

# IIROC NOTICE

## Rules Notice Exemption

Dealer Member Rules

Legal and Compliance  
Operations  
Registration  
Retail  
Senior Management

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## Exemptions granted by IIROC's Board of Directors – Dealer Member Rules 18.15, 43.2(1)(i) and 2800(4.3)(e)

On January 30, 2019, IIROC's Board of Directors (the **Board**) granted relief to three Dealers Members from Dealer Member Rules (**DMRs**) 18.15, 43.2(1)(i) and 2800(4.3)(e) (**Relevant Rules**).

This Notice summarizes the exemptions granted and the conditions imposed on the Dealer Members.

### 1. Authority to grant exemptions

DMR 17.15 permits the Board to exempt a Dealer Member from any provision of the DMRs 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. The applicants and nature of the exemption applications

The Relevant Rules require registered individuals accept compensation directly from a Dealer Member, or its affiliates or related companies, for the securities-related activities that the registered individual conducts on behalf of that Dealer Member or its affiliated or related companies.



Three Dealer Members (the **applicants**) sought relief from the Relevant Rules to permit registered individuals dually employed by a credit union and the respective applicant to accept compensation directly from a (non-affiliated and non-related) credit union for securities-related activities conducted on behalf of the applicant.

A credit union does not meet the definition of “affiliate” or “related companies” under the DMRs due to the unique member-owned structure of credit unions.

The Board:

- considered the rationale for the Relevant Rules, the primary rationale being the management of compensation-related conflicts,
- was satisfied that the arrangements contemplated by the exemption and the conditions attached to it, as described below, appropriately address this issue, and
- determined that the exemptions are not prejudicial to the interests of the Dealer Members, their clients or the public.

### **3. Conditions to Exemptions**

The exemptions are subject to the condition that the applicants enter into agreements acceptable to IIROC staff with each of:

- (a) the credit union, and
- (b) each employee or agent.

Under the terms of the exemption, the Board reserves the right to revoke the exemption at any time upon notice to the applicants.