

IIROC NOTICE

Rules Notice
Guidance Note

Dealer Member Rules

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Contact:

Louis P. Piergeti
Vice-President, Financial & Business
Conduct Compliance
(416) 865-3026
lpiergeti@iiroc.ca

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Maintaining an effective compliance regime during economic and market downturns

In light of the current challenging market conditions, the need for an effective compliance, supervision and risk management program is more critical than ever for dealer members. As dealer members focus on reducing expenses and in doing so consider headcount reductions within the organization, it is important to ensure that an effective compliance program is maintained.

An effective compliance regime must address all business activities and ensure that prompt and appropriate action is taken when non-compliance with industry and firm policy is



detected. It is only through the maintenance of a compliance program reasonably designed to achieve compliance with securities law, that firms can satisfactorily discharge their regulatory responsibilities.

While firms maintain the discretion to determine how compliance and supervisory controls are structured within the firm, IIROC expects firms to carefully consider the impact of headcount reductions in compliance and other control function areas, to determine whether they are adequate for the business.

Dealer members are reminded of their regulatory obligations to maintain an effective compliance regime when planning and undertaking restructuring efforts to contain and/or reduce overhead costs. Ensuring that your firm's compliance program is adequately funded and staffed, and supported and monitored by senior management, is integral to ensuring its effectiveness.