

**For Immediate Release
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CSA and CIRO provide findings and guidance from latest phase of Client Focused Reforms reviews

TORONTO – The Canadian Securities Administrators (CSA) and the Canadian Investment Regulatory Organization (CIRO) have published [their findings](#) from a second phase of reviews of registrants' compliance with the Client Focused Reforms (the **CFRs Phase 2 Sweep**).

In the Phase 2 Sweep, the CSA and CIRO reviewed 105 firms' compliance with the know your client (KYC), know your product (KYP) and suitability determination requirements implemented under the CFRs (the CFRs Phase 2 Sweep). The CFRs Phase 2 Sweep followed a previous set of reviews completed and guidance published on registrants' compliance with the conflicts of interest requirements implemented under the CFRs.

[Joint CSA/CIRO Staff Notice 31-368 Client Focused Reforms: Review of Registrants' Know Your Client, Know Your Product and Suitability Determination Practices and Additional Guidance](#) outlines notable observations from the CFRs Phase 2 Sweep. The Notice also sets out guidance to help registrants implement efficient and customized processes, while further aligning their practices with the requirements under the CFRs.

"The CFRs are an integral part of the CSA's effort to protect retail investors across Canada," said Stan Magidson, CSA Chair and Chair and CEO of the Alberta Securities Commission.

"These findings and additional guidance are intended to help registrants implement more efficient processes that are tailored to their business, further enabling them to be compliant with regulations."

"The results of this latest review show that some registrants have made meaningful progress on implementing the CFRs," said Andrew J. Kriegler, President and CEO of CIRO. "To help registrants apply the regulatory requirements across different business models, the CSA and CIRO have included comprehensive insights and actionable guidance to enhance regulatory compliance and investor protection where possible. These examples demonstrate some practical approaches to meeting expectations efficiently."

The CSA and CIRO found through the CFRs Phase 2 Sweep that many firms made efforts, and some invested significant resources, to update their processes to address the enhanced KYC, KYP and suitability determination requirements under the CFRs. However, some firms did not update their processes to fully reflect these new requirements. Firms were required to take action to resolve compliance issues that were identified.

Notes for editors:

- Today's announcement builds on previous guidance that we have provided to registrants in August 2023 through Joint CSA/CIRO Staff Notice 31-363 *Client Focused Reforms: Review of Registrants' Conflicts of Interest Practices and Additional Guidance (CFRs Phase 1 Notice)*.
- The CSA and CIRO conducted compliance reviews of 105 different firms. These included firms registered as investment fund managers, portfolio managers, restricted portfolio managers, exempt market dealers, investment dealers and mutual fund dealers with different business models.
- The Notice includes examples of compliance issues that we identified through our review and guidance for firms to consider to improve their compliance with the CFRs.

For media inquiries, please contact:

Ilana Kelemen
Canadian Securities Administrators
media@acvm-csa.ca

Ariel Visconti
Canadian Investment Regulatory Organization
AVisconti@ciro.ca

Curtis Lindsay
Ontario Securities Commission
media_inquiries@osc.gov.on.ca

For investor inquiries, please [contact your local securities regulator](#).