

**IN THE MATTER OF THE SECURITIES ACT
R.S.N.L. 1990, c. S-13, AS AMENDED (the Act)**

AND

**THE DELEGATION OF FUNCTIONS TO THE
CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)**

SUPERINTENDENT ORDER 133
(Issued under section 25 of the *Securities Act*)

WHEREAS the Canadian Investment Regulatory Organization (**CIRO**) was established effective January 1, 2023, because of the amalgamation of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**).

AND WHEREAS CIRO has applied to the Superintendent of Securities on February 25, 2025, requesting a *delegation of functions* from the Superintendent under section 25. (1) of the *Act*.

AND WHEREAS under 25. (1) of the *Act*, the superintendent may, on the application of a self-regulatory organization, recognize the self-regulatory organization where the superintendent is satisfied that to do so would be in the public interest.

AND WHEREAS CIRO meets the definition of a self-regulatory organization under section 2. (1) (qq.1) of the *Act*.

AND WHEREAS a Recognition Order issued under section 25. (2) of the *Act* May 15, 2023, effective June 1, 2023, and under the terms and conditions of that Recognition Order, CIRO must act in the public interest in managing 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.

AND WHEREAS CIRO's performance of the *delegated functions* will be subject to an enhanced risk-based framework of ongoing oversight by the Superintendent.

AND WHEREAS CIRO has agreed that there will not be any fee, cost, expense, or sharing of registration revenues between CIRO and the Superintendent in any form for exercising



these *delegated functions* on behalf of the Superintendent, in the interest of the new administrative efficiencies for its members.

AND WHEREAS the Superintendent retains concurrent authority for the *delegated functions* and in the event of a conflict between an action taken by CIRO under the *delegated functions* and an action taken by the Superintendent, the Superintendent's authority will prevail.

AND WHEREAS this Superintendent Order 133 is applicable to the Canadian Investment Regulatory Organization (CIRO) and is subject to Appendix A – Terms and Conditions, it may be revoked, in whole or in part, at any time with or without notice by the Superintendent of Securities pursuant to section 25.5 (2) of the *Securities Act*.

AND WHEREAS the Superintendent considers it expedient to delegate to CIRO, under the *Securities Act*, certain *delegated functions* of the Superintendent, 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 firms registered in the categories of investment dealer and mutual fund dealer, as outlined in APPENDIX A.

AND WHEREAS the Superintendent of Securities grants permission to CIRO to exercise a *delegation of functions* as outlined in APPENDIX A – TERMS AND CONDITIONS.

IT IS ORDERED THAT the Canadian Investment Regulatory Organization (CIRO) is granted the following *delegated functions* as outlined within this SUPERINTENDENT ORDER 133.

1. The Canadian Investment Regulatory Organization (CIRO) shall be guided and apply the appropriate definitions of **Section 2 - Interpretation** under the *Securities Act*.
2. The Canadian Investment Regulatory Organization (CIRO) shall be guided and apply all of **Part X – Registration** under the *Securities Act* as well as to adhere to the terms and conditions of APPENDIX A.

This Superintendent Order takes effect on April 1, 2025.

Dated at the City of St. John's, Newfoundland and Labrador, this 26 day of March 2025.



Loyola Power
Superintendent of Securities

PART VIII

SELF-REGULATION

Self-regulatory organizations

25. (1) The superintendent may, on the application of a self-regulatory organization, recognize the self-regulatory organization where the superintendent is satisfied that to do so would be in the public interest.

(2) A recognition under this section shall be made in writing and shall be subject to terms and conditions as the superintendent may impose.

(3) A recognized self-regulatory organization shall regulate the operations and the standards of practice and business conduct of its members and their representatives in accordance with its by-laws, rules, regulations, policies, procedures, interpretations and practices.

(4) The superintendent may, where the superintendent is satisfied that to do so would be in the public interest, make a decision with respect to a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized self-regulatory organization.

Investigation by recognized self-regulatory organizations

25.01 (1) Where a recognized self-regulatory organization is empowered under its bylaws or rules to conduct investigations, the recognized self-regulatory organization may appoint an investigator.

(2) An investigator conducting an investigation under this section has the same power vested in a judge of the Supreme Court to

- (a) summon and enforce the attendance of witnesses;
- (b) compel witnesses to give evidence under oath or in any other manner; and
- (c) compel witnesses to produce books, records, documents and things or classes of books, records, documents and things.

(3) On application to the Supreme Court by an investigator, the failure or refusal of a person or company to attend, take an oath, answer questions or produce books, records, documents and things or classes of books, records, documents and things in the custody, possession or control of the person or company makes the person or company liable to be committed for contempt as if in breach of an order or judgment of the Supreme Court.

(4) A person giving evidence at an investigation conducted under this section may be represented by legal counsel and may claim privilege to which the person or company is entitled.

Hearing by recognized self-regulatory organizations

25.02 (1) Where a recognized self-regulatory organization is empowered under its by-laws or rules to conduct hearings, the recognized self-regulatory organization has the same power vested in a judge of the Supreme Court to

- (a) summon and enforce the attendance of witnesses;
- (b) compel witnesses to give evidence under oath or in any other manner; and
- (c) compel witnesses to produce books, records, documents and things or classes of books, records, documents and things.

(2) On application to the Supreme Court by an investigator, the failure or refusal of a person or company to attend, take an oath, answer questions or produce books, records, documents and things or classes of books, records, documents and things in the custody, possession or control of the person or company makes the person or company liable to be committed for contempt as if in breach of an order or judgment of the Supreme Court.

(3) A person giving evidence at a hearing conducted under this section may be represented by legal counsel and may claim privilege to which the person or company is entitled.

(4) A recognized self-regulatory organization may receive in evidence any statement, document, book, record, information or thing that, in its opinion, is relevant to the matter before it, whether or not the statement, document, book, record or thing is given or produced under oath or would be admissible as evidence in a court of law.

Review of decision of recognized self-regulatory organization

25.03 (1) In this section and section 25.04, "decision" means, in relation to a recognized self-regulatory organization,

- (a) a decision, order, ruling or direction of the recognized self-regulatory organization made under the internal regulating instruments of the recognized self-regulatory organization; and
- (b) a decision of the recognized self-regulatory organization made under a power or duty delegated to the recognized self-regulatory organization by the superintendent.

(2) A person or company who is directly affected by a decision of a recognized self-regulatory organization, or by the administration of a decision of a recognized self-regulatory organization, may request, and is entitled to, a review of the decision by the superintendent where the person or company

- (a) submits the request for review no later than 30 days after receiving notice of the decision; and
- (b) provides notice to the recognized self-regulatory organization that made the decision no later than 30 days after receiving notice of the decision.

(3) The superintendent may, on the superintendent's own initiative, review a decision of a recognized self-regulatory organization by giving notice, no later than 30 days after the date the superintendent was informed of the decision, to

- (a) the recognized self-regulatory organization that made the decision;
- (b) any person or company directly affected by the decision; and
- (c) any person or company affected by the administration of the decision.

(4) The recognized self-regulatory organization is a party to a review of a decision of the recognized self-regulatory organization that is conducted by the superintendent under this section.

(5) The superintendent may decide the nature and extent of the review conducted under this section and may conduct

- (a) a partial or full hearing or rehearing of the matter subject to review; or
- (b) a review based on documents only.

(6) Following a review under this section, the superintendent may confirm, vary or revoke the decision reviewed and may make any decision the recognized self-regulatory organization could have made acting under

- (a) the power or duty delegated to the recognized self-regulatory organization; or
- (b) the internal regulating instruments of the recognized regulatory organization.

(7) A decision of a recognized self-regulatory organization takes effect immediately notwithstanding a request for a review or giving of notice by the superintendent of the intention to conduct a review, unless the recognized self-regulatory organization or superintendent suspends the decision pending the review.

Filing decision of recognized self-regulatory organization with Supreme Court

25.04 (1) Where the time period for a review referred to in section 25.03 has expired and a review of the decision of the recognized self-regulatory organization has not been requested or initiated, the recognized self-regulatory organization may file a certified copy of its decision with the Supreme Court.

(2) Where the superintendent has made an order confirming or varying the decision, ruling or order after a review, a recognized self-regulatory organization may file a certified copy of the decision with the Supreme Court.

(3) A decision, ruling or order filed under subsection (1) or (2) has the same force and effect as if it were a judgment of the Supreme Court.

Clearing agencies

25.1 (1) The superintendent may, on the application of a clearing agency, recognize the clearing agency where the superintendent is satisfied that to do so would be in the public interest.

(2) A recognition under this section shall be made in writing and shall be subject to terms and conditions as the superintendent may impose.

(3) The superintendent may, where the superintendent is satisfied that to do so would be in the public interest, make a decision with respect to a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized clearing agency.

Quotation and trade reporting system

25.2 (1) The superintendent may, on the application of a quotation and trade reporting system, recognize the quotation and trade reporting system where the superintendent is satisfied that to do so is in the public interest.

(2) A recognition under this section shall be made in writing and is subject to terms and conditions that the superintendent may impose.

(3) The superintendent may, where the superintendent is satisfied that to do so is in the public interest, make a decision with respect to a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized quotation and trade reporting system.

Council, committee or ancillary body

25.3 (1) A recognized stock exchange, a recognized quotation and trade reporting system or a recognized self-regulatory organization may, with the prior approval of the superintendent and on the terms and conditions as the superintendent determines to be necessary or appropriate in the public interest, establish a council, committee or ancillary body and assign to it regulatory or self-regulatory powers or responsibilities or both.

(2) A council, committee or ancillary body that exercises the powers or assumes the responsibilities of a recognized stock exchange, recognized quotation and trade reporting system or recognized self-regulatory organization is also included in,

- (a) the recognition of the recognized stock exchange, recognized quotation and trade reporting system or recognized self-regulatory organization;
- (b) a suspension, restriction or termination of the recognition of the recognized stock exchange, recognized quotation and trade reporting system or recognized self-regulatory organization; and
- (c) an imposition of terms or conditions on the recognition of the recognized stock exchange, recognized quotation and trade reporting system or recognized self-regulatory organization.

(3) The provisions of the securities law of the province that apply to recognized stock exchanges, recognized quotation and trade reporting systems and recognized self-regulatory organizations also apply with necessary modifications to the council, committee or ancillary body.

Voluntary surrender

25.4 On application by a recognized stock exchange, recognized self-regulatory organization, recognized quotation and trade reporting system or recognized clearing agency, the superintendent may accept on terms and conditions that the superintendent may impose, the voluntary surrender of the recognition of the stock exchange, self-regulatory organization, quotation and trade reporting system or clearing agency, where the superintendent is satisfied that the surrender of the recognition is not prejudicial to the public interest.

Assignment of powers and duties

25.5 (1) The superintendent may, on the terms and conditions the superintendent may impose, assign to a recognized stock exchange or recognized self-regulatory organization the powers and duties of the superintendent under Part X or the regulations related to that Part.

(2) The superintendent may revoke, in whole or in part, an assignment of powers and duties made under this section.

Contravention of securities law

25.6 No by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized stock exchange, recognized self-regulatory organization, recognized quotation and trade reporting system or recognized clearing agency shall contravene the securities law of the province, but a recognized stock exchange, recognized self-regulatory organization, recognized quotation and trade reporting system or recognized clearing agency may impose additional requirements within its jurisdiction.

Stock exchange auditor

25.8 (1) Every recognized stock exchange shall appoint an auditor for the exchange.

(2) At the request of the superintendent, a recognized self-regulatory organization shall appoint an auditor for the self-regulatory organization.

Auditor of member

25.9 (1) Every recognized stock exchange and every recognized self-regulatory organization shall cause each of its members to appoint an auditor.

(2) The auditor of a member shall be chosen from the panel of auditing firms selected under subsection (3).

(3) Every recognized stock exchange and recognized self-regulatory organization shall select a panel of auditing firms for their members.

(4) No person shall be appointed as an auditor under subsection (1) unless the person has practised as an auditor in the securities industry in Canada for 5 years or more.

(5) The auditor of a member shall make an examination, in accordance with generally accepted auditing standards, of the annual financial statements and regulatory filings of the member as called for by the by-laws, rules, regulations, policies, procedures, interpretations or practices applicable to the member, and shall report on the financial affairs of the member to the recognized stock exchange or recognized self-regulatory organization, as the case may be, in accordance with professional reporting standards.

Auditor of registrant

25.10 (1) Every registrant that is not subject to section 25.9 shall appoint an auditor who satisfies the requirements as may be established by the superintendent.

(2) The auditor of a registrant that is not subject to section 25.9 shall make an examination of the annual financial statements and other regulatory filings of the registrant, in accordance with generally accepted auditing standards, and shall prepare a report on the financial affairs of the registrant in accordance with professional reporting standards.

(3) The registrant shall file the report with the superintendent together with its annual financial statements and other regulatory filings.

(4) A registrant that is not subject to section 25.9 shall deliver to the superintendent annual audited financial statements, prepared in accordance with generally accepted accounting principles, and other regulatory filings as prescribed by the regulations, within 90 days after the end of its financial year or as otherwise prescribed by the regulations.

(5) The annual financial statements and regulatory filings delivered to the superintendent shall be certified by the registrant or an officer or partner of the registrant.

(6) The registrant shall deliver to the superintendent other information that the superintendent may require in the form that the superintendent may prescribe.

PART X **REGISTRATION**

Requirement to be registered

26. (1) A person or company shall not act as

- (a) a dealer;
- (b) an adviser; or
- (c) an investment fund manager

unless that person or company is registered in accordance with the securities law of the province.

(2) An individual shall not, directly or indirectly

- (a) deal in securities on behalf of a person or company required to be registered under subsection (1);
- (b) advise in securities on behalf of a person or company required to be registered under subsection (1); or
- (c) perform a prescribed function or duty for a person or company required to be registered under subsection (1)
- (d) unless that person or company is registered in accordance with the securities law of the province.

(3) A registrant shall comply with any terms, conditions, restrictions or requirements imposed on the registrant's registration.

Responsible person

26.1 A person or company required to be registered under subsection 26(1) shall appoint an individual to perform on the person's or company's behalf a prescribed function or duty.

Duty of care

26.2 (1) A registrant shall deal fairly, honestly and in good faith with the registrant's clients.

(2) A registrant who manages the investment of a portfolio of a client through discretionary authority granted by the client shall act fairly, honestly and in good faith toward the client and in the client's best interest.

(3) An investment fund manager shall

- (a) exercise the powers and discharge the duties of the investment fund manager's office honestly, in good faith and in the best interests of the investment fund; and

- (b) exercise the degree of care, diligence and skill that a reasonably prudent person or company would exercise in the circumstances.

Registration by superintendent

27. (1) Unless it appears to the superintendent that

- (a) an applicant is not suitable for registration, reinstatement of registration or amendment of registration; or
- (b) the proposed registration, reinstatement of registration or amendment of registration is objectionable;
- (c) the superintendent shall grant the registration, reinstatement of registration or the amendment of registration for which the applicant has applied.

(2) Notwithstanding subsection (1), the superintendent may, at any time, impose terms, conditions, restrictions or requirements on a registration.

(3) Notwithstanding subsections (1) and (2), the superintendent shall not impose terms, conditions, restrictions or requirements on a registration, or refuse to grant, reinstate or amend a registration without giving the registrant or applicant an opportunity to be heard.

Suspension or termination of registration

27.1 (1) The superintendent may suspend or terminate a registration if the superintendent considers that it is in the public interest to do so.

(2) Notwithstanding subsection (1), the superintendent shall not suspend or terminate a registration under subsection (1) without giving the registrant an opportunity to be heard.

Surrender of registration

28. (1) If a registrant applies to surrender the registrant's registration, the superintendent shall accept the surrender unless the superintendent considers it prejudicial to the public interest to do so.

(2) On receiving an application under subsection (1), the superintendent may, without providing an opportunity to be heard, suspend the registration or impose terms, conditions, restrictions or requirements on the registration.

Sending of documents

29. (1) Unless otherwise provided under this Act, a document required to be sent, communicated, delivered or served under securities laws of the province may be

- (a) personally delivered to the person or company that is to receive it;

- (b) sent by prepaid post to the person or company that is to receive it; or
- (c) sent by electronic means that produces a printed copy to the person or company that is to receive it.

(2) A document sent to a person or company referred to in subsection (1)(b) or (c) shall be sent to that person or company

- (a) at the latest address known for that person or company by the sender of the document; or
- (b) at the address for service in the province filed by that person or company with the superintendent.

(3) A document referred to in subsection (1) that is sent by the superintendent by prepaid post shall be considered, unless the contrary is proved, to be served on the person to whom or the company to which it is sent on the 7th day from the day that the document is sent to that person or company.

(4) If a document referred to in subsection (1) is sent to a person or company by prepaid post and is returned on 2 successive occasions because the person or company cannot be found, then there is no further requirement to send further documents to that person or company until the person or company provides to the sender notification in writing of the person's or company's new address.

30. [Rep. by 2006 c42 s2]

31. [Rep. by 2006 c42 s2]

Further information

32. The superintendent may require further information or material to be submitted by an applicant or a registrant within a specified time and may require verification by affidavit or otherwise of information or material then or previously submitted or may require the applicant or the registrant or a partner, officer, director, governor or trustee of, or a person performing a similar function for, or an employee of, the applicant or of the registrant to submit to examination under oath or affirmation by a person designated by the superintendent.

33. [Rep. by 2006 c42 s3]

Notice of changes

34. (1) Subject to the regulations, a registered dealer shall, within 5 business days of the event, notify the superintendent in the form required for the purpose

- (a) a change in address for service in the province or a business address;
- (b) a change in the directors or officers of the registered dealer and in the case of resignation, dismissal, severance or termination of employment or office, the reason for it;
- (c) a change in the holders of the voting securities of the registered dealer;

- (d) the commencement and termination of employment of a registered individual and, in the case of termination of employment, the reason for the termination;
- (e) the opening or closing of a branch office in the province and, in the case of the opening of a branch office in the province, the name and address of the person in charge; and
- (f) a change in the name or address of the person in charge of a branch office in the province.

(2) Subject to the regulations, a registered adviser or underwriter shall, within 5 business days of the event, notify the superintendent in the form required for the purpose

- (a) a change in address for service in the province or a business address
- (b) a change in the directors or officers of the registered adviser or underwriter and in the case of resignation, dismissal, severance or termination of employment or office, the reason for it; and
- (c) a change in the holders of the voting securities of the registered adviser or underwriter.

(2.1) Subject to the regulations, a registered advisor shall, within 5 business days of the event, notify the superintendent in the form required for the purpose of the commencement and termination of employment of a registered individual, and in the case of termination of employment, the reason for termination.

(3) A registered individual shall, within 5 business days of the event, notify the superintendent in the form required for the purpose of

- (a) a change in the registered individual's address for service in the province or in the registered individual's business address; and
- (b) the commencement and termination of the registered individual's employment by a registered dealer.

(4) The superintendent may, upon an application of a registrant that is a reporting issuer, exempt, subject to the terms and conditions that the superintendent may impose, the registrant from the requirement of subsections (1) and (2) that the superintendent be notified of a change in the holders of voting securities of the registrant where in the superintendent's opinion it would not be prejudicial to the public interest to do so.

APPENDIX A TERMS AND CONDITIONS

1. CIRO must exercise the *delegated functions* in the public interest and in accordance with Part X of the *Securities Act* Province of Newfoundland and Labrador, as well as the terms and conditions outlined in the Recognition Order of June 1, 2023.
2. CIRO must establish and maintain requirements in respect of the registration of firms and individuals under the *delegated functions* that account for the proficiency, integrity, and solvency of those firms and individuals.
3. CIRO must maintain sufficient capacity to effectively and efficiently perform the *delegated functions*, including sufficient financial, technological, and human resources.
4. CIRO must establish service standards for the performance of the *delegated functions* that are satisfactory to the Superintendent. 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 to the Superintendent.
6. CIRO must establish and maintain written policies and procedures, in a form satisfactory to the Superintendent, in respect of CIRO's performance of the *delegated functions*.
7. CIRO must provide the Superintendent with reasonable prior written notice of any proposed changes to its policies and procedures in respect of CIRO's performance of the *delegated functions*. CIRO must not implement the proposed changes without prior notification and consultation with the Superintendent of Securities.
8. CIRO must provide the Superintendent with reasonable prior written notification in respect of any matter of the *delegated functions* that pertain specifically to Sections 27 & 28 in Part X of the *Securities Act*. Otherwise, CIRO may exercise the appropriate level of discretion as required for all other matters outlined in Part X of the *Securities Act*.
9. CIRO must establish and maintain, in a form satisfactory to the Superintendent, a process for performing background checks as part of its process for making registration decisions in accordance with the *delegated functions* outlined in Part X of the *Securities Act*.
10. CIRO will provide to the Superintendent information and reporting in a form and frequency acceptable to the Superintendent, including and without limitation: risk analysis, examination schedules and reports for *dealers* as defined in Section 2 of the *Securities Act* operating within the jurisdiction of Newfoundland and Labrador. As well, CIRO will provide to the Superintendent enhanced reporting about CIRO regulatory actions and registration activities.