What CIRO is doing: Enforcement report for 2025-2026

July 28, 2026

On July 22, 2026, the Canadian Investment Regulatory Organization (CIRO) released its enforcement report for the 2026 fiscal year, from April 1, 2025, to March 31, 2026 (the Report), which can be found here. The Report covers enforcement activities and priorities for both investment and mutual fund dealers over the past year and notes that most integration priorities have now been completed. CIRO "continues to modernize its regulatory approach by integrating systems, policies and processes to strengthen regulatory effectiveness."

Key CIRO enforcement trends for investment and mutual fund dealers

We have excerpted some important findings from the Report and believe these trends will continue in the year ahead:

1. CIRO focuses on dealer supervision, gatekeeping and compliance systems:
    a. CIRO continues to focus on cases involving system issues, dealer supervision and gatekeeping. While there are still individual misconduct cases, there is a noticeable shift toward scrutinizing firms' compliance systems with a focus on *preventing* misconduct, not simply responding to it.
2. CIRO pursues fewer enforcement proceedings with higher fines:
    a. Year over year, proceedings commenced and concluded have decreased, but sanctions and disgorgement have significantly increased. This means CIRO is prosecuting fewer cases but pursuing higher-value proceedings.
3. CIRO harmonizes MFDA and IIROC enforcement systems:
    a. The Report emphasizes that the MFDA and IIROC systems have merged and are operating as one system.

CIRO enforcement activity in 2026 focuses on investor protection and market integrity

The Report highlights that in 2026, CIRO hearing panels imposed more than $15 million in sanctions. The Report also notes that suspensions and permanent bars were imposed, predominantly against individuals, and that CIRO continued to pursue disgorgement orders. The cases advanced focused on the effectiveness of supervision and internal controls, as well as the obligation of regulated entities and individuals to act as gatekeepers to the capital markets.

CIRO also continued to refer cases to the Canadian Securities Administrators (CSA). In the 2026 fiscal year, 86 market-related cases were referred, including 32 manipulation cases, nine insider trading cases and 45 other *Securities Act* violations.

This year, the Report focuses on cases involving the protection of investors from unfair, improper or fraudulent practices, improving industry standards and promoting market integrity:

- Against firms, the Report noted several decisions related to breaches of supervisory obligations and a lack of due diligence in the opening and operation of accounts.
- Against individual regulated persons, the Report drew attention to decisions relating to discretionary trading, misappropriation of client funds and unauthorized transfers.

CIRO enforcement statistics show higher sanctions and changing complaint trends

The Report includes a detailed summary of statistics on sanctions imposed in 2026, the fine collection rate and the number of complaints, investigations and enforcement proceedings.

In 2026, there were a total of nine decisions against firms, compared with seven decisions in 2025 and 10 decisions in 2024. The quantum of monetary sanctions against firms more than doubled in 2026, reversing the decline seen between 2024 and 2025. Dealers were collectively ordered to pay a total of $4,097,500 in fines in 2026, up from $2,400,000 in 2025. Dealers were also ordered to disgorge a total of $4,305,790, a nearly sevenfold increase from $623,925 in 2025.

As for individuals, total fines ordered increased from $4,992,523 in 2025, in connection with 50 decisions, to $6,266,999 in 2026, in connection with 39 decisions. The quantum of disgorgement decreased from $1,718,059 in 2025 to $958,684 in 2026, though this amount remains higher than the $427,997 in disgorgement in 2024. There was also a decrease in the number of suspensions, conditions and permanent bars compared with 2025.

The number of Complaints and Settlement Reporting System (ComSet) complaints increased substantially, from 3,833 in 2025 to 6,426 in 2026. However, CIRO attributed the increase to several large mutual fund dealer members filing service-related and other events in ComSet that were not previously reported in the Member Event Tracking System (METS) and noted that the additional events did not raise regulatory concerns or increase the number of enforcement cases opened.

Notably, 2026 saw a year-over-year decrease in enforcement proceedings, both commenced and concluded, continuing the trend from 2024 to 2025. The majority of concluded proceedings were settlement hearings, with the firms or registered individuals involved agreeing to the imposed sanctions.

Increased scrutiny for regulated firms

CIRO's 2025-26 enforcement report signals a continued focus on stronger supervision, effective compliance systems and meaningful consequences for misconduct. Regulated firms should review their internal controls, supervision practices and gatekeeping obligations to ensure they are prepared for increased scrutiny in the year ahead.

By

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