

NEWS RELEASE

For immediate release

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2016 an active year for IIROC Enforcement

Report highlights IIROC's progress in pursuing more effective enforcement tools to protect investors

April 19, 2017 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC) today published its annual [Enforcement Report](#), showing an increase in investigations and enforcement actions taken to protect investors and strengthen the integrity of Canada's capital markets. The report also highlights IIROC's progress in pursuing more effective legal authority to hold wrongdoers who harm investors accountable for their actions.

In 2016, IIROC increased its enforcement activity across the country, completing 138 investigations as compared to 124 in 2015 and commencing 55 proceedings, a 25 per cent increase from 2015. IIROC also saw a year over year increase in the total number of complaints it received - 1,459 in 2016, as compared to 1,341 in 2015. Unsuitable investments continued to be the top complaint received and prosecuted by IIROC with suitability cases representing 37 per cent of complaints and more than 40 per cent of its regulatory prosecutions.

“Not only did we complete more investigations in 2016, but we made significant progress in gaining new enforcement tools that will enable us to provide stronger protection for the investing public and collect more fines in the future from wrongdoers who evade paying the penalty for their misconduct,” said IIROC President and CEO Andrew J. Kriegler.

“IIROC's enforcement activity this past year demonstrates our ongoing commitment to pursue cases where investors are harmed and seek sanctions that send a strong regulatory message to deter future wrongdoing,” said IIROC Vice President of Enforcement Elsa Renzella.

The total sanctions IIROC imposed on disciplined individuals increased year over year - \$3.12 million up from \$2.95 million in 2015. While IIROC collected 100 per cent of the fines it

imposed against firms in 2016, it only collected eight per cent against individuals across the country – a drop of almost 50 per cent from the previous year. This collection rate illustrates the importance of IIROC obtaining additional legal authority from various provincial and territorial governments to improve fine collection and other enforcement actions.

Earlier this year, the Prince Edward Island Office of the Superintendent of Securities granted IIROC the legal authority to collect disciplinary fines directly through the Supreme Court of PEI. On March 31, the Ontario government announced its intention to introduce legislative amendments to give IIROC the ability to pursue the collection of disciplinary fines directly through the courts.

This new authority in PEI and Ontario will allow IIROC to more efficiently and effectively collect its fines in these provinces. IIROC already has the ability to collect fines through the courts in Alberta and Quebec, where collection rates are higher than the national average.

“We appreciate the ongoing support of our regulatory and government partners in our quest to strengthen our enforcement abilities and to ensure a consistent level of investor protection across Canada,” added Kriegler. “IIROC is urging other provincial governments to make similar legislative changes so investors can be confident that investment firms and individuals will comply with IIROC’s regulatory rules and we can improve the effectiveness of our investigations and prosecutions bringing wrongdoers to justice.”

The report also illustrated IIROC’s collaboration with other financial services regulators to close the gaps in the regulatory system that could allow rule-breakers to evade discipline by simply leaving an IIROC-regulated firm to work in another area of financial services.

In 2016, IIROC signed cooperative agreements with the [Financial Services Commission of Ontario](#) and the [Insurance Council of British Columbia](#) and in early 2017 with the [Alberta Insurance Council](#), allowing the regulators to share relevant information including disciplinary records and documents and conduct joint investigations where appropriate.

Highlights

In 2016, IIROC:

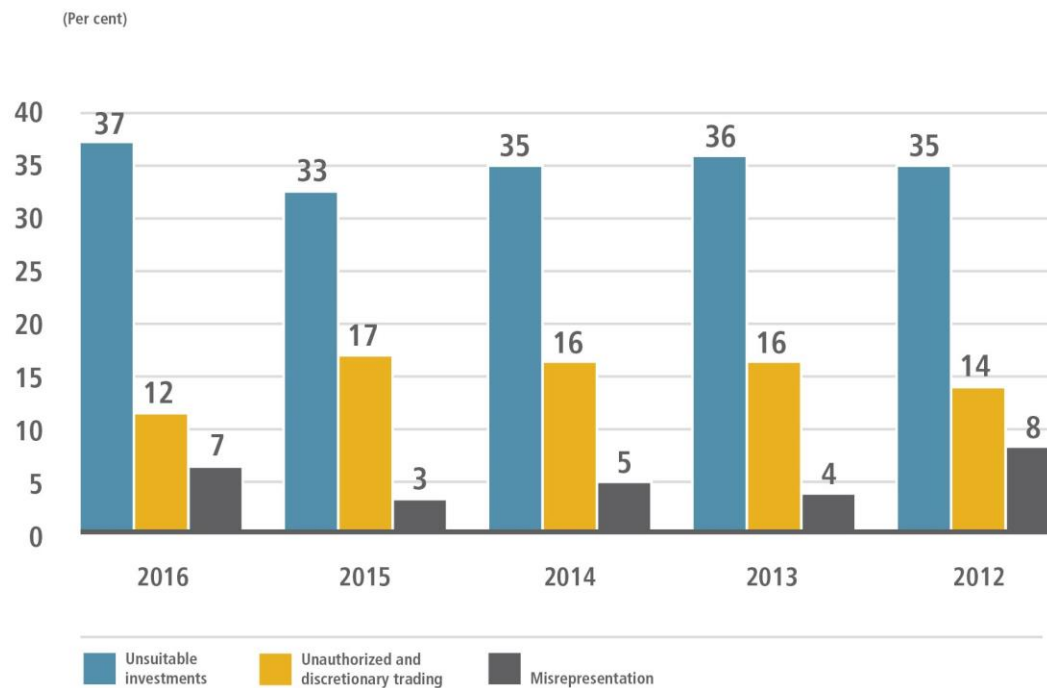
- completed 138 investigations
- successfully prosecuted 40 individuals and 6 firms
- suspended and/or terminated 2 firms and suspended 20 individuals
- permanently barred 6 individuals from working at an IIROC-regulated firm in a registered capacity
- imposed total sanctions of \$3.12 million against individuals and \$425,000 against IIROC-regulated firms
- Collected eight per cent of fines against individuals
- Gained authority in PEI to collect fines through the PEI Supreme Court

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](#).

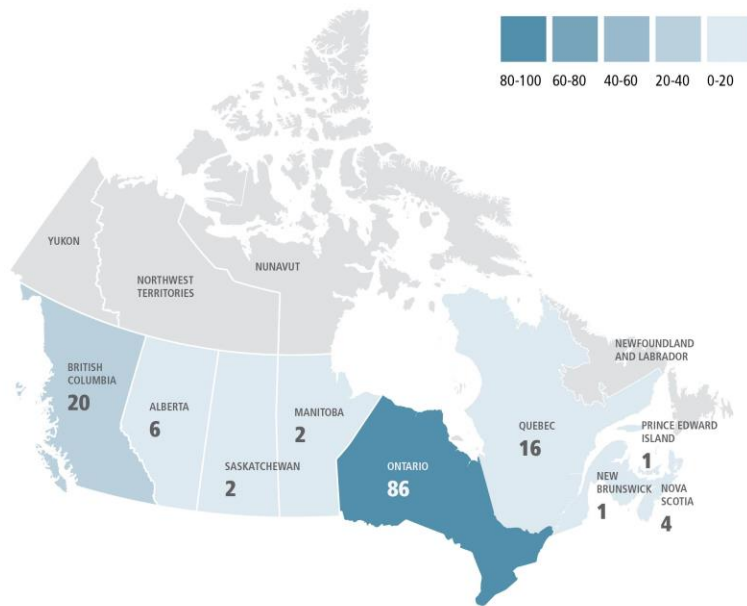
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Top Three Complaints Received by IIROC



In 2016, a significant number of IIROC's enforcement cases focused on unsuitable investments.

Investigations by Province



In 2016, IIROC completed a total of 138 investigations against firms and individuals across Canada.

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.