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Bryan J. Armstrong
D/ Superintendent of Securities

CSA STAFF NOTICE 25-315

2025 Annual Activities Report on the Oversight of the
Canadian Investment Regulatory Organization and the
Canadian Investor Protection Fund

April 2, 2026

YEAR OF REPORT 2025



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HIGHLIGHTS

2014-2015

236	<i>Firms</i>	111,566	<i>Approved Persons</i>
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6.1 Trillion	<i>Assets Under Administration</i>
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	<i>10 Rules in Progress</i>		<i>8 Rules Approved</i>
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	<i>12 Financials Filed</i>		<i>60 Materials Filed</i>
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EXECUTIVE SUMMARY

We are pleased to share CSA Staff Notice 25-315 *2025 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, 2025 (the **Reporting Period**).

During the Reporting Period we addressed a variety of matters, some relating to CIRO's amalgamation³. Key matters considered during the Reporting Period include the:

- consolidation of rules applicable to investment dealers and mutual fund dealers;
- delegation of the registration of investment dealers and mutual fund dealers and the individuals who act on their behalf by multiple jurisdictions, to CIRO and operationalization of the delegated registration functions and powers;
- review of amendments to the Approved Persons Fees Component within the Annual Fee of the Dealer Member Fee Model for investment dealers and mutual fund dealers;
- oversight of the CIRO cybersecurity breach; and
- approval and implementation of the CIRO proficiency model for investment dealers.

Key matters considered during the period specific to CIPF include the:

- review of CIPF's continuing efforts to integrate its two funds that provide coverage to eligible customers of CIRO investment dealers and mutual fund dealers;
- oversight of CIPF's alignment of the investment policies and strategies of the two funds; and
- consideration of whether it is appropriate for both funds to use the credit-risk based fund model which assists in setting fund size.

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, review of required filings from CIRO and CIPF, completion of the CSA's 2025 Oversight Review⁴ of specific processes in three functional areas of CIRO and the substantial completion of the CSA's 2025 Oversight Review of specific processes in two functional areas of CIPF. Post-close initiatives will continue to be an area of focus in 2026.

This Report is an important tool for engaging with 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.

Outlined in [Appendix A](#) is an overview of how we regulate CIRO and CIPF, while [Appendix B](#) describes the oversight functions and activities undertaken for the CIRO and CIPF oversight programs, including: the annual risk assessments, oversight reviews, reviews of proposed rules, reviews of materials filed, and meetings.

³ 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.

⁴ The CSA's 2025 *Oversight Review* of CIRO was issued on July 23, 2025.

	Post-close Initiative	Priority / Status	Scope
2.	CIRO Rulebook Consolidation	High	<ul style="list-style-type: none"> CSA Members are reviewing CIRO's proposed Dealer and Consolidated Rules (the DC Rules) 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 for comment in 2026. The DC Rules would replace the current Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules.
3.	CIRO/CIPF New Cooperative Operating Agreement	High	<ul style="list-style-type: none"> 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. CSA Members continue to oversee the development of the new Cooperative Operating Agreement which will replace the current Transitional Agreement.
4.	Dual Registration Applications, Policy Matters and Exemptions	Medium	<ul style="list-style-type: none"> 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.
5.	CIRO Enforcement Practices	Medium	<ul style="list-style-type: none"> Effective February 24, 2025, mutual fund dealers transitioned to the Complaints and Settlement Reporting System (ComSet) for reporting all events prescribed in MFD Rule 600. ComSet is already used by investment dealers. CIRO applied for use of the Restricted Fund for the purposes of the Disgorgement Distribution Program. The Disgorgement Distribution Program is expected to launch on April 1, 2026. MFD Rule amendments to align the disgorgement provision with the IDPC Rules are in progress. Ontario joined six other provinces⁵ in granting CIRO full enforcement powers. Specifically, the ability to collect fines, collect and present evidence and statutory immunity for CIRO.

⁵ Alberta, Québec, Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

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

	December 31, 2025	December 31, 2024	% Change
Assets Under Administration	\$6.1 Trillion	\$5.3 Trillion	15.1%
Approved Persons	111,566	107,772	3.5%
Firms			
Investment Dealer	147 ⁷	161	
Mutual Fund Dealer	77	80	
Dual Registered ⁶	12	8	
Total	236 ⁸	249	-5.2%

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

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

⁷ Within the 147 investment dealers are 5 crypto-asset trading platforms.

⁸ The total does not include the 14 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*.

(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"> Integration priorities, including: CIRO Rulebook Consolidation, CE harmonization and advancing incorporated advisor project. Overseeing development of the new Cooperative Operating Agreement between CIRO and CIPF.
Registration Delegation	<ul style="list-style-type: none"> Effective April 1, 2025, the ASC, OSC, FCNB, NL, NSSC, NT, NU, PEI and YT issued delegation orders authorizing CIRO to undertake registration functions for investment dealers and mutual fund dealers. Effective July 1, 2025, the AMF issued similar registration delegation to CIRO. Effective October 1, 2025, the FCAA and the MSC authorized CIRO to carry out certain registration functions on its behalf. The BCSC published amendments to BC Instrument 22-502 Registration by IROC on October 16, 2025, which proposes to delegate to CIRO registration of mutual fund dealers and their related individual registration categories. Streamlining the registration delegation process across all jurisdictions creates a harmonized approach to registration for CIRO members.
Annual Priorities	<ul style="list-style-type: none"> CSA Members provided input on CIRO's Annual Priorities for Fiscal 2026 which were published by CIRO on April 10, 2025.
Short Selling	<ul style="list-style-type: none"> CIRO, together with CSA Members, continues to review the regulatory framework regarding short selling to ensure it is current and appropriate.⁹ 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. Proposed guidance 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. On January 9, 2025, CIRO published the Proposed Amendments Respecting Mandatory Close-out Requirements for comment. The proposal intended to introduce mandatory close-out requirements to reduce fail-to-deliver positions. Work continues on this initiative.
Trading Increments	<ul style="list-style-type: none"> On December 18, 2025, CSA Members approved CIRO's Amendments Respecting Trading Increments to align Canadian trading increments with those in the United States for certain U.S. inter-listed securities. This follows

⁹ Joint CSA/IROC 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/IROC 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
	<ul style="list-style-type: none"> • Consideration of any future changes to the proficiency regime relating to mutual fund dealers will be done in collaboration with CIRO.
Client Focused Reforms (CFRs)	<ul style="list-style-type: none"> • CSA and CIRO staff conducted compliance reviews during 2024, which focused on evaluating registrants' compliance with the CFR's enhanced Know Your Client, Know Your Product and suitability determination requirements. • Joint CSA/CIRO Staff Notice 31-368 on <i>Client Focused Reforms: Review of Registrants' Know Your Client, Know Your Product and Suitability Determination Practices and Additional Guidance</i> was published on December 10, 2025.
Cybersecurity Breach	<ul style="list-style-type: none"> • On August 11, 2025, CIRO identified a cybersecurity breach and took measures to secure their systems and protect information in their custody. Relevant authorities were notified, including the CSA, law enforcement and applicable privacy commissioners. • In August, CIRO launched an investigation with the support of cybersecurity experts. <ul style="list-style-type: none"> ◦ Preliminary results identified that registration information for Member firms and registered individuals had been affected. CIRO shared these findings publicly and notified the impacted persons, offering credit monitoring and identity theft protection. CIRO also announced that the investigation and e-discovery process was still ongoing. ◦ To determine the full impact of the cyber incident it took CIRO over 9,000 hours and five months of investigation. These e-discovery processes are typically technical in nature and take time to complete. ◦ Following completion of the investigation, CIRO publicly disclosed in January 2026 that some clients or former clients of CIRO Member firms (approximately 750,000) had also been impacted by the cybersecurity breach. • CIRO is currently communicating with impacted individuals and offering credit monitoring and identity theft protection. • CIRO is actively evaluating all their systems, processes and data security measures and is committed to enhancements as necessary on an expedited timeline. • Cybersecurity and data management are critically important to the CSA. The CSA has been engaged since the August 2025 notification, requesting and assessing information provided and actions taken or contemplated in the near future by CIRO. This information will help the CSA determine if any further steps must be taken in its oversight function of CIRO. • Additionally, on an ongoing basis, the CSA reviews and is enhancing its own data management and cybersecurity practices.
Account Transfers	<ul style="list-style-type: none"> • On July 10, 2025, CIRO published a request for comment on the <i>Modernization of Requirements for Account Transfers and Bulk Account Movements (IDPC Rule 4800 and MFD Rule 2.12)</i> to partially address delays clients experience in moving their accounts from one firm to another. The comment period closed on October 8, 2025. • At the same time, CIRO published a white paper on <i>Enhancing Timely and Efficient Account Transfers in Canada: Phase 1 – Defining the problem and laying the groundwork for change</i> which is reviewing the technology solutions that can be introduced to improve the efficiency of account transfer-related processes.

(B) CIPF



(i) Regulatory Status

CIPF is approved and accepted as an IPF¹¹ to provide protection within prescribed limits to eligible customers of CIRO 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 customers of CIRO 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 customers of CIRO 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 customers of CIRO 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.¹²

Both funds maintain their own insurance and lines of credit.

	December 31, 2025	December 31, 2024	% Change
IDF¹³ Liquidity Resources			
IDF	\$594M	\$572M	3.8%
Insurance	\$440M	\$440M	-
Lines of Credit	\$125M	\$125M	-
MFDF Liquidity Resources			
MFDF	\$59M	\$57M	3.5%
Insurance	\$40M	\$40M	-
Lines of Credit	\$30M	\$30M	-
TOTAL	\$1,288M	\$1,264M	1.9%

(iii) Rule Reviews

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

¹¹ In Québec, CIPF is an accepted contingency fund. Please refer to Footnote #2 on page 4.

¹² Coverage may be applicable to an account located in Québec, if the account is carried by a mutual fund dealer operating outside of Québec and only in the event of the carrier’s insolvency.

¹³ Values relating to IDF’s and MFDF’s General Fund, insurance and lines of credit are from CIPF’s 2025 unaudited annual financial statements.

(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
Cooperative Operating Agreement	<ul style="list-style-type: none"> • CSA Members continue to oversee the development of the new Cooperative Operating Agreement which will replace the current Transitional Agreement.
Strategic Plan	<ul style="list-style-type: none"> • During the Reporting Period, CSA Members reviewed CIPF's new three-year strategic plan for 2025 – 2027 and the goals and objectives supporting the strategic plan. • On June 30, 2025, CIPF published its three-year strategic plan.
Investment Policies and Strategies	<ul style="list-style-type: none"> • CIPF continues with its integration efforts and aligned the investment policies and strategies of the IDF and MFDF. • CSA Members reviewed CIPF's new investment policy (Investment Policy). In developing the Investment Policy, the legacy IDF investment policy was used as a baseline and its applicability was extended to the MFDF. • At the end of the Reporting Period, the portfolios of the IDF and MFDF were successfully transitioned to a third-party portfolio manager and the consolidated Investment Policy was implemented for both funds.
Review of Adequacy of Assets in the Funds	<ul style="list-style-type: none"> • Separate funds, insurance and lines of credit continue to be maintained for the coverage of investment dealers and mutual fund dealers. • For the IDF, CIPF continues to use a credit-risk based fund model (IDF Model) to project its liquidity resource requirement and assist in the setting of its fund size. 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 overall changes have been made to the methodology since October 2021, although the Probability of Default was recalibrated by third-party consultants during the Reporting Period. • In 2024, 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. • CIPF continues to analyze the movement of mutual fund dealers to dual registration and the impact on liquidity resources. • The fit-for-purpose review continues, to assess if it is appropriate to extend the IDF Model to the mutual fund dealer universe. CIPF staff are in the process of developing a credit-risk model for the MFDF.
Crypto Assets	<ul style="list-style-type: none"> • The Coverage Policy continues to state explicitly that crypto assets are excluded from CIPF's coverage. • CIPF undertakes 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, specifically their recoverability, tradability and traceability.

COMPOSITION OF OVERSIGHT COMMITTEES

Market Regulation Steering Committee





AMF	Dominique Martin	MSC	Angela Duong
ASC	Lynn Tsutsumi	NSSC	Doug Harris,
BCSC	Mark Wang		Cynthia Tambago-Alday
FCAA	Curtis Brezinski	OSC	Michelle Alexander
FCNB	Clayton Mitchell		

CIRO Oversight Committee

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

RULE/BY-LAW/POLICY AND PROCEDURES AMENDMENTS¹⁴

As of December 31, 2025

Completed	CIRO Rule/By-Law Amendments	Publication Date
	Integrated Fee Model	<u>January 30, 2025</u>
	Amendments Respecting Proficiency Model for Approved Persons under the IDPC Rules	<u>April 17, 2025</u>
	Enhanced Cost Reporting Amendments	<u>July 3, 2025</u>
	Housekeeping Amendments to UMIR	<u>July 10, 2025</u>
	Amendments to UMIR Respecting Net Asset Value Orders and Intentional Crosses	<u>July 17, 2025</u>
	Amendments Respecting Contingent Derivative Orders	<u>November 20, 2025</u>
	Amendments Respecting Trading Increments	<u>December 18, 2025</u>
	Harmonization of the CIRO Continuing Education Programs – Phase 1	<u>January 8, 2026¹⁵</u>

¹⁴ On March 27, 2025, CIRO published bulletin 25-0091 [Withdrawal of Proposed Amendments Respecting Reporting, Internal Investigation and Client Complaint Requirements](#) for the withdrawal of the IIROC Notice 22-0009 *Proposed Reporting, Internal Investigation and Client Complaint Requirements* originally published on January 13, 2022.

¹⁵ CSA Members approved the Harmonization of the CIRO Continuing Education Programs – Phase 1 proposed rule amendments in December 2025. The Notice of Approval / Implementation was published on January 8, 2026.

APPENDIX A – 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. Effective January 1, 2026, the ASC replaced BCSC as Coordinator.

Oversight Committees

Each MOU requires the establishment of the [CSA Market Regulation Steering Committee \(MRSC\)](#)¹⁶ and the Oversight Committees for [CIRO](#) and [CIPF \(Oversight Committees\)](#)¹⁷. 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.

¹⁶ The MRSC is the forum for coordination and providing updates where issues relate to both CIRO and CIPF.

¹⁷ The Oversight Committees are operational committees under the oversight of MRSC.

QUESTIONS

If you have any questions or comments about this CSA Staff Notice, please contact any of the following:

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