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VIA EMAIL

Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2600
40 Temperance Street
Toronto, Ontario M5H 0B4
Email: memberpolicymailbox@ciro.ca

Subject: Rule Consolidation Project – Phase 4 - Rule Amendments - Request for Comments – Proposal to Harmonize the Approved Person regime and proficiency requirements for Directors across Dealer Members - Section 2.3.5.

Dear Sir/Madam,

Tradex Management Inc. (“Tradex”) appreciates the opportunity to provide comments on Phase 4 of CIRO's Rule Consolidation Project, specifically regarding Section 2.3.5, which addresses the Approved Person category for Directors.

Founded in 1960, Tradex is one of Canada’s oldest mutual fund management companies. A Member of the MFDA since 2002, Tradex operates as a not-for-profit entity dedicated to serving public servants and their families by providing investment services. With a longstanding commitment to ethical governance and prudent management, we welcome this initiative and recognize the importance of a harmonized regulatory framework.

We support CIRO’s amended stance on board independence and strongly believe that the presence of independent Directors enhances corporate governance, fosters unbiased decision-making, and bolsters investor confidence. Independent Directors contribute diverse perspectives and expertise, leading to more balanced and objective oversight. Their impartiality ensures decisions are made in the best interests of all stakeholders, including investors, clients, and the broader financial community. With global governance initiatives highlighting the value of independence amongst members of corporate boards, industry participants should not be required to have a lesser governance structure.

Additionally, we support CIRO’s proposal to establish clear and consistent proficiency requirements for Directors across Dealer Members.

However, we would like to offer additional perspectives on two specific areas:

1. Question #4 – Implementation for Existing (Unregistered) Approved Persons of Mutual Fund Dealer Members

We agree that directors with substantial tenure should be grandfathered under the new rules. Tradex has a history of appointing directors with significant expertise in capital markets, many of whom have served on pension plan boards or investment-related committees. While they may not have been previously registered, their extensive experience in overseeing investment decisions ensures they possess the necessary competencies to fulfill their responsibilities effectively. Furthermore, as Tradex operates on a not-for-profit basis and primarily serves public servants, our board members historically come from public sector backgrounds. These individuals bring a wealth of relevant experience and financial acumen but may not have completed the specific proficiency requirements outlined in the new framework. Grandfathering these directors would recognize their existing expertise while preventing unnecessary disruption to well-functioning governance structures.

2. Question #5 – Transition Period for Approved Person Categories Where New Requirements Are Introduced or Existing Requirements Have Been Materially Changed

In order to allow boards to maintain some level of continuity, for new directors of mutual fund dealers, we would recommend extending the transition period to perhaps 3 to 5 years. This additional time would provide organizations with sufficient flexibility to identify and onboard qualified candidates while ensuring that existing governance structures remain effective. Given that many mutual fund dealers operate with lean governance structures and limited financial resources, an extended transition period would allow them to gradually integrate new directors who meet the new proficiency standards without disrupting operational stability.

We appreciate CIRO's efforts to enhance governance across Dealer Members and believe these refinements will contribute to a more effective and fairer regulatory framework. We thank you for the opportunity to provide these comments and would be happy to discuss our perspectives further. Please feel free to contact us if there are any questions regarding our submission.

Sincerely,



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