

# IIROC NOTICE

## Rules Notice Technical

UMIR

*Please distribute internally to:*

Institutional  
Legal and Compliance  
Trading Desk

*Contact:*

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**14-0198**

**August 13 2014**

## Extension Requests for the Updating of Client Agreements for Third-Party Electronic Access to Marketplaces

On July 4, 2013 IIROC published final rules respecting third-party electronic access to marketplaces which became effective March 1, 2014 (the “rules”).<sup>1</sup> The rules require, among other things, that the written agreements required to provide Direct Electronic Access or a Routing Arrangement must include certain mandatory terms.<sup>2</sup> To the extent that a Participant had an agreement in place before March 1, 2014 with a client, investment dealer or a foreign dealer equivalent to provide electronic access to a marketplace (“pre-existing agreement”), the Participant was provided a further 180 days from the effective date of the rules (i.e. to September 1, 2014) to bring such agreement into compliance with the requirements.

IIROC received a letter dated August 6, 2014 from the Investment Industry Association of Canada (the “IIAC letter”) on behalf of its members advising that, while its members are confident that they will be able to bring pre-existing agreements into compliance with the

<sup>1</sup> See IIROC Notice [13-0184](#) Rules Notice – Notice of Approval – UMIR and Dealer Member Rules - *Provisions Respecting Third-Party Electronic Access to Marketplaces* (July 4, 2013)

<sup>2</sup> See [UMIR 7.13\(3\)](#) for the mandatory terms that must be included in each agreement respecting Direct Electronic Access or a Routing Arrangement.



requirements, meeting the September 1, 2014 deadline will be challenging. The IIAC letter requests that IIROC provide a further 60 days to allow time for Participants to complete the necessary work.

**IIROC will grant a 60-day extension to October 30, 2014, to those Participants that are unable to meet the September 1 deadline.** Any extension granted applies to pre-existing agreements only. Any Participant seeking an extension may do so by following the steps below.

### **Requesting an Extension**

A Participant requesting a 60-day extension must do so in writing and must include:

- the number of pre-existing agreements that it believes will not be compliant with the requirements by September 1, 2014,
- the steps it has taken in an effort to meet the September 1, 2014 deadline, and
- any additional steps it will take to ensure that all pre-existing agreements are compliant by October 30, 2014.

In addition, each Participant granted an extension must confirm to IIROC in writing, on or before October 30, 2014, that all pre-existing agreements have been brought into compliance with the rules.

Requests for an extension should be delivered to:

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Director, Market Regulation Policy,  
Investment Industry Regulatory Organization of Canada,  
Suite 2000  
121 King Street West,  
Toronto, Ontario. M5H 3T9  
e-mail: [kmccoy@iirc.ca](mailto:kmccoy@iirc.ca)

A copy should also be provided to the Ontario Securities Commission by forwarding a copy to:

Tracey Stern  
Manager, Market Regulation  
Ontario Securities Commission  
Suite 1903, Box 55,  
20 Queen Street West  
Toronto, Ontario. M5H 3S8  
e-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)