

# IIROC NOTICE

**Rules Notice**  
**Notice of Approval/Implementation**  
Dealer Member Rules and UMIR

*Please distribute internally to:*

Legal and Compliance  
Senior Management

**Implementation date:** *Immediately*

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**17-0224**  
**November 30, 2017**

## **Housekeeping amendments to the IIROC Consolidated Enforcement, Examination and Approval Rules**

### **Executive Summary**

On September 13, 2017, by way of resolution, IIROC's Board of Directors (the **Board**) approved housekeeping amendments to the following sections of the IIROC Consolidated Enforcement, Examination and Approval Rules (the **Consolidated Rules**):

- 8107(1)(iii) *Continuing Jurisdiction*
- 8411(4) *Language of Hearings and Interpreters*
- 8415(4) *Response to a Notice of Hearing*
- 8427(8)(ii) and (iv) *Review of Protective Orders*
- 9204(1)(i) *Individual Approval Applications*
- 9209(2) *Review Hearings*
- 9305(2) *Review by a Securities Regulatory Authority*
- 9408(3) *Exchange of Written Submissions*



In addition, the Board approved housekeeping amendments to correct a typographical error (in section 2.1 *Specific Unacceptable Activities*) and repeal certain provisions of Policy 10.8 of the Universal Market Integrity Rules (**UMIR**) that were inadvertently not repealed when the Consolidated Rules came into force in September 2016. The following sections of Policy 10.8 were repealed:

- 4.3(2) *Date of Hearing*
- 9.5 *Order for Particulars or Amendment*
- 9.7 *Public Access to Hearing*
- 10.1 *Selection of Hearing Panel*

(Collectively, the **Amendments**.)

The Amendments are effective immediately.



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## 1. Discussion of Amendments

### 1.1 Analysis

The original proposal to consolidate certain enforcement, procedural, examination and approval rules was published for comment in March 2012 (the **Original Notice**).<sup>1</sup> Following extensive comments, IIROC staff prepared responses to those comments and made certain changes to the rules which were re-published for comment in November 2013 (the **Republication Notice**).<sup>2</sup>

In response to the Republication Notice, IIROC staff received one public comment letter from the Investment Industry Association of Canada (**IIAC**). In addition, we invited all commenters (from both the Original Notice and the Republication Notice) to participate in a “roundtable” meeting in March 2014.

The Canadian Securities Administrators (**CSA**) and the Board approved the Consolidated Rules and they were implemented on September 1, 2016 (the **Implementation Date**),<sup>3</sup> except Rule 8300 which became effective in June 2016.

As it is now the one-year anniversary of the implementation of the Consolidated Rules, we are proposing to implement amendments to 8 sections of the Consolidated Rules. Set out below is a brief description of each of the amendments:

<b>Consolidated Rule Reference</b>	<b>Nature of Amendment</b>
8107(1)(iii) <i>Continuing Jurisdiction</i>	Grammatical correction
8411(4) <i>Language of Hearings and Interpreters</i>	To ensure the language used is consistent with current practice
8415(4) <i>Response to a Notice of Hearing</i>	To ensure the language used is consistent

<sup>1</sup> See **Notice 12-0104** – *Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules*.

<sup>2</sup> See **Notice 13-0275** – *Republication of Proposed Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules* and **Attachment E** to Notice 13-0275.

<sup>3</sup> See **Notice 16-0122** – *Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules*.

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<b>Consolidated Rule Reference</b>	<b>Nature of Amendment</b>
	with current practice
8427(8)(ii) and (iv) <i>Review of Protective Orders</i>	Typographical correction
9204(1)(i) <i>Individual Approval Applications</i>	Corrects inaccurate cross-reference
9209(2) <i>Review Hearings</i>	Typographical correction
9305(2) <i>Review by a Securities Regulatory Authority</i>	Typographical correction
9408(3) <i>Exchange of Written Submissions</i>	Typographical correction

In addition, set out below is a brief description of the amendment in UMIR:

<b>UMIR Reference</b>	<b>Nature of Amendment</b>
UMIR 2.1 <i>Specific Unacceptable Activities</i>	Typographical correction

The purpose of the Amendments is to clarify the intentions in drafting the Consolidated Rules and UMIR, ensure that the language used is consistent with current practice, and make minor necessary changes of an editorial nature.

### **Classification of the Amendments**

We have classified the Amendments as “housekeeping” because they:

- do not represent a material change to IIROC rules
- have no material impact on investors, issuers, Dealer Members or the capital markets in Canada as they:
  - make amendments to correct typographical and grammatical mistakes and inaccurate cross-referencing
  - make necessary changes of an editorial nature (such as standardization of terminology)



- are reasonably necessary to ensure the Consolidated Rules and UMIR conform to applicable securities legislation, statutory or legal requirements.

## **2. Impacts of the Amendments**

We do not expect the Amendments to impose any burden or constraint on competition or innovation that is not necessary or appropriate to support IIROC’s regulatory objectives. Likewise, we do not expect they will impose costs or restrictions on the activities of market participants that are disproportionate to the regulatory objectives.

### **Technological implications**

The Amendments will not have an impact on Dealer Members’ systems, or on the systems of their service providers or other stakeholders.

## **3. Policy Development Process**

### **3.1 Regulatory purpose**

The Amendments maintain rules that are necessary or appropriate to govern and regulate all aspects of IIROC’s functions and responsibilities as a self-regulatory entity.

In deciding on the Amendments, IIROC identified a need to ensure the Consolidated Rules and UMIR are up to date by correcting typographical, grammatical and cross-referencing errors as well as ensuring that the language used is consistent with what is currently in practice.

The Amendments are housekeeping in nature and not detrimental to the best interests of the capital markets. As a result, the Board has classified the Amendments as a “Housekeeping Rule” that is not contrary to the public interest.

## **4. Appendices**

**Appendix A** - Blackline comparison of the amendments to the current Consolidated Rules

**Appendix B** - Clean copy of the amendments to the current Consolidated Rules

**Appendix C** - Blackline comparison of the amendments to the current UMIR

**Appendix D** - Clean copy of the amendments to the current UMIR