

# IIROC NOTICE

## Rules Notice

### Technical

Dealer Member Rules

*Please distribute internally to:*

Institutional  
Legal and Compliance  
Senior Management  
Trading Desk  
Retail

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**19-0133**  
**August 6, 2019**

## Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only Accounts

### Executive Summary

On September 6, 2019, amendments to the Dealer Member Rules come into effect respecting order execution services (**OES**).<sup>1</sup> The amendments, among other things, expand the current requirements for identifiers by Dealer Members that provide order execution only services (**OES Dealers**) to identify:

- an entity that is registered or exempted from registration as an adviser in accordance with securities laws (**registered adviser**) and has been granted trading authority, direction or control (**control**) over an OES account
- an entity that is in the business of trading securities in a foreign jurisdiction in a manner analogous to an adviser (**foreign adviser equivalent**) and that has control over an OES account

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<sup>1</sup> See IIROC Notice 19-0101 – Rules Notice – Notice of Approval – Dealer Member Rules – Amendments to *Provisions Respecting Order Execution Service Eligibility and Adviser Identifiers* (June 6, 2019).



In each case, OES Dealers will be required to:

- provide IIROC with the legal name of the registered adviser or foreign adviser equivalent associated with the unique identifier; and
- ensure that the unique identifiers are included on all orders sent to marketplace for an account over which the registered adviser or foreign adviser equivalent has control.

This notice provides responses to frequently asked questions respecting the use of the unique identifiers.

## Questions and Answers

The following are specific questions and IIROC's response to each question.

### 1. What form of unique identifier is IIROC requiring?

Account numbers are the acceptable form of unique identifier. This is the same as currently required.

### 2. How is the unique identifier transmitted on each applicable order?

On each order entered and sent to a marketplace for or on behalf of each OES account requiring the use of a unique identifier, the account number must be included in the ACCOUNT\_ID field (also known as FIX tag 1).

### 3. How does an OES Dealer notify IIROC of unique identifiers and corresponding identity where applicable?

IIROC provides a downloadable spreadsheet template on its website to facilitate reporting ([www.iiroc.ca](http://www.iiroc.ca)). You can access this spreadsheet through the "regulatory reporting" tab and by selecting "OES Notice Form". Once completed with the required information, you can submit the form via secure e-mail to [ETRReporting@IIROC.ca](mailto:ETRReporting@IIROC.ca) or via ShareFile.<sup>2</sup> You must submit a completed form each time the use of a new unique identifier is required. IIROC expects that OES Dealers would report the unique identifier no later than 10 days following the month during which use of a new unique identifier is required. A sample of the spreadsheet template has been included with this notice as Appendix A.

### 4. What legal name and account number do I report to IIROC when an account is both a highly active client AND a registered adviser or a foreign dealer equivalent has control or authority over the account?

We only expect the legal name of the registered adviser or foreign adviser equivalent and the associated account number to be reported to IIROC.

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<sup>2</sup> See IIROC [Notice 14-0186](#) – Rules Notice – UMIR and DMR – Technical – *Requirements for Secure Electronic Regulatory Communication* (July 24, 2014).



**5. In the instance where there is a highly active client that subsequently provides trading authority over its account to a registered adviser or foreign adviser equivalent, do I need to send an updated report to IIROC with the name of the registered adviser or foreign adviser equivalent?**

Yes. IIROC expects that an OES Dealer would submit an updated OES Notice Form providing the name of the registered adviser or foreign adviser equivalent along with the associated account once the authority over the account is granted. We expect that OES Dealers would file this updated report with IIROC no later than 10 days following the month during which the authority was granted.

**6. When do I need to begin notifying IIROC of any accounts requiring a unique identifier under the amendments?**

All OES Dealers must initially identify the account and report to IIROC each unique identifier related to the account by no later than **September 6, 2019**. This initial report would rely on August, 2019 account activity. IIROC expects that once a unique identifier has been reported, each order sent to a marketplace includes the unique identifier.

**7. If a registered adviser or foreign adviser equivalent no longer has control over an OES account, do I notify IIROC to have the unique identifier removed?**

Yes.



Appendix A

	<b>Identification of Highly Active Order Execution Only Clients, Registered Advisers and Foreign Adviser Equivalents</b>		
	(Please submit via ShareFile or <a href="mailto:ETRReporting@IIROC.ca">ETRReporting@IIROC.ca</a> )		
	<b>Dealer Member Name:</b>		
<b>Category (select from drop down menu)</b> <ul style="list-style-type: none"> <li>• Registered Adviser</li> <li>• Foreign Adviser Equivalent</li> <li>• Highly Active Client</li> </ul>	<b>Legal Name</b>	<b>Account Number</b>	<b>Effective Date yyyy/mm/dd</b>