

IIROC NOTICE

Rules Notice Guidance Note Dealer Member Rules

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E-Signatures

IIROC requirements (collectively, **Rules**) set out various circumstances where a signature is required to evidence:

- the execution of agreements and contracts
- consents or notifications to clients (collectively, **signature requirements**).¹

Our Rules do not prescribe the specific form that a signature must take. Dealers may choose the form of signature, for example wet signatures² or electronic signatures/e-signatures³ (including digital signatures⁴), that they will require or accept. Regardless of their choice, Dealers should have appropriate policies and procedures (**P&Ps**) in place to meet our signature

¹ See section 4 of this Guidance for IIROC Rules requiring a signature or an “executed” agreement.

² A “wet signature” is created when a person physically signs a document.

³ An “electronic signature” refers to electronic information that a person creates or adopts in order to sign a document and that is in, attached to or associated with the document. Some examples include: (i) a typed name on an electronic form or document; (ii) an image of a handwritten signature on a transmitted fax, (iii) clicking “agree” or “disagree” on an electronic “terms and agreements” contract, and (iv) a handwritten but digitally captured signature made on a touch device, such as a tablet or smartphone (sometimes referred to as a “dynamic signature”).

⁴ A “digital signature” is a type of electronic signature that includes a certificate of authority to identify both the party requesting a signature and the party providing one.

requirements and act in good faith in applying those P&Ps. Dealers are reminded to consider other applicable laws relating to signatures on documents when establishing their P&Ps.

1. Act in good faith

We have heard that, in some circumstances, Dealers have inappropriately delayed transfers due to their wet signature policy. Where a Dealer chooses to require wet signatures to fulfill our signature requirements, we expect the Dealer, as in all cases, to act in good faith and not delay an account transfer because of its own wet signature policy. In cases where a Dealer requires wet signatures and receives an account transfer request from another registrant with an e-signature policy, it should, as soon as possible:

- inform the other registrant of its wet signature policy
- advise the other registrant of the information it requires to facilitate a timely account transfer.

Also, we expect a Dealer's signature policy to be applied consistently. For example, Dealers should not have different signature policies for transfers-in and transfers-out.

2. Applicable laws

Where a Dealer chooses to require e-signatures to fulfill the signature requirements, its P&Ps and practices must be consistent with all applicable laws. For example, the *Uniform Electronic Commerce Act (Canada)*⁵, the *Personal Information Protection and Electronic Documents Act*, provincial legislation related to electronic commerce⁶ and any other applicable laws relating to the subject matter for which a signature requirement relates⁷.

Dealers should be mindful that applicable laws require a wet signature be used for certain contracts and documents such as certain Powers of Attorney, wills or trusts.

3. Previous Guidance Note and Implementation

This Guidance replaces [Member Regulation Notice MR0177](#) – *Electronic Signatures*, dated November 18, 2002, effective immediately.

⁵ The *Uniform Electronic Commerce Act (Canada)* was developed by the Uniform Law Conference of Canada and, in September of 1999, the ULCC recommended it for adoption by provincial legislatures. Most of the provincial legislation is based on this Act.

⁶ Most provinces and territories in Canada have passed legislation to facilitate e-commerce and recognize electronic signatures and documents. See: British Columbia: *Electronic Transactions Act*, Alberta: *Electronic Transactions Act*, Saskatchewan: *Electronic Information and Documents Act, 2000*, Manitoba: *Electronic Commerce and Information Act*, Ontario: *Electronic Commerce Act, 2000*, Quebec: *An Act to establish a legal framework for information technology, R.S.Q., C-1.1*, Nova Scotia: *Electronic Commerce Act*, New Brunswick: *Electronic Transactions Act*, Prince Edward Island: *Electronic Commerce Act*, Newfoundland and Labrador: *Electronic Commerce Act*, Yukon: *Electronic Commerce Act*, Nunavut: *Electronic Commerce Act*.

⁷ For example, applicable anti-money laundering legislations.

4. Applicable Rules

This Guidance relates to the following IIROC Rules⁸:

- Subsection 1104(1) [New to PLR]
- Clause 2216(13)(ii) [DMR 2400(1)-(5)]
- Clause 3213(2)(iv) [DMR 2500 Part I (F)(1)]
- Clause 3216(7)(ii) [DMR 3500.7]
- Clause 3220(1)(iii) [DMR 200.2(m)(iii)]
- Clause 3241(3)(i) [DMR 3200A(3)(d)]
- Clause 3247(1)(ii) [DMR 200.2(m)]
- Clause 3252(1)(ii) [DMR 2500 Part V (A)(2)]
- Clause 3257(1)(ii) [DMR 2500 Part VI (A)(1)] & DMR 1800.2(b)]
- Clauses 3273(1)(iv) and (v) [DMR 1300.5(b)-(c)]
- Clause 3509(2)(ii) [DMR 29.13(b)(ii)]
- Clause 4185(1)(ii) [DMR 100.16]
- Subsection 4186(1) [DMR 300.2(a)(vii)]
- Clause 4351(1)(ii) [Form 1, General Notes]
- Subsection 4353(1) [DMR Rule 2600, Statement 4, Procedure 3]
- Subsection 4422(5) [DMR Rule 2600, Statement 6, Procedure 1]
- Subsection 4424(6) [DMR Rule 2600, Statement 6, Procedure 3]
- Subsections 4433(7)-(9) [DMR Rule 2600, Statement 6, Procedure 12]
- Sub-clause 4456(1)(v)(b) [DMR 400.2]
- Clauses 4808(5)(ii) & 6(iii) [DMR 800.30 & 800.32]
- Clause 4860(1)(ii) [DMR 2300.7]
- Clause 5725(2)(ii) [DMR 100.9(e)(i), 100.10(e)(i) & (iii)]
- Clauses 5820(1)(i)&(iii) [DMR 100.15(f) & (i)]
- Subsections 5840(5) [DMR 2200.2(e)]
- Subsection 5850 [Form 1, Schedules 1 and 7]
- Subsection 7305(7) [DMR 2100.6]
- Consolidated Rules 8416(9)(iii)
- Consolidated Rules 8418(1)(ii)
- Consolidated Rules 8419(1)-(3)

⁸ To assist readers, we have referenced the applicable Plain Language Rule Book (**PLR**) provisions (see [Notice 18-0014](#) - *Re-publication of Proposed IIROC Dealer Member Plain Language Rule Book*). We have also included, in brackets, the current Dealer Member Rule (**DMR**) or applicable IIROC requirement relating to the PLR provision. Since PLR is not yet effective, we have shaded these references in grey. Upon implementation of PLR, we will remove the grey shading, delete the bracketed language and delete this footnote.