



NEWS RELEASE

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Outlines expectations and requirements to ensure consistent standards

IIROC proposes guidance on order-execution only services and activities

November 3, 2016 (Toronto, Ontario) – IIROC today published for comment proposed [guidance](#) setting out expectations and requirements for all IIROC-regulated firms engaged in order-execution only (OEO) activities.

OEO firms provide investors who are comfortable making their own investment decisions with a low-cost alternative to the traditional advisory account. When an OEO firm accepts a client order without providing a recommendation, the OEO firm is not required to comply with certain suitability rules related to the order.

IIROC recognizes that investor needs continue to evolve and that technology plays an ongoing and important role in the investment industry.

“In response to rapid changes in technology and shifting investor needs, OEO firms are quickly evolving the range of tools, services and products they offer their clients,” said Wendy Rudd, IIROC Senior Vice-President, Member Regulation and Strategic Initiatives. “It is crucial that the rules and guidance are clear and appropriate to ensure that firms carry on only the activities they are registered to conduct.”

IIROC consulted extensively in developing the proposed guidance, including creation of an industry working group and conducting a survey of all IIROC-regulated OEO firms. IIROC also engaged an independent research firm to survey investors who use OEO services to better understand their expectations.

“Given the continuing fast pace of change in the environment, we want to get input from a broad range of industry and investor stakeholders before finalizing this guidance,” added Wendy Rudd.

Comments are requested on the proposed guidance and must be delivered in writing to IIROC by December 19, 2016.

IIROC is the national self-regulatory organization which oversees all investment dealers and their trading activity in Canada’s debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.

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