

# IIROC NOTICE

**Rules Notice**  
**Notice of Approval/Implementation**  
Dealer Member Rules

*Please distribute internally to:*

Institutional  
Legal and Compliance  
Senior Management  
Trading Desk  
Retail

**Implementation Date: June 1, 2020**

*Contact:*

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**19-0147**  
**August 22, 2019**

## Investment in a Dealer Member – Changes to Forms and Guidance

The Canadian Securities Administrators (**CSA**) have approved IIROC's:

- Investor Application Form (Appendix A)
- Investor Notification Form (Appendix C)

(collectively, the **Forms**), and our:

- Guidance – Investment in a Dealer Member – Notification and Approval (Appendix E) (the **Guidance**).

On June 1, 2020, the following will be repealed:

- [Investor Application Form](#) (06/2008)
- [Investor Notification Form](#) (07/2008)
- [MR0308 Investor Notification and Approval Process](#)
- [MR0142 Investor Notification and Approval Process](#)
- [MR0074 Changes in Ownership or Share Capital of Member Firm and Holding Companies](#)

and the Forms and Guidance will be implemented.



## 1. Background

On March 9, 2017, we published proposed amendments to the Forms and the Guidance for a 60-day comment period in Notice 17-0055 - Investment in a Dealer Member – Proposed Changes to Forms and Guidance (Notice 17-0055). With a few non-material changes, we are now publishing the final versions of the Forms and Guidance.

We are implementing the Forms and Guidance simultaneously with the IIROC Rules<sup>1</sup> because sections 2106 and 2108 of these rules set out the requirements to complete the Forms.

### 1.1 What are the Forms and Guidance used for?

In sections 2106 and 2108 of the IIROC Rules, we require Dealer Members complete the Forms to:

- seek approval for any transaction that will permit an investor to own a significant equity interest<sup>2</sup> in the Dealer Member (Investor Application Form), or
- notify IIROC of an investment that is a non-significant equity interest (Investor Notification Form).

In the Guidance, we clarify the requirements in sections 2106 and 2108 of the IIROC Rules and explain the differences between the approval and notification processes.

### 1.2 Why did we update the Forms and Guidance?

We changed the Forms to reflect current practices and increase the efficiency of the application process.

We updated the Guidance to:

- harmonize with National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**NI 31-103**) and Companion Policy 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**CP 31-103**), and
- ensure consistency with sections 2106 and 2108 of the IIROC Rules.

## 2. Comments Received

We received two comment letters in response to Notice 17-0055 (**Comments**). We summarize our response to these comments letters in Appendix G.

## 3. Non-Material Changes

After reviewing the comments received, we made minor drafting changes and the following non-material changes to the Forms and Guidance:

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<sup>1</sup> As described in Notice [19-0144](#), the Dealer Member Plain Language Rule Book is now known as the IIROC Rules.

<sup>2</sup> See IIROC Rules section 2102(1) for a definition of “significant equity interest”



### **3.1 Investor Application Form**

- eliminated proposed sections 2(b), (c) and (d) of the proposed Investor Application Form as these sections were duplicative of sections of Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals*
- included the Chief Financial Officer as an alternate signatory to the Investor Application Form

### **3.2 Guidance – Investment in a Dealer Member – Notification and Approval**

- clarified that notifications of subsequent investments must also be submitted 20 days prior to the transaction
- addressed the purchase of convertible securities
- added information on filing forms required by Canadian securities laws.

We reflected these changes in the blacklined documents in Appendices B, D and F.

## **4. Implementation**

The Forms and Guidance will be effective on June 1, 2020.

The Forms will replace their previous versions from 2008. We will repeal the 2008 versions on June 1, 2020.

The Guidance will replace:

- [MR0308 Investor Notification and Approval Process](#)
- [MR0142 Investor Notification and Approval Process](#)
- [MR0074 Changes in Ownership or Share Capital of Member Firm and Holding Companies](#)

which will be repealed on June 1, 2020.

We will post the Forms on our website in fillable PDF format.

## **5. Appendices**

[Appendix A](#) - Investor Application Form (clean)

[Appendix B](#) - Investor Application Form (blackline)

[Appendix C](#) - Investor Notification Form (clean)

[Appendix D](#) - Investor Notification Form (blackline)

[Appendix E](#) - Guidance – Investment in a Dealer Member – Notification and Approval (clean)

[Appendix F](#) - Guidance – Investment in a Dealer Member – Notification and Approval (blackline)

[Appendix G](#) - Summary of Comments received and IIROC responses