



*Via E-mail*

December 04, 2015

Charles Piroli  
Director, Member Regulation Policy  
Investment Industry Regulatory Organization of Canada  
Suite 2000, 121 King Street West  
Toronto, Ontario  
M5H 3T9

Manager of Market Regulations  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, Ontario, M5H 3T9

Dear Mr. Piroli:

**Re: IIROC Notice 15-0248 – Republication of Proposed Amendments to Disclose Membership in IIROC as Dealer Member**

We are writing on behalf of RBC Dominion Securities Inc., a full service securities firm and RBC Direct Investing Inc., an execution-only firm, in response to the request for comments issued by the Investment Industry Regulatory Organization of Canada (“IIROC”) on the “Republication of Proposed Amendments to Disclose Membership in IIROC as Dealer Member” published on November 5, 2015 (the “Proposed Amendments”)

In general, we agree with the objectives of the Proposed Amendments to promote and raise public awareness of IIROC’s regulatory oversight of Dealer Members and approved investment advisors. We recognize that IIROC has put in place a number of initiatives to educate investors on the advantages of dealing with an IIROC regulated entity and investment advisor, most notably the IIROC *AdvisorReport*.

We have commented previously on the Proposed Amendments and we appreciate that IIROC has taken into consideration the costs of including the IIROC Logo on trade confirmations and the requirement to distribute the IIROC Official Brochure to institutional clients. However, we would like to take the opportunity to reiterate some our specific comments relating to the IIROC Logo on account statements; the distribution of the IIROC Official Brochure to clients who maintain self-directed accounts at execution-only Dealer Members; and the transition period to provide retail clients with the IIROC Official Brochure.

### **1. IIROC Logo**

The Proposed Amendments will require that Dealer Members include the IIROC Official Logo on their websites and on client account statements. Furthermore, the Proposed Amendments outline detailed specifications pertaining to the size and format of the IIROC Official Logo. We continue to believe that IIROC should consider permitting Dealer Members to use either a graphic logo or text to disclose that they are IIROC members. As an example, currently, Dealer Members are able to disclose that they are members of CIPF by using either a graphic logo or text. In our view, the option for Dealer Members to use either a graphic logo or a text excerpt to disclose that a Dealer Member is an IIROC member strikes a balance between providing effective information to clients and practical implementation for delivery to clients.

### **2. IIROC Official Brochure**

We appreciate that IIROC has revised the requirement in the Proposed Amendments to limit the distribution of the IIROC Official Brochure to new and existing retail clients of Dealer Members. The content of the IIROC Brochure is primarily retail focussed and IIROC has recognized that the information contained in the brochure may be less relevant to institutional clients. Similarly, we believe that IIROC should reconsider the requirement to distribute the IIROC Official Brochure to clients of execution-only Dealer Members.

While the information in the brochure relating to IIROC and its role in regulating firms would generally apply, the content in the brochure relating to advisor obligations such as suitability requirements or product knowledge would not apply directly to clients of order execution-only firms. We believe that clients of execution-only firms may be confused about the potential obligations that such firms carry with respect to their accounts. Accordingly, we suggest that execution-only Dealer Members be exempt from having to provide the IIROC Official Brochure to clients or include an optional provision of the IIROC Official Brochure to such clients.

### **3. Transition Period**

The Proposed Amendments require that the IIROC Official Brochure be provided to new clients at the time of account opening and to existing clients upon request. We recommend that IIROC allow for a one year transition period instead of the proposed six months relating to the delivery of the IIROC Official Brochure to retail clients. We believe that one year will provide sufficient time for Dealer Members to make the necessary changes which may include, among other things, integrating the IIROC Official Brochure into new client account agreements or forms. By extending the transition period to allow for such updates, we believe that all new clients will receive the IIROC Official Brochure in a simple and reliable manner.

## **Concluding Remarks**

Thank you for providing us with the opportunity to provide comments on the Proposed Amendments. We would welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact the undersigned.

*"Nick Cardinale"*

Chief Compliance Officer  
RBC Dominion Securities Inc. (Retail)

*"Kevin Bresler"*

Chief Compliance Officer  
RBC Direct Investing Inc.