

IIROC NOTICE

Rules Notice Guidance Note

Dealer Member Rules

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Business Locations - Registration and Compliance approach to work-from-home arrangements

IIROC's Registration and Business Conduct Compliance (BCC) Departments have been reviewing our approach to "work-from-home" (WFH) arrangements and Business Locations. Increasingly we are finding that Approved Persons work from home through Citrix or other remote technology on a periodic or occasional basis.

The intent of this Guidance Notice is to clarify our approach and expectations relating to WFH arrangements.

National Instrument 33-109 *Registration Information* defines Business Location as a location where the firm carries out an activity that requires registration, and includes a residence if



regular and ongoing activity that requires registration is carried out from the residence or if records relating to an activity that requires registration are kept at the residence.

IIROC Dealer Member Rule 1.1 defines a Business Location as a physical location where, on a regular and ongoing basis, at least one of a Dealer Member's employees or agents conducts business that requires Corporation approval or registration under securities legislation.¹

IIROC Dealer Member Rule 40.8 requires a Dealer Member to notify IIROC of the opening, closing, change of address or change of supervision of a Business Location.

We support taking a flexible approach to WFH arrangements to reflect the importance of IIROC having notice of such arrangements and the authority to take regulatory action in relation to locations where registerable activity takes place, without imposing an undue regulatory burden.

As such, we are proposing that Dealer Members maintain an up-to-date list of all Approved Persons who have a regular and on-going WFH arrangement, *whether or not* the Dealer Member has notified IIROC of the location as a Business Location.

IIROC's BCC Department would continue to use the list of Business Locations on NRD to plan its examinations. BCC could review the list maintained by Dealer Members to determine which, if any, WFH arrangements we should examine in order to test whether the Dealer Member has notified IIROC of all appropriate Business Locations.

In determining whether a *residence* needs to be reported as a Business Location, Dealer Members should look to whether:

1. There is a regular and ongoing WFH arrangement; and
2. Any of the following factors are present:
 - a) more than one Approved Person conducts registerable activities on behalf of the Dealer Member at the residence
 - b) the residence is held out to the public (signage, business cards, etc.) by the individual or Dealer Member
 - c) the individual meets with clients at the residence

¹ IIROC has proposed the following revised definition as part of Plain Language Rulebook project: A location where an activity that requires registration or IIROC approval is carried out by or on behalf of a Dealer Member, and includes a residence if regular and ongoing activity that requires registration or approval is carried out from the residence or if records relating to an activity that requires registration or approval are kept at the residence.



- d) the individual maintains books and records at the residence that are not duplicated at the Dealer Member's principal office

Our compliance approach to WFH arrangements will in part be based on the Dealer Member's compliance record (whether or not specific to Registration matters) if it suggests that the Dealer Member may not adequately oversee WFH arrangements.