

IIROC NOTICE

Rules Notice Technical

Dealer Member Rules

Please distribute internally to:

Credit
Institutional
Internal Audit
Legal and Compliance
Operations
Registration
Retail
Senior Management
Trading Desk

Contact:

Marina Ripoche
Senior Policy Counsel, Member Regulation Policy
416.943.5896
mripoche@iiroc.ca

16-0100
May 10, 2016

Personal Financial Dealings with Clients

Updated deadline for unwinding existing trustee, executor and power of attorney arrangements

IIROC implemented¹ rules relating to personal financial dealings with clients, and outside business activities. These came into effect in December 2013, except for Dealer Member Rule 43.2(5)(i) (the Rule). The Rule prohibits personal financial dealings involving control or authority, such as those in which employees of a Dealer Member act as a power of attorney, trustee, executor or otherwise have full or partial control or authority over the financial affairs of a client.

IIROC published² for comment proposed amendments (the Proposed Amendments) which, among other things:

- narrow the Rule's scope, so that the prohibition only applies to registered representatives (RRs) and investment representatives (IRs) and not to all employees and Approved Persons of a Dealer Member

¹ IIROC [Notice 13-0162](#)

² IIROC [Notice 14-0103](#)



- provide an exemption for RRs and IRs to act as a non-Related Person's³ trustee or executor, with certain conditions.

We continue to review comments received in response to the Proposed Amendments, to consider the impact of the Proposed Amendments on existing trustee, executor and power of attorney relationships, and to discuss this matter with the Canadian Securities Administrators and so have not yet finalized our position. In light of this, and recognizing the practical challenges for clients and Dealer Members associated with unwinding certain arrangements, we have revised the deadline for unwinding existing arrangements.

Dealer Members now have 180 days after the implementation of the final amendments to unwind existing arrangements, unless otherwise provided at the time of amendment finalization.

³ as defined by the *Income Tax Act*.