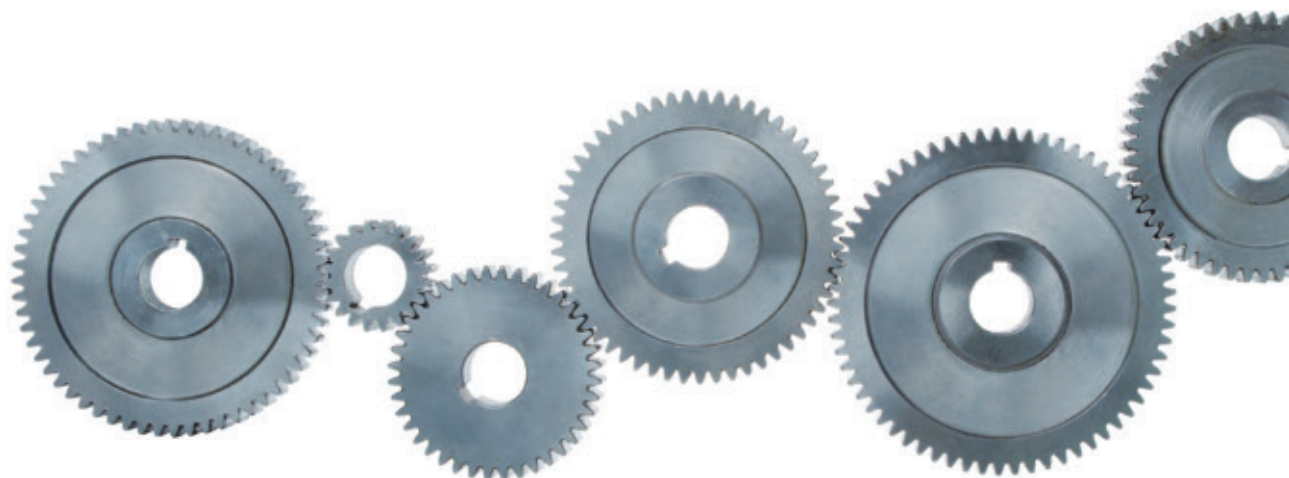


Focus on

Dealers



WHAT WE DID IN 2009–2010	HOW WE DID IT	WHY IT MATTERS
Implemented IIROC rule amendments relating to the Registration Reform initiative.	Reduced number of IIROC approval categories from 46 to 11; simplified the functions and positions approval; streamlined approval processes and modernized our supervisory requirements. Supported Dealer Members with 4 training workshops in Vancouver, Calgary, Toronto and Montreal; produced 1 webcast; and 4 Guidance Notices.	Creates modernized, harmonized and simplified registration requirements for dealers and individuals across all CSA jurisdictions, including IIROC and the MFDA.
Advanced the Rule Book Project.	Completing re-write of all Dealer Member rules in plain language; updating and eliminating redundancies; consolidating related rules; and making substantive revisions where needed. Issued several tranches for public comment.	Simpler, more accessible rules improve comprehension of our regulatory requirements and enhance compliance.
Developed new Dealer Regulation Fee Model proposal for public comment.	Established an industry committee to consult with in developing a proposal that takes into account principles of fairness, industry competitiveness, cost recovery and transparency. Began work on developing a new Market Regulation Fee Model proposal, with input and active participation of an industry committee.	Treats IIROC members equitably and enhances our commitment to cost-effective operations, while achieving full cost recovery.

Onsite firm reviews conducted:

Financial & Operations Compliance: **141**

Business Conduct Compliance: **96**

Trading Conduct Compliance: **66**

Educational services delivered in FY2009–10:

20 educational webcasts, with **7,043** industry participants

23 live events across the country, with **900** industry participants

IIROC issued 21 Guidance Notices on topics including:

- Best Practices for Head Office Supervision of Branch Offices
- Sales Practice Obligations Relating to Leveraged and Inverse Exchange-Traded Funds
- Provisions Respecting the “Best Price” Obligation
- Registration Reform – Implementation Issues

The process of updating, streamlining, reorganizing and improving our Dealer Member Rule Book has consumed considerable resources. This extensive effort will make our rules simpler and easier to understand.

The Rule Book Project is a good example of how IIROC employs consultation and collaboration to improve regulation and compliance. We have involved our Dealer Member firms at all key stages of updating and streamlining content, reconciling inconsistencies and eliminating redundant requirements. We have also reached out to other stakeholders by seeking public comment and input.

IIROC supports its member firms in responding to broader industry changes such as Registration Reform, the Canadian Securities Administrators’ effort to completely update registration and conduct rules nationally for registered firms and individuals. This important policy initiative is intended to strengthen investor protection and foster a more efficient business environment.

We introduced a number of related rule changes to harmonize our requirements with the CSA, in order to create a simplified and modernized registration regime. Our staff worked closely with member firms to help them implement these extensive changes.

The development of a new Dealer Regulation Fee Model exemplifies the collaboration inherent in effective self-regulation. This project involved an early-stage consultation with a committee of 14 industry volunteers from a diverse cross-section of our membership, along with a wider public comment process.

The proposed fee model would continue to set minimum fees at less than the regulatory costs consumed, satisfy the public interest in fostering industry competitiveness, as well as modestly reduce the current level of fee disparity while maintaining full cost recovery.