

## Rule 1400 Standards of Conduct

### 1401. Introduction

- (1) This Rule sets out the general standards of conduct that apply to [Regulated Persons](#).

### 1402. Standards of Conduct

- (1) A [Regulated Person](#)
  - (i) in the transaction of business, must observe high standards of ethics and conduct and must act openly and fairly and in accordance with just and equitable principles of trade, and
  - (ii) must not engage in any business conduct that is unbecoming or detrimental to the public interest.
- (2) Without limiting the generality of the foregoing, any business conduct that:
  - (i) is negligent;
  - (ii) fails to comply with a legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a [Regulated Person](#);
  - (iii) displays an unreasonable departure from standards that are expected to be observed by a [Regulated Person](#); or
  - (iv) is likely to diminish investor confidence in the integrity of securities, commodities or derivatives marketsmay be conduct that contravenes one or more of the standards set forth in subsection 1402(1).

### 1403. Applicability

- (1) For purposes of [IIROC requirements](#):
  - (i) [Dealer Members](#) are responsible for all acts and omissions of their [employees](#), partners, [Directors](#) and [officers](#);
  - (ii) non-[Dealer Member](#) users and subscribers to a [Marketplace](#) for which [IIROC](#) is the regulation services provider are responsible for all acts and omissions of their employees, partners, directors, and officers.
- (2) In addition to complying with all [IIROC requirements](#) that expressly apply to him or her:
  - (i) an [Approved Person](#) must avoid any act or omission that would cause his or her [Dealer Member](#) to violate any [IIROC requirement](#); and
  - (ii) an employee, partner, director or officer of a non-[Dealer Member](#) user or subscriber of a [Marketplace](#) for which [IIROC](#) is the regulation services provider must avoid any act or omission that would cause the user or subscriber to violate any [IIROC requirement](#).
- (3) For purposes of section 1402, the obligation of [Regulated Persons](#) that are non-[Dealer Member](#) users or subscribers of a [Marketplace](#) for which [IIROC](#) is the regulation services provider is limited to the obligation to transact business openly and fairly when trading on a [Marketplace](#) or otherwise dealing in securities that are eligible to be traded on a [Marketplace](#).