

IIROC NOTICE

Rules Notice Request for Comments

Dealer Member Rules

Please distribute internally to:

Corporate Finance
Institutional
Legal and Compliance
Regulatory Accounting
Research
Senior Management
Trading Desk

Contact:

Jamie Bulnes

Director, Member Regulation Policy

416 943-6928

jbulnes@iiroc.ca

Notice 12-0135

April 13, 2012

Request for Comments on draft guidance regarding the meaning of “date of the offering” in Requirement 14 of Dealer Member Rule 3400 – *Research Restrictions and Disclosure Requirements*

This Notice requests comments on draft guidance regarding Requirement 14 of Dealer Member 3400 – *Research Restrictions and Disclosure Requirements*. The draft guidance was prepared in response to requests from Dealer Members for guidance relating to the meaning of the phrase “date of the offering” in Requirement 14.

Dealer Members and other interested parties are requested to provide comments on the attached draft Guidance Note. Comments should be made in writing and delivered by May 14, 2012 (30 days from the publication date of this Notice).



Comments on the draft Guidance Note may be delivered by mail, fax or e-mail by May 14, 2012 to:

Jamie Bulnes
Director, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 2000, 121 King Street West
Toronto, ON M5H 3T9
Fax: 416-943-6760
Email: jbulnes@iiroc.ca

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IIROC website (www.iiroc.ca under the heading “IIROC Rulebook - Dealer Member Rules – Proposed Policy”).

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Rules Notice
Guidance Note - DRAFT

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Contact:

Jamie Bulnes
Director, Member Regulation Policy
416-943-6928
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Notice # 12-xxxx
April XX, 2012

Guidance regarding the meaning of “date of the offering” in Requirement 14 of Dealer Member Rule 3400 – *Research Restrictions and Disclosure Requirements*

This Rules Notice responds to the request from various Dealer Members for guidance relating to the meaning of the phrase “date of the offering” in Requirement 14 of Dealer Member Rule 3400 – *Research Restrictions and Disclosure Requirements*. Requirement 14 restricts Dealer Members from issuing research, relating to equity or equity-related securities, where the Dealer Member acts as manager or co-manager in an offering of such securities for:

- 40 calendar days following the date of the offering, in the case of an initial public offering (IPO); and
- 10 calendar days following the date of the offering in the case of a secondary offering.



These timeframes, in which the publication of research is restricted, are commonly referred to as “quiet periods”.

For the purposes of Requirement 14 the “date of the offering” is:

- for prospectus offerings, the date the Dealer Member receives the final receipt for the prospectus;
- for private placements, the date of pricing (which tends to coincide with the date of the announcement of the private placement); and
- for shelf-offerings, the date on which the shares are first offered to the public.

Start of count for the quiet period

The count for the 40 and 10 calendar day quiet periods established in Requirement 14 starts on the day *after* the date of the offering; the date of the offering is not the first day of this count. For example, if the date of the offering of an IPO is March 31st, the first date on which research may be published is May 11th. If the date of the offering of a secondary offering is March 31st, the first date on which research may be published is April 11th.