

## Strengthening IIROC's Enforcement Authority

*Six provinces enhance investor protection*

(as of June 14, 2018)

With a mandate to protect investors and support healthy Canadian capital markets, IIROC sets and enforces high regulatory standards in the investment industry through fair, effective and timely enforcement. Our enforcement actions send a strong deterrent message to potential wrongdoers and hold accountable those who harm investors.

IIROC continues to pursue additional legal authority to strengthen the effectiveness of its enforcement actions. This includes the authority to collect fines, strengthen its investigations and provide protection from malicious lawsuits when acting in the public interest.

IIROC has made significant progress in the following jurisdictions to strengthen investor protection:

### **Manitoba – Authority to Collect Fines and Statutory Immunity**

- Amendments to the Manitoba Securities Act and Commodity Futures Act passed on June 4, 2018. Bill 23 gives IIROC legal authority to collect disciplinary fines directly through the courts. It also gives IIROC and its disciplinary tribunals protection against malicious lawsuits when acting in good faith in carrying out its public interest mandate to protect investors. Finally, the Bill also provides IIROC with the right to appeal a decision made by an IIROC hearing panel to the Manitoba Securities Commission.

### **British Columbia – Authority to Collect Fines**

- An amendment to the British Columbia Securities Act passed on May 7, 2018. Bill 16 gives IIROC legal authority to collect disciplinary fines directly through the courts.

### **Quebec – Authority to Collect Fines, Collect Evidence and Statutory Immunity**

- In 2013, on the recommendation of the Autorité des marchés financiers, Quebec amended its legislation to give IIROC the authority to collect fines through the courts.
- In June 2018, the National Assembly passed amendments enhancing IIROC's ability to collect evidence from third parties during investigations as well as improved cooperation at the disciplinary hearings stage. Bill 141 also clarified that IIROC has full protection against malicious lawsuits.
- With these changes in effect, Quebec joined Alberta in providing IIROC with the complete toolkit of legislation to strengthen the regulator's overall enforcement capabilities.

### **Alberta – Authority to Collect Fines, Collect Evidence and Statutory Immunity**

- First province to give IIROC the legal authority to collect its fines through the courts and to give IIROC the full enforcement toolkit.
- On June 7, 2017, Bill 13 received Royal Assent, taking effect immediately. This legislation provides IIROC with more-effective legal authority to collect evidence during the investigation stage and prosecute wrongdoers. IIROC already had this authority at the disciplinary hearing stage. In addition, IIROC and its disciplinary tribunals now have full protection against lawsuits for acting in good faith. There was unanimous support in the Alberta Legislature for this Bill.

### **Ontario – Authority to Collect Fines**

- The Ontario government’s budget measures bill, passed May 17, 2017, includes amendments to the Ontario Securities Act to give IIROC the legal authority to pursue the collection of disciplinary fines directly through the courts.

### **Prince Edward Island (PEI) - Authority to Collect Fines and Collect Evidence at Disciplinary Hearings**

- In January 2017, the PEI Office of the Superintendent of Securities issued an Authorization Order, which gives IIROC the authority to collect fines against disciplined individuals directly through the Supreme Court of PEI.
- The Order also gives IIROC improved legal authority to present evidence during disciplinary hearings.

IIROC is actively seeking similar legal authority in all other jurisdictions across Canada to ensure a consistent level of investor protection coast to coast.

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IIROC is a pan-Canadian public interest regulator with over 400 staff working in Vancouver, Calgary, Toronto and Montreal, overseeing 168 investment dealers and their trading activity in Canada’s debt and equity markets. IIROC carries out its regulatory responsibilities under Recognition Orders from each of the provincial securities commissions, which make up the Canadian Securities Administrators (CSA).

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