

IIROC NOTICE

Rules Notice

Exemption

Dealer Member Rules

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Contact:

Erica Young
Policy Counsel, Member Regulation Policy
416.646.7211
eyoung@iiroc.ca

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Exemption Granted by IIROC Board of Directors – Client Account Statements Requirement

On January 31, 2018, IIROC's Board of Directors (the **Board**) granted an exemption to a Dealer Member from Dealer Member Rule (**DMR**) [200.2\(d\)](#) (**Client Account Statements Requirement**). The Client Account Statements Requirement ensures timely and comprehensive disclosure to clients. Dealer Members must produce monthly and quarterly statements for each active client account showing, among other things, the details of the transactions conducted in the account.

This Notice summarizes the exemption granted and the conditions imposed on the Dealer Member.

1. Authority to Grant Exemptions

DMR [17.15](#) permits the Board to exempt a Dealer Member from any provision of the DMRs where it is satisfied that to do so would not be prejudicial to the interests of the public, Dealer Members or their clients. In granting any exemption, the Board may impose terms and conditions as necessary.



2. The Applicant and Nature of the Application

A Dealer Member (the **applicant**) sought relief from delivering client account statements to two wholly-owned indirect subsidiaries of the same parent corporation. These two parties:

- are affiliates of the Dealer Member
- fall within the definition of “institutional customer” under the DMR 1 (**Affiliated Parties**).

By virtue of their relationship, the Affiliated Parties have access to all the information required under the Client Account Statements Requirement through a shared electronic enterprise information system with the applicant. On the basis of this close relationship and the Affiliated Parties’ access to timely information, the Board granted the applicant an exemption subject to the conditions summarized below.

3. Conditions to Exemption Order

The exemption is subject to the following conditions:

- the Affiliated Parties continue to have unrestricted access to up-to-date information required under the Client Account Statements Requirement
- the applicant can reproduce a monthly or quarterly account statement upon request by the Affiliated Parties
- the applicant maintains records in accordance with DMRs 17.2 and 200.2.

As is standard for exemption orders of this type, the exemption order also specified that:

- the Board can revoke the exemption order issued at any time
- the exemption order is void upon the earliest of the following:
 - the implementation of any applicable amendments made to the rules by IIROC or the provincial securities commissions relating to client account statements
 - the applicant’s breach of any of the representations made in its application
 - the applicant’s breach of any of the conditions to the exemption order.

4. Questions and Further Information

For questions or further information concerning this Notice, contact:

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