

Compliance Division

General Written Policies and Procedures Checklist

Dealer Members should have policies and procedures covering the following matters. If the Dealer Member does not engage in or allow a certain kind of activity, the policy should be a simple statement to that effect; for example “No discretionary accounts are permitted.”

Some policies may just reiterate the requirements of rules; others will state how the Dealer Member intends to implement general rules. All procedures should be detailed enough to inform the Dealer Member’s staff of their duties and responsibilities.

New Dealer Members must submit a complete cross-referencing between the checklist(s) and the Policies and Procedures Manual before IROC Staff will review the Manual.

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
General		
1. Governance document setting out the organizational structure and reporting relationships for compliance purposes.	IROC Rules 1.1; 29; 38; 1300; 2500 IDA Bulletin 3674 IDA Notice MR0435	
2. Establishment, maintenance and enforcement of written policies and procedures	IROC Rules 38.1(i) and (iii); 2500.I(A) and (B); 2700.III(A) and (B) NI 31-103 s.11.1	
3. Designation of supervisory personnel: <ul style="list-style-type: none"> • Process • Maintenance of records of designation • Written delegation of duties 	IROC Rules 38.1(v); 2500.I (C), (D) and (F); 2700.III(C)	
4. Follow-up and review of supervisory functions	IROC Rule 38.1(vi); 2500.I(B); 2700.III(A)	
5. Review of Business Location (branch office) compliance activity <ul style="list-style-type: none"> • Scheduling • Personnel involved • Review procedures • Reporting and follow-up 	IROC Rule 38.1(vi); 2500.III(A)	
6. Designation of a person responsible for implementation of an anti-money laundering regime	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, s.	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
	71(2)(a)	
7. Requirement to develop and implement a anti-money laundering compliance and risk assessment program	IDA MR0498 Proceeds of Crime (Money Laundering) and Terrorist Financing Act s.9.6	
8. Review of anti-money laundering policies and procedures <ul style="list-style-type: none"> • Scheduling • Personnel involved • Review procedures • Reporting and follow-up 	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, s. 71(2)(c)	
9. Privacy legislation procedures	IDA MR0256 IDA Bulletin 3218	
Registration		
10. Activities that require registration/approval? (use of Industry Investors, Directors and Executives, Supervisors and alternates, RRs, IRs,)	IIROC Rules 1; 5.4; 7.2; 18.2; 18.14(d)(ii); 38.2; 38.5; 38.6; 38.7; 40.2; 40.3 IDA Bulletin 3394 IDA Notices MR0308; MR0349 and MR0453 NI 31-103 s.1.1; 2.1; 7.1 NI33-109 s.2.2; 2.5	
11. Registration of Traders	IIROC Rule 500 IDA Notice MR0405	
12. Business Locations – site openings, closings	IIROC Rules 4.6; 40.8 IDA Bulletin 3394 NI 33-109 s.3.2	
13. Principal / Agent arrangements	IIROC Rule 39 IDA Notice MR0239	
14. Material Changes (change of Status form)	IIROC Rules 4.6; 5.4; 7.2; 18.2(b); 18.7; 40.5; 3100 IDA Bulletin 3394	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
15. Reporting dismissals (Uniform Termination Notice)	NI 33-109 s.3.1; 3.2; 4.1 IIROC Rule 40.7 IDA Bulletin 3394 NI 33-109 s.4.2	
16. Reporting requirements for approved persons on Short Term Disability	IDA Notice MR0372	
17. Other business activities	IIROC Rules 18.14; 18.15 IDA Notice MR0434 NI 31-103 s.4.1; 13.12	
Account Opening, Approval and Documentation (NB: obtain and review samples of each proposed document)		
18. Completion of New Account Application Form	IIROC Rules 1300.2; 2500.II(A)(1); 2700.II(1) and (2)	
19. Approval of new accounts	IIROC Rules 1300.2; 2500.II(A)(2); 2700.II	
20. Account Documentation	IIROC Rule 2500.II(A)	
<ul style="list-style-type: none"> • New Account Application Form 	IIROC Rules 1300.2; 2500.II(A)(1); 2700.II(1)and(2) IIROC Form 2	
<ul style="list-style-type: none"> • Margin agreement 	IIROC Rule 200.1(i)(2)	
<ul style="list-style-type: none"> • Guarantee 	IIROC Rule 100.15 (h) IDA Bulletin 3496	
<ul style="list-style-type: none"> • Third party trading authorizations 	IIROC Rule 200.1(i)(3)	
<ul style="list-style-type: none"> • Suitability waiver for permitted institutional clients 	IIROC Rule 2700.I(4) NI 31-103 s.13.3(4)	
21. Required Disclosures		
<ul style="list-style-type: none"> • Leverage Risk Disclosure Statements 	IIROC Rule 29.26	
<ul style="list-style-type: none"> • "An Investor Guide to Making a Complaint" brochure 	IIROC Rule 2500B.4	
22. Follow-up system regarding outstanding documentation	IIROC Rule 2500.II(B)	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
23. Obtaining account number	IIROC Rule 2500.II(A)(7)	
24. Identification and verification of identity of individuals authorized to give instructions	<p>Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.23(1)(a); 57; 64</p> <p>IDA Notices MR0143; MR0294 IDA CI Bulletins C-55; C-123</p>	
25. Documentation of authority to bind the corporation for corporate accounts	<p>IDA Notice MR0143</p> <p>Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.23(1)(b)</p>	
26. Verification of existence of corporate and other non-individual account holders	<p>IDA Notice MR0143</p> <p>Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.57(3) and (4); 65; 66</p>	
27. Identification and special measures in dealing with politically exposed foreign persons (PEPs)	<p>IDA MR0498</p> <p>Proceeds of Crime (Money Laundering) and Terrorist Financing Act s.9.3 and Regulations s.23(1)(f); 57.1; 67.1</p>	
28. Requirement for Dealer Member concerning record keeping for new accounts. Concerning PEPs, individual client's date of birth and record of the intended use of every new account opened.	<p>IDA MR0498</p> <p>Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.23</p>	
29. Requirement relating to identity verification in person using identification documents that are original and not expired.	<p>IDA MR0498</p> <p>Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.64(3)</p>	
30. Requirement relating to identity verification non face-to-face	<p>IDA MR0498</p> <p>Proceeds of Crime (Money Laundering) and Terrorist</p>	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
	Financing Regulations s. 67(d); s. 64(1.3); Schedule 7 Part A	
31. Identification of the beneficial owners of non-individual accounts	IIROC Rule 1300.1 IDA Notice MR0294	
32. Checking of new client names against Listed Persons under U.N. Suppression of Terrorism Regulations	IDA Notices MR0102; MR0105	
33. Client name mutual fund transactions <ul style="list-style-type: none"> • obtaining of KYC information • administration and recording 	IDA Notice MR0481 IDA CI Bulletins C93; C106	
34. Controls over Name and Address changes	IIROC Rule 2500.II(C)(1)	
35. Updating and re-approval of existing accounts (after material information changes)	IIROC Rules 1300.2; 2500.II(A)(5); 2700.II(4)	
36. Electronic delivery of confirms/statements (if applicable)	IDA Notice MR0008	
37. Shareholder Communications <ul style="list-style-type: none"> • advising beneficial owner • obtaining client response form (54-101F1 – Explanation to Clients and Client Response Form - provided in OSC NP 54-101) 	IDA Bulletin 3399 NI 54-101	
38. Non-client accounts <ul style="list-style-type: none"> • designated account number range • employees (from and at other firms – Copies of Letter of Authorization and statement copies) • Determination of Pro status (employee/agent and outside Pro's) 	IIROC Rule 1.1 (“associate”); 800.11; 2500.II(A)(3)	
39. Opening institutional accounts	IIROC Rule 2700.II IDA Notice MR0384	
40. Institutional clients to which no suitability obligation is owed	IIROC Rule 2700.I(3) and (4)	
41. Suitability determination for institutional accounts	IIROC Rule 2700.I IDA Notice MR0384	
42. Reallocation of retail accounts <ul style="list-style-type: none"> • responsible persons • required documentation • approval process 	IIROC Rule 2500.II(A)(6)	
43. Procedures for Referral Arrangements	IDA Notice MR0481	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
	NI 31-103 Part13 Division3	
Trade Desk - Order Taking - Trading Restrictions		
44. Records of orders	IIROC Rule 200.1(g) UMIR 10.11 NI 23-101 Part11	
45. Time of order entry	IIROC Rule 200.1(g)(3) NI 23-101 s.11.2(1)(j)	
46. Procedures regarding changes, cancellations, errors	IDA CI Bulletin C121	
47. Records retention (filled and unfilled/direct purchases)	IDA CI Bulletins C104; C104B	
48. Principal trade disclosure on client communications (IIROC Rule); designating orders when entering to the marketplace (UMIR).	IIROC Rule 200.1(h)(3) UMIR 6.2(1)(b)(xi)	
49. Restrictions during a Distribution, Merger & Acquisition deals:	UMIR 7.7 OSC 48-501	
50. Policies regarding employee and non-client orders (IROC Rules); designating non-client orders as such when entering to the marketplace (UMIR).	IIROC Rule 29.3A. UMIR 6.2(1)(b)(x)	
51. Identification and documentation of transactions conducted on behalf of third parties	IDA Notice MR0143 Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, s.9	
52. Distribution of disclosure statements: • mutual funds • strip bonds	NI 81-101 OSC Rule 91-501	
53. Average Price	UMIR 5.2(2)(c)(ii) IDA Bulletin C119	
54. RR - Client Crosses, competing client/non-client orders	UMIR 5.3; 6.3	
55. Procedures for the short sales of US securities	IDA Notices MR0282; MR0320	
56. Procedures for trades by insiders	IDA Notice MR0377	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
Account Activity other than Trading		
57. Acceptance of cash deposits; completion and filing of large cash transaction reports	IDA Notices MR0143; MR0354; MR0498 Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, s.21; 22	
58. Identification and reporting of non-trading activity suspicious of money laundering or terrorist financing	IDA Notices MR0104; MR0354 Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations	
Supervision of Account Activity		
59. Responsible Supervisors for the review of trading	IIROC Rules 38.1(v); 38.2; 1300.2; 2500.I(a)(1); 2500.III(A); 2700.II(A); 2700.IV(A)	
60. Business Locations (head office, branch offices)	IIROC Rules 38.1(vi); 2500.III(A)(2)	
61. Procedures for supervision during the absence of designated supervisors	IIROC Rules 2500.III(A)(7); 2700.III(A)	
62. Daily and monthly review procedures <ul style="list-style-type: none"> • Reports reviewed • Record keeping 	IIROC Rules 2500.III; 2500.IV; 2700.IV	
63. Identification and reporting of transactions suspicious of money laundering or terrorist financing	IDA Notice MR0104 Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations	
64. Employee trading (in-house and review of statements from other firms)	IIROC Rules 2500.III(B)(7); 2500.IV(B)(3); 2500.IV(C)(1); 2700.IV(B)	
65. Written delegation of duties	IIROC Rules 38.4; 2500.I(D); 2700.III(C)	
66. Duties which cannot be delegated	IIROC Rule 2500.I(D)(2)	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
67. Supervision of producing Supervisors	IIROC Rule 2500.III(A)(3)	
68. Supervision of institutional accounts	IIROC Rule 2700.IV	
69. Reporting of attempted suspicious transactions	IDA Notice MR0498 Proceeds of Crime (Money Laundering) and Terrorist Financing Act s.7	
70. Reporting of terrorist property to FINTRAC	IDA Notice MR0498 Criminal Code s.83.1	
71. Hold Mail and Returned Mail Approval and Supervision	IIROC Rule 2500.II(C)(1) and (2)	
Complaints		
72. Definition - sales practices vs. operational issues	IIROC Rule 2500B.2	
73. Policy regarding handling	IIROC Rules 2500B.4; 2700.V(1) IIROC Notice 09-0363	
74. Designated Complaints Officer	IIROC Rule 2500B.3	
75. Provision to complainant of "An Investors Guide to Making a Complaint" brochure	IIROC Rule 2500B.4	
76. Provision of summary of complaint handling procedures	IIROC Rule 2500B.4	
77. Initial acknowledgement letter	IIROC Rules 2500B.4; 2700.V(1)	
78. Final response within 90 days	IIROC Rules 2500B.4; 2700.V(1)	
79. Record keeping	IIROC Rules 2500B.6; 2700.V(4)	
80. Reporting to COMSET	IIROC Rule 3100.I(B) IDA Bulletin 3570 IDA Notices MR0162; MR0187; MR0423	
Discretionary Accounts		
81. Definition - who is permitted to handle	IIROC Rules 1300.3 "Discretionary Account"; 1300.4; IIROC Rule 2500.VII	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
	(Introduction)	
82. Account opening and approval process	IIROC Rules 1300.4; 1300.5; 2500.VII(A)	
83. Obtaining and renewal of discretionary authority	IIROC Rules 1300.4(b); 1300.5(b) and (c)	
84. Acceptable reasons for giving discretion to RR	IIROC Rule 1300.5(a)	
85. Termination of the agreement in writing (when initiated by client effective immediately upon receipt by Member of notice; or 30 days from sending of notice if initiated by Member.)	IIROC Rules 1300.5(d) and (e);	
86. Designation of accounts as Discretionary	IIROC Rule 2500.VII(A)(3)	
87. Any trading restrictions	IIROC Rules 1300.5; 2500.VII(A)(2)	
88. Type of orders requiring approval	IIROC Rules 2500VII.B(1)	
89. Daily supervision of discretionary trades	IIROC Rule 2500.VII(C)	
90. Monthly supervisory review and review of financial performance	IIROC Rule 1300.6	
91. Prohibition against holding publicly traded securities of the dealer member or its affiliates	IIROC Rule 2500.VII(B)(2)	
Corporate Finance / Underwriting		
92. Allocation of new issues	IIROC Rules 29.3, 29.3A	
93. Controls to prevent pre-marketing of bought deals	IIROC Rule 29.13 IDA Notice MR0471	
94. Obligation to deliver prospectus	Securities Legislation eg. OSA s.71(1)	
95. Distribution of Preliminary Prospectus	Securities Legislation eg. OSA s.66	
96. List of Recipients of Preliminary Prospectus	Securities Legislation eg. OSA s.67	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
Information Barriers (Fire Walls)		
97. Education of employees	IDA Notice MR0377 OSC Policy 33-601 s.2.2	
98. Definition of insider trading <ul style="list-style-type: none"> • legal consequences • ethical responsibilities 	IDA Notice MR0377 OSC Policy 33-601 s.1.1; 2.2(b) and (c)	
99. Procedures to contain information <ul style="list-style-type: none"> • restrict access to department • physical security of confidential documents 	IDA Notice MR0377 OSC Policy 33-601 s.2.3; 2.3(a)(i) and (ii); 2.3(b)(iii)	
100. Procedures to restrict transactions - principal trading & research <ul style="list-style-type: none"> • who distributes the watch/grey list, who receives • who is responsible to monitor unusual trading activity • who distributes the Restricted Lists, who receives • prompt distribution of Lists • what goes on & off Watch/Grey and Restricted Lists, and when 	UMIR Rule 7.7 IDA Notice MR0377 OSC Policy 33-601 s.2.4; 2.5(1)(2) and (4); 2.6(2) and (3); 2.7(b)(c)(d) and (f)	
101. Ensuring effectiveness of and compliance with procedures	OSC Policy 33-601 s. 2.7	
102. Client Priority in TSX Venture Private Placements	IDA Notices MR0267; MR0279	
103. Private placements books and records	IDA Notice MR0481	
104. Off-book transactions and referral arrangements	IDA Notice MR0481 NI 31-103 Part13 Division3	
105. Individual responsible to monitor trading (especially those exposed to inside info)	IDA Notice MR0377 OSC Policy 33-601 s, 2.7(f)	
Advertising/Marketing/Promotional Activities		

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
106. Definition, including "Trade Names" and their handling, e.g.: <ul style="list-style-type: none"> • Registering same with the appropriate ministries or agencies in regions where the name(s) will be used (MR0327) • Who provides the "Written notification of the requisite approvals"? • Ensuring names are not deceptive, confusing or inappropriate • Notifying an NRD AFR to file name(s) on NRD (MRO 327). • Notification of appropriate Securities Commission(s) 	IIROC Rules 29.7 and 29.7A IDA Bulletin 3270 IDA Notices MR 0281; MR0327 NI 33-109 s.6.1(1)(a); 4.1(1)(b) OSA s.43, 44, 45, 46	
107. Restrictions & Requirements (content, etc).		
108. Approval process		
109. Enforcement in Business Locations (branch & sub-branch offices)		
110. Record retention	IDA CI Bulletin C104	
111. Procedures re: the use of e-mail, web sites, or fax	IDA CI Bulletin C88	
112. Disclosures Required	IIROC Rule 29.14(e) OSA s.41	
113. Disclosures regarding mutual fund "client bonus" commission rebates	IDA CI Bulletin C128	
Education and Training		
114. 30 and 90-Day Training Programs <ul style="list-style-type: none"> • Designated Director or Senior Officer responsible for training • Requirement that 90-Day Training meets minimum guidelines [IDA Bulletin 2040] • Training program and evidence of completion 	IIROC Rules 2900.I(A)(3)(i)(c); 2900.II(A)(8); 2900.II(A)(9)(B)(5) IDA Notices MR0021; MR0038; MR0057; MR0323; MR0359; MR0472	
115. Responsibilities regarding 6 months supervision and supervisory reports	IIROC Rule 18.6	
116. Distribution of rule changes	IIROC Rule 2500.I(E)(3)	

Required Provisions	Rule References	Page Ref. to Dealer Member's Procedures
117. Ensuring all employees and agents understand their responsibilities under the firm's written policies and procedures	IIROC Rules 38.1(ii); 2500.1(E)(1)	
118. Anti-money laundering procedures; identification of suspicious transactions	IDA Notice MR0354 Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations s.71(2)(d)	
119. Continuing Education <ul style="list-style-type: none"> • Approval of courses • Communication of course completion • Acceptable courses • Record keeping 	IIROC Rules 1500, 2900, Part III IDA Bulletins 2581; 3253, 3595, 3683 IDA Notice MR0309	
Account Transfers		
120. Provision to client of Authorization to Transfer Account Form	IIROC Rule 2300.3 IDA Notice MR0422	
121. Obtaining of other necessary forms	IIROC Rule 2300.3	
122. Retention of Authorization to Transfer Account Form	IIROC Rules 200.1(n), 2300.3	
123. Response to Request for Transfer	IIROC Rule 2300.4	
124. Acceptance of transfers of undermargined accounts	IIROC Rule 2300.5	
125. Procedures to ensure transfer steps are completed within required time frames	IIROC Rules 2300.3; 2300.4; 2300.5	
Futures Accounts - see separate checklist		
Managed Accounts - see separate checklist		
Options Accounts - see separate checklist		
Research – see separate checklist		