

IIROC NOTICE

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Withdrawal of amendments to Dealer Member Rules and Form 1 relating to the futures market segregation and portability customer-protection regime

Overview

On May 18, 2017, IIROC published for comment proposed amendments to its Dealer Member Rules (**DMRs**) and *Form 1* (collectively, the **Proposed Amendments**) in IIROC Rules Notice [17-0110](#). The primary objective of the Proposed Amendments was to codify DMR requirements that restrict linkages between a Dealer Member's futures business and its other business lines to facilitate the adoption of a customer protection segregation and portability (**Seg & Port**) regime by Central Clearing Counterparties (**CCPs**) serving the futures market.

IIROC acknowledged, and commenters expressed concern, that there remain key issues that need to be resolved before the full implementation of the Canadian futures market Seg & Port regime. We based the Proposed Amendments on ICE Clear Canada's (**ICCA**) Gross Customer Margin (**GCM**) segregation and portability model, with the understanding that Canadian



Derivatives Clearing Corporation (**CDCC**) would implement a similar GCM model in the near future. ICCA has since transitioned the trading and clearing of its canola futures contracts to its U.S. operations¹, and CDCC has extended the timeline for its projected implementation of a Seg & Port model.

Withdrawal

In light of the comments received, the passage of time, and recent developments at the Canadian futures market CCPs, we have withdrawn the Proposed Amendments. We have informed the Canadian Securities Administrators (**CSA**) that we have withdrawn the Proposed Amendments at this time, and they are supportive of our decision. We are reviewing developments at CDCC, and we expect to revisit this matter, and publish a new proposal after CDCC outlines the framework and timeline for implementing its Seg & Port model.

Please refer any questions to:

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¹ See ICE Clear Canada, “Transition of Canola Markets to ICE Futures US / ICE Clear US (May 1, 2018)”, (https://www.theice.com/publicdocs/clear_canada/notices/2018_05_01_Transition_of_Canola_Contract_ICCA.pdf)