

# IIROC Policy Priorities - Update Report

<b>L E G E N D</b>	<b>Orange</b> coding means the initiative has been published in its final form and is currently <b>in the implementation phase</b> . This may require <b>immediate</b> attention from Dealer Members.
	<b>Yellow</b> coding means the initiative may require attention from Dealer Members within the <b>next 3 months</b> .
	<b>Blue</b> coding means the initiative may require attention from Dealer Members within the <b>next 3 to 6 months</b> .
	<b>Green</b> coding means the initiative may require attention from Dealer Members within the <b>next 6 to 12 months</b> .



As at October 10, 2017

## Introduction

This document describes the policy initiatives that we anticipate implementing and/or publishing for comment over the next 12 months. For each initiative, we've provided our estimate of when Dealer Members may be required to take appropriate action. This information will help Dealer Members to anticipate, plan for and/or respond to policy initiatives on a timely and efficient basis.
























Except for initiatives where we have published an Implementation Notice or Notice of Approval with an effective date, all next step dates are IIROC staff's best estimate.

For publication history details please refer to the following:

- DMR- the "Proposed Policy: Active Matters" tab of the "[Dealer Member Regulatory Resources](#)" page on our website
- UMIR – [Status of Amendments](#)

We will update this chart on a quarterly basis.

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As at October 10, 2017

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Requirement to Disclose Membership in IIROC as a Dealer Member	DMR	Notice of Approval published on June 16, 2016 in Rules Notice <a href="#">16-0133</a> .  Technical Notices <a href="#">16-0271</a> and <a href="#">16-0272</a> published on November 24, 2016.	Sets out requirements for Dealer Members to disclose that they are regulated by IIROC, distribute IIROC's official brochure and include on their website a hyperlink to the IIROC <i>AdvisorReport</i> .	Amendments effective on January 1, 2017, other than the requirement relating to the inclusion of the IIROC Logo on client account statements, which will be effective on July 1, 2018.  Technical Notices provide notice of: <ul style="list-style-type: none"> <li>additional versions of the IIROC Logo</li> <li>new version of the IIROC Official Brochure.</li> </ul>
Material amendments to the Notes and Instructions to Schedule 12 of Form 1	DMR	Notice of Approval published on July 13, 2017 in Rules Notice <a href="#">17-0143</a> .	Exclusion of the 15% margin provision in situations where a futures exchange calculates and publishes maintenance margin rates on a daily basis.	Rule amendment effective July 28, 2017.
Trade Date plus Two Days (T+2) Settlement Cycle	UMIR & DMR	Notice of Approval published on June 29, 2017 in Rules Notice <a href="#">17-0133</a> .	Facilitates the Canadian capital markets move from a T+3 settlement cycle to a T+2 settlement cycle at the same time with the US capital markets.	Rule amendment effective September 5, 2017.
Order Designations and Identifiers	UMIR	Notice of Approval published on February 16, 2017 in Rules Notice <a href="#">17-0039</a> .	Introduces bundled order and derivative-related cross order designations and modification of the current bypass order marker from public to private for the purpose of display in a consolidated market display.	Rule amendment effective September 14, 2017.
Trade-confirmation suppression requirements	DMR	Notice of Approval published on September 28, 2017 in Rules Notice <a href="#">17-0188</a> .	Permits trade-confirmation suppression for Dealer Members whose quarterly compliant trade percentage is typically 90% or higher, but who may have had limited cases where their quarterly compliant trade percentage was slightly below 90%.	Rule amendment effective September, 28 2017.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Personal Financial Dealing Amendments	DMR	Notice of Withdrawal / Notice of Implementation published on April 6, 2017 in Rules Notice <a href="#">17-0079</a> .	Clarifies the application of rules relating to personal financial dealings with clients.	Implementation of DMR 43.2(5)(i) effective October 6, 2017.
Best Execution Obligation	UMIR & DMR	Notice of Approval published on July 6, 2017 in Rules Notice <a href="#">17-0137</a> .	Provides clarity on requirements, including written procedures, supervision and disclosure to clients. The amendments and guidance would: <ul style="list-style-type: none"> <li>• address findings from the best execution survey (results were published on March 28, 2014 in Rules Notice <a href="#">14-0082</a>);</li> <li>• reflect proposed changes by the CSA to NI 23-101 – Trading Rules related to best execution; and</li> <li>• address certain issues relating to the sending of orders outside of Canada.</li> </ul>	Rule amendment effective January 2, 2018.
Supervision of Trading	UMIR	Notice of Approval and Guidance Note published on September 28, 2017 in Rules Notice <a href="#">17-0189</a> and Guidance Note <a href="#">17-0190</a> .	Provides a principles-based approach respecting supervision of trading requirements. Specifically, the amendments remove the “minimum compliance procedures for trading supervision” table currently included in Part 3 of UMIR Policy 7.1.	Rule amendment effective – March 27, 2018.
Consolidated Enforcement, Examination and Approval Rules <b>(New)</b>	UMIR & DMR	Proposed housekeeping rule amendments submitted to CSA for approval.	Housekeeping amendments to the Consolidated Enforcement, Examination and Approval Rules and UMIR.	Estimated publication of Notice of Approval – October, 2017.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Reporting of Certain Trades on Acceptable Foreign Trade Reporting Facilities	UMIR	Comments under IIROC review. Proposed amendments re-published for comment on May 26, 2017 in Rules Notice <a href="#">17-0111</a> . Comment period closed June 26, 2017.	Allows certain trades to be reported to an acceptable foreign trade reporting facility.	Estimated publication of Notice of Approval or re-publication of Request for Comments – November, 2017.
Client Identifiers	UMIR & DMR	Out for comment. Proposed rule amendments published for comment on May 17, 2017 in Rules Notice <a href="#">17-0109</a> .	Introduces requirements to: <ul style="list-style-type: none"> <li>include client identifiers on each order sent to a marketplace and on each reportable trade in a debt security</li> <li>use a unique client identifier for each client of a foreign dealer equivalent who enters orders under a routing arrangement where the orders are automatically generated on a predetermined basis by the client.</li> </ul>	Comment period closes November 13, 2017. Estimated industry working group consultation – Summer/Fall, 2017.
Plain language Dealer Member Rules rewrite project	DMR	Comments under IIROC review. Proposed IIROC Dealer Member Plain Language Rule Book published for comment on March 9, 2017 in Rules Notice <a href="#">17-0054</a> . Comment period closed May 12, 2017.	Rewrite of current Dealer Member Rules in plain language. Proposed IIROC Dealer Member rule amendments drafted in plain language that result from the CSA Registration Reform Project are included as part of the project.	Estimated re-publication of Request for Comments – Fall, 2017.
Guidance Review Project <b>(New)</b>	DMR	Guidance Notes being updated/revised by IIROC.	Updating/revising of IIROC's Guidance Notes for consistency with Plain language Dealer Member Rules rewrite project.	Publication of Notice of Implementation or publication of Request for Comments. Timing to be coordinated with finalization of the Plain language Dealer Member Rules rewrite project.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Changes in Dealer Member ownership – forms and guidance	DMR	Comments under IIROC review. Proposed form and guidance changes published for comment on March 9, 2017 in Rules Notice <a href="#">17-0055</a> . Comment period closed May 12, 2017.	Changes to the Investor Application Form, the Investor Notification Form and the Investor Notification and Approval guidance to align with changes proposed in the Dealer Member Rules plain language project.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Fall, 2017.
Order-Execution Only	DMR	Comments under IIROC review. Proposed guidance published for comment on November 3, 2016 in Rules Notice <a href="#">16-0251</a> . Comment period closed February 3, 2017.	Guidance for Dealer Members providing order-execution only (OEO) services intended to provide IIROC’s views on the scope of products, tools, services and account types that we consider to be consistent with the regulatory framework applicable to the OEO business model.	Estimated publication of Notice of Implementation or re-publication of Request for Comments – Winter, 2018.
Anti-Money-Laundering	DMR	Comments under IIROC review. Proposed rule amendments published for comment on July 6, 2017 in Rules Notice <a href="#">17-0139</a> . Comment period closed August 8, 2017.	Harmonizes IIROC Rules with federal anti-money laundering rules and provincial securities legislation (NI 31-103), as applicable.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Winter, 2018.
Segregation and portability for futures markets	DMR	Comments under IIROC review. Proposed amendments published for comment on May 18, 2017 in Rules Notice <a href="#">17-0110</a> . Comment period closed on August 16, 2017.	Facilitates the adoption of a customer protection segregation and portability regime by Central Clearing Counterparties (CCPs) serving the futures markets.	Publication of Notice of Approval or re-publication of Request for Comments. Timing to be aligned with changes at the CCPs.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Debt securities concentration test	DMR	Proposed rule amendments under consideration.  Original proposed rule amendments published for comment on December 18, 2014 in Rules Notice <a href="#">14-0298</a> .  Details regarding IIROC's decision to withdraw the original proposed amendments are set out in Rules Notice <a href="#">16-0090</a> .	To prevent undue concentration in securities of a particular issuer by expanding the types of securities that will be subject to the securities concentration test to include: <ul style="list-style-type: none"> <li>• corporate debt securities with a normal margin rate of 10% or less</li> <li>• "other non-commercial debt securities" with a normal margin rate of 10%.</li> </ul>	Estimated re-publication of Request for Comments – Summer, 2018.
"Know Your Client" and Suitability Assessment Obligations	DMR	Proposed guidance under consideration.	Consolidate and enhance our guidance on "know your client" and suitability assessment obligations.	IIROC considering options.
Electronic Delivery of Client Documents	DMR	Proposed guidance under consideration.	Enhance guidance on the ability of Dealer Members to electronically deliver client documents.	IIROC considering options.
Non-client Definition	UMIR & DMR	Proposed rule amendments and guidance under consideration.	To clarify and eliminate any inconsistencies between the DMR and UMIR definitions of the term "non-client".	IIROC considering options.
Short Position Reporting	UMIR	Proposed guidance under consideration.	Reviewing the reporting protocol for short position reports required under UMIR 10.10.	IIROC considering options.

<b>Initiatives from the previous Update Report that have been closed and are not included in this Update Report</b>	
UMIR - Rule - Dark Rules Anti-Avoidance	IIROC withdrew these amendments in Rules Notice <a href="#">17-0146</a> in light of the approval of the Best Execution amendments.
DMR - Rule - Research Report Quiet Periods	As set out in Rules Notice <a href="#">16-0124</a> , we continue to maintain a watching brief to monitor the quality of research relating to domestic and cross-border IPOs and secondary offerings. While we have not closed this initiative, it does not require Dealer Member attention at this time.