

NEWS RELEASE

For immediate release

For further information, please contact:

Paul Howard
Director, Communications & Public Affairs
416 646-7279
phoward@iroc.ca

Karen Archer
Manager, Media Relations
416 865-3046
karcher@iroc.ca

2015 Enforcement Report

Report highlights IIROC's focus on strengthening enforcement tools and deterring wrongdoers

March 31, 2016 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC) today published its annual [Enforcement Report](#) outlining the actions it has taken to prosecute and sanction investment firms and individuals who have breached their professional and/or ethical obligations. The report also highlights how IIROC is working to strengthen its enforcement powers to improve investor protection.

IIROC reported that the total sanctions it imposed in 2015 increased year over year, while the fine collection rate fell. Last year, IIROC levied over \$4.5 million against firms and individuals nationally, compared to \$3.67 million in 2014. While IIROC collected 84% of the fines assessed against firms, it only collected 13% of the fines against individuals across the country.

“As a public interest regulator, we need to have the tools necessary to vigorously and effectively protect the public. That’s why we have been seeking legislative changes that would enable us to improve the collection rate of fines and send a strong message that if you breach the rules and abuse the trust of your clients, you must pay the penalty,” said IIROC President and CEO Andrew Kriegler.

Currently, IIROC has the ability to enforce decisions it has sanctioned through the courts in Alberta and Quebec and is pursuing similar amendments to extend this authority in other jurisdictions.

The report also highlights IIROC’s concerns and the steps it has taken to address the issue of disciplined individuals who avoid regulatory consequences by merely leaving an IIROC-regulated firm to work in another area of financial services. In 2015, IIROC negotiated a [Memorandum of Understanding \(MOU\) with Quebec’s Chambre de la sécurité financière](#)

(CSF) that will automatically trigger review of the sanctioned individuals by the other regulatory organization, which may result in an investigation or other appropriate action.

As well, earlier this week IIROC signed [an agreement with Ontario's Financial Services Commission of Ontario \(FSCO\)](#) which will take into account the fitness of those individuals applying for registration with both regulators based on previous disciplinary history. As a result, IIROC has now put in place agreements with over a dozen regulators and other authorities in Canada and abroad and is continuing to pursue others in order to better protect the public.

“It is unacceptable that disciplined individuals can evade payment, abandon their registration and move to another area of financial services with the new regulator or potential clients not knowing what they’ve done,” added Kriegler. “Investors must be confident that firms and individuals are complying with the rules and that any breach of these rules will result in real consequences.”

Quick Stats

In 2015, IIROC:

- completed 124 investigations
- successfully prosecuted 40 individuals and 12 firms
- nearly 50 per cent of prosecutions against individuals involved violation of suitability – once again, being the top matter prosecuted
- majority of suitability cases involved elderly and/or vulnerable clients
- suspended and/or terminated 3 firms and suspended 26 individuals
- permanently barred 5 individuals from working at an IIROC-regulated firm in a registered capacity
- imposed total sanctions of \$2.95 million against individuals and \$1.59 million against IIROC-regulated firms

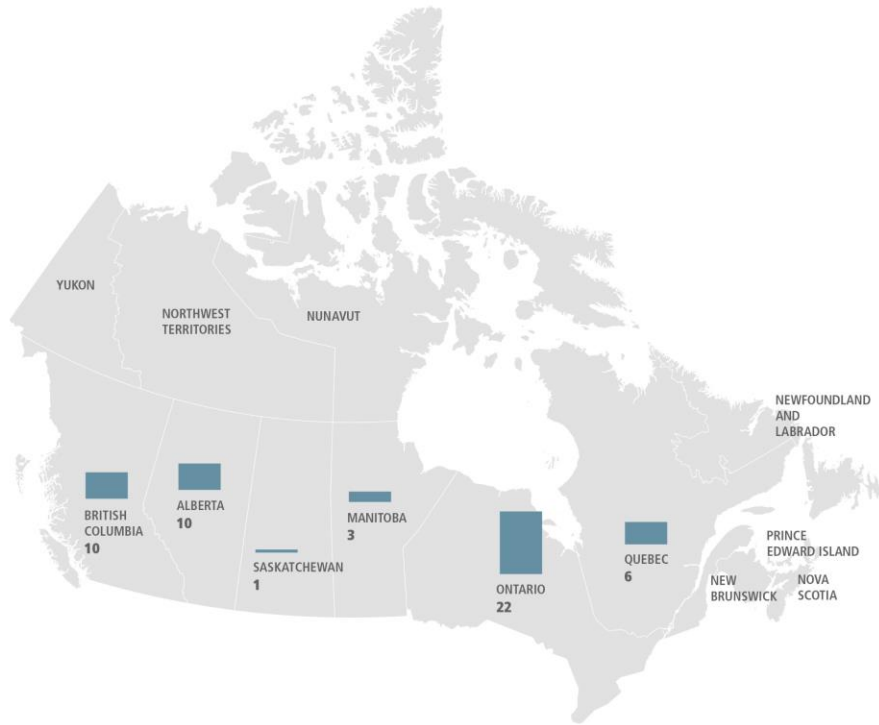
Additional Resources

- Investors can search IIROC's [Unpaid Fines Report](#) to see the most recent list of individuals who have not paid the full amount of fines and costs imposed as a result of disciplinary actions.
- All information about disciplinary proceedings relating to current and former member firms is available in the [Enforcement](#) section of IIROC's website.
- Background information regarding the qualifications and disciplinary history, if any, of advisors currently employed by IIROC-regulated firms is available free of charge through [IIROC AdvisorReport](#).

Graphics

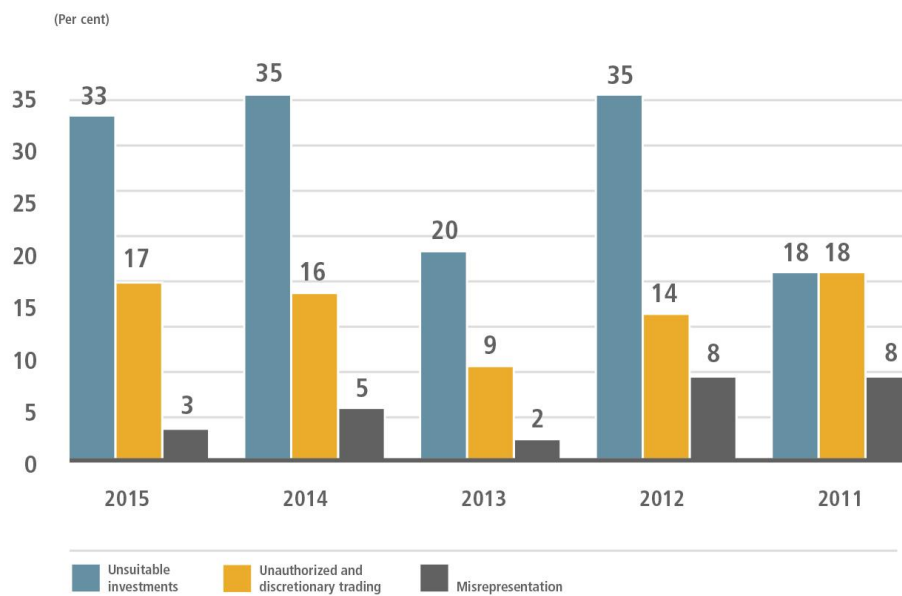
Prosecutions – by Province

Prosecutions refers to completed prosecutions where an IIROC hearing panel, Commission or court has made a final decision including any sanction ordered. Any decisions under appeal are not included.



In 2015, IIROC prosecuted a total of 52 firms and individuals across Canada.

Top Three Complaints Received By IIROC



In 2015, a significant number of IIROC’s enforcement cases focused on unsuitable investments. Most of these cases involved elderly clients.

Video Quotes

[IIROC President and CEO, Andrew J. Kriegler](#) [13 secs., mp4 format], explains why IIROC is seeking stronger enforcement powers to improve investor protection.

[IIROC Vice-President, Enforcement, Elsa Renzella](#) [27 secs., mp4 format], talks about the most common complaints received by IIROC and the resulting disciplinary actions taken.

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 maintaining efficient and competitive 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.

-30-