

IIROC NOTICE

Rules Notice Exemptions

Dealer Member Rules

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Exemption from Experience Requirements under IIROC Dealer Member Rule 1300.15(c)

1. Authority to grant exemption

Dealer Member Rule 17.15 permits the IIROC Board of Directors to exempt a Dealer Member from any provision of the Dealer Member Rules where it is satisfied that to do so would not be prejudicial to the interests of Dealer Members, their clients or the public. In granting an exemption, the Board may impose such terms and conditions as are considered necessary.

2. Exemption granted and conditions

At its meeting of March 29th, the Board granted relief to a Dealer Member from certain requirements under IIROC Dealer Member Rule 1300.15. Dealer Member Rule 1300.15(c) requires that a Dealer Member's supervisory system must provide for:

direct supervision of any Registered Representative providing discretionary management to managed accounts who has less than two years experience providing such discretionary management, including at least one year managing on a discretionary basis more than \$5 million in assets, by



- i. a Registered Representative at the Dealer Member or another Dealer Member who is authorized to provide discretionary management to managed accounts and who is not in the period of supervision, or
- ii. a person registered as an advisor under Canadian securities legislation who has entered into a contract with the Dealer Member to provide the supervision.

The Board granted relief to one Registered Representative of the Dealer Member such that

- the individual will not require direct supervision as required under Rule 1300.15(c) and
- the individual is permitted to directly supervise other Registered Representatives providing discretionary management to managed accounts who are required to be supervised pursuant to Rule 1300.15.

The relief applies only to the individual Registered Representative and only while he remains a Registered Representative of the Dealer Member. The relief will be void on the date of implementation of IIROC's Plain Language Rules.

3. Rationale

In making its decision, the Board considered

- other relevant investment manager experience of the individual
- the requirements for an individual to be registered as an Advising Representative under National Instrument 31-103 and
- proposed amendments to IIROC requirements under IIROC's Plain Language Rules.

The Board determined that the relevant investment manager experience of the individual satisfies the requirements of both National Instrument 31-103 and the proposed amended IIROC Rules and that the relief should be granted on that basis.

The Board determined that this exemption is not prejudicial to the interests of Dealer Members, their clients or the public.