

IIROC NOTICE

Rules Notice Technical

Dealer Member Rules

Please distribute internally to:

Credit
Internal Audit
Legal and Compliance
Operations
Regulatory Accounting
Retail
Senior Management
Trading Desk

Contact:

Sherry Tabesh-Ndreka
Senior Policy Counsel, Member Regulation Policy
416-943-4656
stabesh@iiroc.ca

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Personal Financial Dealing

On June 13, 2013, IIROC announced the implementation of new Dealer Member Rule 43 and amendments to Dealer Member Rule 18.14 (the “Rules”), relating to personal financial dealing and outside business activities, respectively, through the issuance of IIROC [Rules Notice 13-0162](#) (the “previous Rules Notice”). As set out in the previous Rules Notice, most of the Rules will come into effect on December 13, 2013¹.

Dealer Members have expressed concerns regarding the scope of dealings that are prohibited under the personal financial dealings rule. IIROC staff acknowledges this issue and recognizes that some dealings may be unintentionally:

- captured by section 43.1; and/or
- subject to the requirements of both Dealer Member Rule 43 and Dealer Member Rule 42, *Conflicts of Interest*.

As such, this notice is being issued to notify Dealer Members that IIROC staff will be introducing proposed rule amendments that will clarify the relationship between the prohibition from engaging in personal financial dealings with clients, as set out in Dealer Member Rule 43, and the requirements set out in Dealer Member Rule 42 to identify and manage all other activities/dealings that may represent an actual or potential conflict of interest in a manner that is consistent with the best interests of the affected client(s). It is expected that these clarification amendments will be considered by the IIROC Board of Directors in early 2014.

¹ The exception is that the prohibition from “Acting as a Power of Attorney, trustee, executor, or otherwise having full or partial control or authority over the financial affairs of a client” set out paragraph 43.2(5)(i) which, for existing arrangements, will come into effect on June 13, 2014.



In the interim, if you have any questions on the application of the rule, please contact IIROC staff.