

IIROC NOTICE

Rules Notice Technical

UMIR/DMR

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Use of Client Identifiers and Notification Requirements Respecting Certain Order Execution Only Client Accounts

Executive Summary

On June 1, 2015, amendments to the Dealer Member Rules and UMIR come into effect respecting order execution services (“OES”) as a form of third-party electronic access to marketplaces.¹ The amendments, among other things, introduce a requirement:

- that Dealer Members providing OES (“OES Dealer”) include a client identifier (“Client ID”) on each order entered on a marketplace for which the corporation is the regulation services provider (“marketplace”) for or on behalf of any client:
 - whose trading activity on marketplaces exceed a daily average of 500 order per trading day in any calendar month,

¹ See IIROC [Notice 14-0263](#) – Rules Notice – Notice of Approval – UMIR and Dealer Member Rules – *Provisions Respecting Order Execution Services as a Form of Third-Party Electronic Access to Marketplaces* (November 13, 2014) and IIROC [Notice 14-0264](#) – Rules Notice – Guidance – UMIR and Dealer Member Rules - *Guidance Respecting Order Execution Services as a Form of Third-Party Electronic Access to Marketplaces* (November 13, 2014).



- that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or
- that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser;
- that the OES Dealer provide to IIROC the identification of the client associated with such Client ID; and
- that Participants with the responsibility of routing OES orders to a marketplace include the Client ID, where applicable, on orders originating from an OES Dealer.

This notice provides responses to frequently asked questions respecting the use of Client IDs.

Questions and Answers

The following are specific questions and IIROC's response to each question.

1. What form of Client ID is IIROC requiring?

Client account numbers are the acceptable form of Client ID.

2. How is the Client ID transmitted on each applicable order?

On each order entered and sent to a marketplace for or on behalf of each OES client account requiring the use of a Client ID, the client's account number must be included in the ACCOUNT_ID field (also known as FIX tag 1).

3. How does an OES Dealer notify IIROC of Client IDs where applicable?

Prior to June 1, 2015, IIROC will make available on its website (www.iiroc.ca) a downloadable spreadsheet template to facilitate reporting. This spreadsheet is accessible under the "regulatory reporting" tab and by selecting "OES Notice Form". Once completed with the required information for client accounts that require the use of a Client ID, the form can be submitted via secure e-mail to ETRReporting@IIROC.ca or via ShareFile.² A completed form must be submitted to IIROC each time additional client accounts are identified where the use of a Client ID is required. IIROC expects that Client IDs would be reported no later than 10 days following the month during which the client was identified. A sample of the spreadsheet template has been included with this notice as Appendix A.

² See IIROC [Notice 14-0186](#) – Rules Notice – UMIR and DMR – Technical – *Requirements for Secure Electronic Regulatory Communication* (July 24, 2014).



4. When do I need to begin notifying IIROC of any clients requiring a Client ID?

All OES Dealers must initially identify and report to IIROC each client account requiring the use of a Client ID by no later than **July 10, 2015**. This initial report would rely on June 2015 account activity. IIROC expects that once a client account has been identified, each order sent to a marketplace for that account include the Client ID as required.

5. If during any calendar month a client no longer meets the threshold where Client ID is required, do I notify IIROC to have the client removed?

No. Once a client account has been identified as requiring the use of a Client ID, the requirement to include the Client ID on all subsequent orders sent to a marketplace will continue to apply regardless of the future activity of that particular account.

