



# NEWS RELEASE

*For immediate release*

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## **IIROC invites public comment on potential new disciplinary options**

*Regulator proposes two new Enforcement programs*

**February 22, 2018 (Toronto, ON)** – The Investment Industry Regulatory Organization of Canada (IIROC) is launching an extensive public consultation on two new disciplinary approaches dealing with minor violations of IIROC rules and the resolution of disciplinary cases.

The proposed approaches would provide IIROC with added tools and flexibility to more fairly address varying degrees of rule breaches, with resources focused on matters that are more serious and/or harmful to investors. With these changes, discipline would become more timely and proportionate to the offenses.

IIROC conducted an extensive review of programs and best practices adopted by other regulatory bodies in Canada and abroad. Based on this review, [IIROC proposes two new enforcement programs](#):

- 1) A minor violation program to impose fines for minor rule infractions. This approach would avoid the time and expense of a full disciplinary hearing while ensuring that minor offenses are dealt with appropriately. Instead, individuals would be fined \$2,500 and firms would be fined \$5,000. Admitting to the rule breach would not reside on the individual's or firm's formal disciplinary record and the public notice of the misconduct would remain anonymous.

- 2) An early resolution program to settle cases at an earlier point in time in the enforcement process once sufficient facts of a case are known and certain conditions are present. This approach would allow IIROC to address wrongdoing more quickly by reducing the time required to complete a case, and encourage firms to take corrective action and compensate clients.

“IIROC welcomes the opportunity to hear from investors, industry and other stakeholders about the changes we propose to ensure a fair, effective and timely enforcement program,” says Elsa Renzella, IIROC Senior Vice-President, Registration and Enforcement. “We expect these approaches will provide faster resolution and allow us to focus our resources on more serious cases where there has been harm to investors.”

Public comment on the proposed alternative forms of disciplinary action will be open for 90 days. During the consultation period, IIROC will also get input on its proposals directly from investors through an online survey of more than a thousand Canadians from coast to coast. Following the comment period, IIROC will either revise its proposals or republish for further comment prior to implementation.

Currently, IIROC Enforcement provides the options to either settle before a disciplinary panel or to have a full disciplinary hearing before a panel, which could result in [significant fines, suspensions and permanent bans](#).

See IIROC’s [backgrounder on alternative forms of disciplinary options](#).

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IIROC is the national self-regulatory organization that 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.