



UMIR

Disciplinary Sanction Guidelines

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OVERVIEW

The regulatory mission of the Investment Industry Regulatory Organization of Canada (“IIROC”) is to develop, administer and enforce the Universal Market Integrity Rules (“UMIR”) and other marketplace requirements applicable to trading in the Canadian securities market in a neutral, cost effective, service oriented and responsive manner. IIROC also provides investigative assistance to investigations conducted by provincial securities commissions and other regulators.

Once an IIROC investigation is completed and a decision has been made by IIROC to proceed with a prosecution, a statement of allegations is served upon the concerned party which references the rule or rules alleged to have been in violation. If a hearing panel determines that an applicable requirement has been violated, it may impose a range of sanctions set out in the Sanction Guidelines, based on the principles set out below.

The General Principles and Sanction Guidelines have been prepared by IIROC to assist:

- IIROC Staff and respondents in the negotiation of settlements pursuant to sections 3.1-3 of UMIR Policy 10.8;
- Hearing Panels in the approval of settlements pursuant to section 3.6 of UMIR Policy 10.8; and
- Hearing Panels in the fair and efficient imposition of any penalty or remedy in contested disciplinary proceedings.

PART 1 – GENERAL PRINCIPLES

General Purpose

1. Disciplinary sanctions are designed to:
 - a. encourage Regulated Persons to comply with all applicable securities legislation and requirements;
 - b. prevent fraudulent and manipulative acts and practices and deter misconduct both generally and specifically;
 - c. promote just and equitable principles of trade for participants and open and fair business practices by access persons; and
 - d. improve overall business standards in the securities industry.
 - e. promote public confidence in the SRO system.

Range is Guideline Only

2. The guidelines suggest, but do not mandate, how IIROC Staff or Hearing Panels formulate appropriate sanctions. These guidelines are intended to provide a basis upon which decision-makers can exercise their discretion consistently and fairly.

IIROC Staff/Hearing Panels must always consider these guidelines, the unique facts of each case, the appropriate aggravating and mitigating factors when exercising judgment to formulate the appropriate sanctions.

Precedents

3. The amount of a fine or other sanction depends on the facts of each matter and the value of the sanction in preventing a recurrence. The nature and extent of any sanction cannot be precisely determined by comparison with the sanctions imposed in other similar proceedings.

Batching

4. Aggregation or "batching" of violations may be appropriate for purposes of determining sanctions in disciplinary proceedings. The range of monetary sanctions in each case may be applied in the aggregate for similar types of violations rather than per individual violation. Depending on the facts and circumstances of a case, however, multiple violations may be treated individually such that a sanction is imposed for each violation. In addition, numerous, similar violations may warrant higher sanctions, since the existence of multiple violations may be treated as an aggravating factor.

General Factors

5. IIROC Staff/Hearing Panels may consider the following:
 - a. the imposition of progressively escalating sanctions for repeat offenders;
 - b. past misconduct of the respondent similar to that at issue;
 - c. past misconduct that, while unrelated to the misconduct at issue, shows prior disregard for or ignorance of regulatory requirements or protection of the public and capital markets
 - d. past misconduct may include findings by other securities commissions and other self-regulating organizations;
 - e. extent of harm to market integrity, reputation of the marketplace, or both;
 - f. extent of harm to other market participants;
 - g. extent of harm to listed companies;
 - h. extent of harm to investors;
 - i. number of transactions and securities involved, size of transactions;
 - j. timeframe of the misconduct;
 - k. the degree to which an individual respondent acted in preventing, detecting and reporting the misconduct; and
 - l. any other factors that may be appropriate in the circumstances.

Aggravating Factors

6. IIROC Staff/Hearing Panels may consider aggravating factors including:
 - a. whether the individual or firm respondent ignored a prior warning;
 - b. whether there were “red flag” warnings that should have been recognized by the individual, or by the firm through proper supervision procedures or that were identified to the firm by IIROC previously;
 - c. whether the individual or firm respondent was unjustly enriched and obtained or attempted to obtain a financial benefit from the misconduct;
 - d. the amount of the unjust enrichment/benefit;
 - e. whether an individual or firm respondent’s misconduct was intentional or willfully blind to regulatory requirements;
 - f. whether an individual or firm respondent’s misconduct involved deliberate planning of the misconduct;
 - g. the degree to which an individual respondent acted contrary to express or implied advice from a supervisor, legal advisor, or the firm’s compliance department to do something or to refrain from doing something, the failure of which resulted in misconduct;
 - h. whether an individual respondent was unaware of regulatory requirements;
 - i. whether the firm respondent failed to implement appropriate internal discipline;
 - j. whether the individual or firm respondent took steps to conceal or obscure their involvement in the misconduct;
 - k. whether the nature of the misconduct was the subject of a Market Integrity Notice, Notice to Public, or other public announcement issued by IIROC;
 - l. whether the firm respondent provided incorrect advice to an individual or the firm lacked reasonable supervisory, operational and/or technical procedures or had controls that were improperly implemented; and

- m. any other factors that may be appropriate in the circumstances.

Mitigating Factors

- 7. IIROC Staff/Hearing Panels may consider mitigating factors including:
 - a. whether the individual or firm respondent self-reported the misconduct to IIROC in the absence of a regulatory obligation to do so;
 - b. the degree to which an individual respondent reasonably relied on advice from a supervisor or the firm's compliance department or legal advisor;
 - c. whether an individual or firm respondent accepted responsibility for and acknowledged the misconduct to his or her employer (in the case of an individual) or a regulator prior to detection and intervention by the firm (in the case of an individual) or a regulator;
 - d. whether an individual or firm respondent made restitution or otherwise compensated any person who suffered financial loss as a result of the respondent's misconduct;
 - e. whether any individual respondents have been subject to appropriate internal discipline; and
 - f. any other factors that may be appropriate in the circumstances.

Factors in Assessing Harm to the Marketplace

- 8. IIROC Staff/Hearing Panels may consider the following factors in assessing harm to the marketplace:
 - a. number of transactions and securities involved, and size of transaction;
 - b. timeframe over which the misconduct took place;
 - c. number and type of investors involved;
 - d. monetary impact on investors and/or the capital markets;
 - e. impact of the misconduct on the public's perception of the capital market; and
 - f. any other factors that may be appropriate in the circumstances.

Personal Responsibility for Sanctions

- 9. In appropriate circumstances, IIROC Staff may require an individual to warrant and agree in a Settlement Agreement, or may seek an order from a Hearing Panel, that an individual respondent personally pay a fine, and a Hearing Panel may approve such a Settlement Agreement, or make such an order, as the case may be.

The appropriate circumstances will be determined by the facts of each case, with particular consideration given to whether one or more of the Aggravating Factors regarding individuals listed in the Section 6 apply. Appropriate circumstances also include where an individual requests IIROC Staff or a Hearing Panel to consider Section 10, Ability to Pay, in assessing the fine.

In such cases, examples of what a firm cannot do to assist an individual respondent in paying a fine are:

- a. pay the fine directly;
- b. directly or indirectly indemnify a respondent for the fine; or,

- c. increase a bonus, salary, or provide an extra payment in the guise of payment for services rendered or performance so that the respondent may pay the fine.

Ability to Pay

10. When raised by an individual or firm respondent, IIROC Staff/Hearing Panels may consider ability to pay in connection with the imposition, reduction, or waiver of a fine or in exceptional circumstances, costs.

If a respondent seeks to reduce a fine or have a fine waived, the respondent must produce evidence of financial hardship. All such evidence must come in the form of a sworn affidavit or declaration. The information must include information describing both total income and net worth statements.

Evidence of financial hardship may include filed tax returns, audited financial statements, and other externally verified financial statements.

PART 2 – USE OF SANCTIONS

IIROC Staff/Hearing Panels should formulate sanctions to respond to the misconduct at issue.

Fines

1. Fines will normally include the amount of any financial benefit to a respondent. In the case of UMIR 2.2, 4.1, 5.3 and 7.1, and in egregious cases involving significant harm to the integrity of a marketplace and intentional or grossly negligent misconduct, consider the maximum permitted under UMIR Rule 10.5.
2. A relevant factor in assessing the amount of a fine will normally be the voluntary disgorgement of any financial benefit.

Restriction of Access/Suspension of Access/Revocation

3. The restriction of access or suspension of access to a marketplace will normally be appropriate where there have been numerous serious transactions and/or some degree of harm to the integrity of the marketplace. The length of the restriction/suspension will also depend on these and other relevant factors.
4. Revocation of access to a marketplace will normally be appropriate where the respondent has committed an infraction or infractions involving significant harm to the integrity of the market and the conduct is either intentional or grossly negligent.

Other Remedies

5. Other remedies are particularly useful in formulating sanctions tailored to conduct. Remedies may include, but are not limited to:
 - a. requiring a respondent to retain a qualified independent consultant to develop and/or implement procedures for improved compliance with Requirements;
 - b. requiring a respondent to disclose certain information including disciplinary history or sanctions to new and/or existing clients and/or the public;
 - c. requiring a respondent to implement heightened supervision of one or more individuals or departments in an organization;
 - d. requiring requalification by the writing of an exam;
 - e. banning a respondent from acting in a compliance/supervisory position.

SANCTION GUIDELINES

1. Violation of Just and Equitable Principles - UMIR 2.1(1)

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>What is the nature of the conduct or non-compliance.</p>	<p>Individual (under UMIR 10.4(1) & (2)) Fine of \$5,000 to \$250,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$500,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent. In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

2. Failure to Conduct Business Openly and Fairly – UMIR 2.1(2)

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Access Person Fine of \$5,000 to \$500,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

3. Manipulative and Deceptive Activities – UMIR 2.2

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>The degree of the manipulation - number of orders, transactions, securities, size of transactions and length of time of the manipulation.</p>	<p>Consider a substantial fine of up to \$1 million per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

4. Improper Orders and Trades - UMIR 2.3

Consideration in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.4(1) & (2)) Fine of \$5,00 to \$250,000 per contravention.</p>	See General Principles.
What is the nature of the conduct or non-compliance.		In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.
Which rules were violated.	<p>Participant Fine of \$10,000 to \$500,000 per contravention.</p>	
	<p>Access Person Fine of \$5,000 to \$500,000 per contravention.</p>	In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.
	In all cases, fines should include the amount of any financial benefit to the respondent.	
	In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.	In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation or access.
		In all cases, consider remedial conditions if appropriate.

5. Short Selling - UMIR 3.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.4(1) & (2)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>Access Person Fine of \$5,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

6. Front Running – UMIR 4.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	Consider a substantial fine of up to \$1 million per contravention. In all cases, fines should include any financial benefit to the respondent.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

7. Best Execution of Client Orders – UMIR 5.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

8. Best Price Obligation – UMIR 5.2

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

9. Client Priority – UMIR 5.3

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	Consider a substantial fine of up to \$1 million per contravention. In all cases, fines should include any financial benefit to the respondent.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

Note

2002 Guidelines provided:

Individual

Fine of \$15,000 to \$100,000

Participant

Fine of \$25,000 to \$250,000

10. Entry of Orders to a Marketplace – UMIR 6.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

11. Designations and Identifiers – UMIR 6.2

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Consider nature and extent of the possible substantive violation(s).</p>	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$50,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$100,000 per contravention.</p> <p>Where possible substantive violation is also under investigation, consider the range of fines applicable to the substantive violation, particularly where the UMIR 6.2 violation impairs the ability of the market regulator in the investigation or prosecution of the substantive violation.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

12. Exposure of Client Orders – UMIR 6.3

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

13. Trades off a Marketplace – UMIR 6.4

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	<p>Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$10,000 to \$200,000 per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent. In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

14. Trading Supervision Obligations – UMIR 7.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Whether this was an isolated incident or a systemic problem.</p> <p>Whether there were “red flag” warnings that should have been caught by proper supervisory procedures or that were identified to the firm by IIROC previously.</p> <p>Whether corrective measures were taken since the problem was discovered.</p> <p>Whether the problems were self-reported.</p>	<p>Consider a substantial fine of up to \$1 million per contravention.</p> <p>In all cases, fines should include any financial benefit to the respondent.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

15. Trading Supervision Obligations – UMIR 7.1(4)

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>What were the nature and extent of the individual's responsibilities.</p> <p>The degree to which the individual acted in preventing, detecting and reporting the violations.</p>	<p>Consider a fine in the range of \$10,000-\$500,000 per contravention and up to \$1 million per contravention for senior officers and directors.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

16. Trading Proficiency Obligations – UMIR 7.2

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$50,000 per contravention.	See General Principles.
Nature and extent of responsibilities of individual acting without proficiency or approval.	Participant Fine of \$10,000 to \$100,000 per contravention.	In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.
Duration of the non-compliance.	In all cases, fines should include the amount of any financial benefit to the respondent.	In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.
Whether individual knowingly allowed individual to function without proficiency or approval.		In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.
Whether the individual ever satisfied obligations under this rule and, if so, any reason(s) why the individual was not so qualified at the material time (for example, lapsed registration).		In all cases, consider remedial conditions if appropriate.

17. Recorded Price Violations – UMIR 7.5

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Whether the client was aware of or participated in the violation. Whether the market was harmed.	Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$50,000 per contravention. Participant Fine of \$10,000 to \$100,000 per contravention. In all cases, fines should include the amount of any financial benefit to the respondent.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

18. Improper Trading during a Distribution – UMIR 7.7

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Whether the respondent knew or ought to have known of the distribution.</p> <p>Whether the firm had proper procedures in place.</p>	<p>Individual (under UMIR 10.3(4)) Fine of \$15,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$25,000 to \$250,000 per contravention.</p> <p>In all cases, fines should include the amount of any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

19. Restrictions on Trading during a Securities Exchange Take-over Bid – UMIR 7.8

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Whether the respondent knew of the take-over bid.	<p>Individual (under UMIR 10.3(4)) Fine of \$15,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$25,000 to \$250,000 per contravention.</p> <p>In all cases, fines should include the amount of any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

20. Violation of Client-Principal Trading Rules – UMIR 8.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Whether the respondent made any effort to ensure the best available price for the client.</p>	<p>Individual (under UMIR 10.3(4)) Fine of \$15,000 to \$100,000 per contravention.</p> <p>Participant Fine of \$25,000 to \$250,000 per contravention.</p> <p>In all cases, fines should include the amount of any financial benefit to the respondent.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

21. Trading Halts, Delays and Suspensions – UMIR 9.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Whether the respondent knew or ought to have known of the delay, suspension, or halt.	Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention. Participant Fine of \$10,000 to \$200,000 per contravention. Access Person Fine of \$5,000 to \$200,000 In all cases, fines should include the amount of any financial benefit to the respondent.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

22. Non Compliance with Applicable Requirements* - UMIR 10.1

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Nature and extent of the violation.	Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$250,000 per contravention.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.
Whether respondent knew or ought to have known of the applicable requirement.	Participant Fine of \$10,000 to \$500,000 per contravention.	In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.
	Access Person Fine of \$5,000 to \$500,000 per contravention.	In all cases, fines should include the amount of any financial benefit to the respondent.
	In all cases, fines should include the amount of any financial benefit to the respondent.	In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.
	In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.	In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.
		In all cases, consider remedial conditions if appropriate.

* Please note that these recommendations apply except where there is a specific sanction recommendation for the infraction in question set out elsewhere in the Guidelines.

23. Impeding or Obstructing the Market Regulator - UMIR 10.1(5) – (7)

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles.	Individual (under UMIR 10.3(4)) Fine of \$5,000 to \$100,000 per contravention.	See General Principles.
Nature of investigation and of the obstruction.	Participant Fine of \$10,000 to \$200,000 per contravention.	In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.
Whether information or records were eventually provided.	Access Person Fine of \$5,000 to \$200,000 per contravention.	In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.
Whether there was a failure to respond in a timely manner.	In all cases, fines should include the amount of any financial benefit to the respondent.	In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.
Whether there was a failure to respond truthfully.	Also consider the range of fines applicable to the substantive violation(s) under investigation. In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.	In all cases, consider remedial conditions if appropriate.
Whether there was delay caused by non-compliance.		
Whether the violation impacted the ability of the market regulator to conduct an investigation or prosecution.		

24. Report of Short Positions - UMIR 10.10

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Whether the problem was systemic.	Participant/Access Person Fine of \$10,000 to \$200,000.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

25. Audit Trail Violations - UMIR 10.11

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Nature and extent of audit trail violation(s).</p> <p>Whether violation(s) involves material information.</p> <p>Whether the audit trail violation impaired the ability of market regulator to conduct an investigation or prosecution.</p> <p>Whether the problem is a systemic one.</p>	<p>Participant/Access Person Fine of \$10,000 to \$500,000 per contravention.</p> <p>Where a possible substantive violation is also under investigation, consider the range of fines applicable to the substantive violation, particularly where the UMIR 10.11 violation impairs the ability of the market regulator in the investigation or prosecution of the substantive violation.</p> <p>In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

26. Failure or Refusal to Retain or Produce Documents for Inspection - UMIR 10.12

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Whether information or records were eventually provided. The delay caused by non-compliance. Reasons for non-compliance. Whether the violation impacted the ability of the market regulator to conduct an investigation or prosecution. Whether the problem is a systemic one.	Consider the range of fines applicable to the substantive violation(s) under investigation. In an egregious case involving systemic violations and/or intentional or grossly negligent misconduct, consider the maximum monetary sanction permitted under UMIR 10.5.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

27. Gatekeeper Obligations - UMIR 10.16

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
<p>See General Principles.</p> <p>Were red flags indicative of improper behavior ignored.</p> <p>Did the firm have policies and procedures in place regarding the reporting requirements.</p>	<p>Individual Fine of \$5,000 to \$250,000 per contravention.</p> <p>Participant Consider recommended sanctions under UMIR 7.1.</p>	<p>See General Principles.</p> <p>In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months.</p> <p>In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more.</p> <p>In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access.</p> <p>In all cases, consider remedial conditions if appropriate.</p>

28. Violation of Securities Laws - Insider Trading and Tipping - UMIR 10.1, 2.1 and 2.3

Considerations in Determining Sanctions	Monetary Sanctions	Suspension of Access or Other Sanctions
See General Principles. Consider any sanction guidelines of an applicable securities regulatory authority. Consider any relevant factors for "public interest" orders by an applicable securities regulatory authority.	Consider a substantial fine of up to \$1 million per contravention. In all cases, fines should include the amount of any financial benefit to the respondent.	See General Principles. In a case involving a limited number of transactions and limited quantifiable harm to the marketplace, consider a suspension or restriction of access of up to 6 months. In more serious cases where there are a greater number of transactions and/or significant harm to the marketplace, consider a suspension or restriction of access in the range of 1 year or more. In egregious cases where significant harm is done to the integrity of the marketplace and conduct is either intentional or grossly negligent, consider a revocation of access. In all cases, consider remedial conditions if appropriate.

Note:

2002 Guidelines provided:

Individual

Fine of \$5,000 to \$250,000

Participant

Fine of \$10,000 to \$500,000

Access Person

Fine of \$5,000 to \$500,000