

IIROC NOTICE

Rule Notice Notice of Approval/Implementation

Dealer Member Rules

Please distribute internally to:

Legal and Compliance

Regulatory Accounting

Senior Management

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Requirement to Pay IIROC Membership Fees

This Rules Notice provides notice of approval by the applicable securities regulatory authorities of amendments to IIROC Dealer Member Rule 8.7 (“Dealer Member Rule 8.7”) concerning the IIROC Dealer Regulation fees that are payable by a Dealer Member that resigns, is suspended, is terminated or surrenders its membership.

Objectives of the amendments

The primary objective of the amendments is to promote a fair and equitable regulatory environment which recognizes that a Dealer Member’s share of fees should be based on its usage or consumption of IIROC’s regulatory services to the extent possible.



Summary of amendments

The amendments will result in the repeal of Dealer Member Rule 8.7 and in turn, replace it with a requirement that will require a resigning, suspended, terminated and surrendering Dealer Member to make full payment of its annual fees for the entire fiscal year in which its resignation, suspension, termination or surrender becomes effective, subject to a reduction in the fee payable by resigning, suspended and terminated Dealer Members. There would be no reduction for a Dealer Member that surrenders its membership.

In the case of a resigning, suspended and terminated Dealer Member, it will only be required to pay membership fees until the end of the fiscal quarter in which all of the following conditions have been met:

- (a) the Dealer Member has transferred all customer accounts to another Dealer Member;
- (b) the Dealer Member has no remaining approved persons other than shareholders, the Ultimate Designate Person, the Chief Compliance Officer and the Chief Financial Officer; and
- (c) in the case of a resigning Dealer Member, the Dealer Member has provided written notice of its resignation to IIROC.

As part of the amendments being made to Dealer Member Rule 8.7, amendments to IIROC Dealer Member Rule 8.3A (“Dealer Member Rule 8.3A”) are also being made. Existing Dealer Member Rule 8.7 does not explicitly include surrendering Dealer Members. Rather, Dealer Member Rule 8.3A states that a surrender of membership shall be considered a resignation for the purposes of Dealer Member Rule 8.7. This language in Dealer Member Rule 8.3A is no longer necessary since the amendments explicitly capture surrendering Dealer Members.

A copy of the amendments to Dealer Member Rules 8.3A and 8.7 is included as Attachment A.

Response to public comments

The amendments were published for comment with the issuance of IIROC Rules Notice 15-0085 on April 16, 2015. IIROC staff did not receive any comments, and other than minor wordsmithing changes to ensure the consistent use of language in Dealer Member Rule 8.7, no further revisions have been made to the amendments.

Implementation plan

The amendments are effective immediately.

Attachment

[Attachment A](#) – Dealer Member Rules 8.3A and 8.7