



## NEWS RELEASE

*For immediate release*

*For further information, please contact:*

Paul Howard  
Director, Communications & Public Affairs  
416 646-7279  
[phoward@iiloc.ca](mailto:phoward@iiloc.ca)

Karen Archer  
Manager, Media Relations  
416 865-3046  
[karcher@iiloc.ca](mailto:karcher@iiloc.ca)

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*Signals key surveillance and exam priorities for coming year*

### **IIROC issues Compliance Priorities Report for 2016/2017**

**January 12, 2017 (Toronto, ON)** – The Investment Industry Regulatory Organization of Canada (IIROC) today published its annual [Compliance Priorities Report](#) outlining its key compliance and registration priorities for 2017. The priorities stem from new risks and trends, results of targeted reviews and surveys, and concerns about recurring/significant examination deficiencies.

“This report reinforces our commitment to protecting investors and enhancing market integrity by helping IIROC-regulated firms strengthen their compliance, supervision and risk management practices,” said Wendy Rudd, IIROC’s Senior Vice-President, Member Regulation and Strategic Initiatives. “We encourage firms to use this report, together with our annual compliance conferences, guidance notices and day-to-day interactions with IIROC staff to ensure they comply with our high standards of conduct.”

The areas of focus outlined in the Report relate to member firms’ financial operations, registration requirements, and business and trading conduct.

While the Report encompasses a variety of key matters, one area of ongoing concern is how firms manage conflicts in clients’ best interests. Last month IIROC published [a compliance survey update](#) that showed both best practices and areas of concern in how dealer firms manage compensation-related conflicts of interest.

IIROC exam teams use a risk-based approach focusing on areas that present the highest risk. This year, IIROC will complete a comprehensive review of its risk models to ensure they remain current and reflect the most significant risks. As a result, the risk attributes, metrics and/or weightings may

be recalibrated.

“By reviewing our risk models we can ensure that resources are allocated as needed and continue to focus on areas that present the highest risk,” said Victoria Pinnington, Senior Vice-President, Market Regulation and Policy. “We will continue to work proactively with investment dealers to address significant compliance findings and develop a strong compliance culture.”

Where firms fail to address significant findings or do not demonstrate a commitment to developing a strong compliance culture, IIROC staff will take appropriate action.

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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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