealer;
- (together, the **Delegated Functions**).
10. This Authorization is subject to the condition that CIRO continues to be recognized by the Commission as an SRO and the terms and conditions set out in Appendix A.
 11. The Commission has approved the Executive Director's revocation of the Previous Order and the Authorization pursuant to sections 66(4) and 66(2) of the Act, respectively.
 12. This order takes effect on April 1, 2025.

Authorization

"original signed by"

Samir Sabharwal
Executive Director

APPENDIX A

Terms and Conditions

1. CIRO must establish and maintain requirements in respect of the registration of firms and individuals under the Authorization that account for the proficiency, integrity, and solvency of those firms and individuals.
2. CIRO must ensure that it will maintain sufficient capacity to effectively and efficiently perform the Delegated Functions, including sufficient financial, technological, and human resources.
3. CIRO must ensure that registration decisions, with respect to Alberta applicants for registration and Alberta registrants, are made by qualified CIRO staff located in Alberta.
4. CIRO must establish service standards for the performance of the Delegated Functions that are satisfactory to the Executive Director. Such service standards must be established by October 1, 2025.
5. CIRO must publish the established service standards together with publication of CIRO's achievement of these standards on a quarterly basis.
6. CIRO must establish and maintain written policies and procedures, in a form satisfactory to the Executive Director, in respect of CIRO's performance of the Delegated Functions.
7. CIRO must provide the Executive Director with reasonable prior written notice of any significant proposed changes to the policies and procedures established under section 6 and CIRO must not implement the proposed changes until the Executive Director has notified CIRO that the Executive Director has no further questions or comments.
8. CIRO must provide the Executive Director with reasonable prior written notice in respect of any firm registration matter where, in CIRO's opinion, an application or submission raises significant or novel issues and CIRO must not make a final determination in the matter until the Executive Director has notified CIRO that the Executive Director has no further questions or comments.
9. For purposes of section 8, "significant or novel issues" means any issue that, without limitation:
 - (a) raises a significant new issue which has previously not been addressed or resolved in the same context;
 - (b) may have a significant impact on:
 - (i) the interpretation of applicable rules or Alberta securities legislation, including the interpretation of the requirement to register, business trigger for trading or advising and fitness for registration;
 - (ii) registration applications;

- (iii) applications for exemptive relief;
- (iv) market participants, including members, approved persons, member employees and other registrants;
- (v) investors or investor protection;
- (vi) market structure;
- (vii) market practices or industry standards; or
- (viii) regulatory enforcement;

(c) may have an impact on policy development or rulemaking; or

(d) relates to a new business model, financial instrument, service, product, technology, or innovation.

10. CIRO must establish a process for performing background checks as part of its process for making registration decisions under the Authorization.

11. CIRO will submit to the Executive Director any information and reporting requested by the Executive Director in a form and with a frequency acceptable to the Executive Director, including, without limitation, risk analyses, examination schedules and reports for CIRO members with Alberta operations and enhanced reporting about CIRO regulatory actions and registration activities.