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Rules Notice Notice of Withdrawal

Dealer Member Rules

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Withdrawal of Revisions to the Definition of “Securities Related Activities”

I. Overview

On April 24, 2009, the Investment Industry Regulatory Organization of Canada (IIROC) published for comment certain proposed revisions to the definition of the term “Securities Related Activities” set forth in Dealer Member Rule 1.1, as well as certain related amendments to Dealer Member Rule 39 and draft guidance concerning these rules. See IIROC Rules Notice 09-0119, *Revisions to the definition of “securities related activities”* (Apr. 24, 2009). The primary purpose of the proposed amendments was to:

- clarify the definition of the term “securities related activities” set out in Dealer Member Rule 1.1, to ensure that it specifically refers to all investment products; and
- conform the list of activities that can be performed within a Dealer Member by a registered individual employee without pre-approval with the list of activities that must be performed within a Dealer Member by a registered individual agent. This was to be achieved by replacing the term “securities related business” used in Dealer Member Rule 39 with the term “securities related activities”.



Due to concerns raised by public commenters and by staff of the Canadian Securities Administrators during and subsequent to the public comment process, however, IIROC staff have determined that the existing definition of “securities related activities” in Dealer Member Rule 1.1 is sufficient.

In addition, notwithstanding the withdrawal of this proposal, existing Dealer Member Rule 6.7 will continue to provide District Councils with discretion to grant prior approval to Dealer Members to carry on activities that normally would not be considered to be “securities related activities.” IIROC staff are of the view that the approval process for such novel activities is effective and is not unduly burdensome for Dealer Members.

In light of the above, the proposed amendments and guidance are being withdrawn.

II. Withdrawal

IIROC has informed the Canadian Securities Administrators that it has withdrawn the proposed amendments to the definition of “Securities Related Activities” in Dealer Member Rule 1.1 and certain related amendments to Dealer Member Rule 39, as well as the draft guidance that accompanied these proposed rule amendments.

Questions may be referred to:

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