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IIROC's 2018-2019 Annual Report details progress on Strategic Plan, enhancements in regulatory activities and legislative changes that strengthen enforcement authority

September 3, 2019 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC) today released its Annual Report for 2018-2019, highlighting progress to position the organization for the years ahead.

“We successfully completed our three-year Strategic Plan and made improvements to more effectively deliver on our mandate to protect investors,” says IIROC President and CEO, Andrew J. Kriegler. “We also took important foundational steps, so that we can be more flexible in supporting industry transformation to better serve Canadian investors.”

Highlights:

- IIROC completed an extensive consultation with the industry in conjunction with Accenture, which culminated in the report *Enabling the Evolution of Advice in Canada*. This foundational report serves as a roadmap for IIROC to better navigate how IIROC can facilitate innovation as well as accommodate new advice and service offerings. It will pave the way for changes to IIROC's regulatory framework, without compromising investor protection or choice.
- IIROC published its plain-language rewrite of existing dealer member rules in August 2019. Implementation will be effective on June 1, 2020, providing the architecture to enable IIROC to keep pace with the industry's rapidly advancing business models and technologies, and Canadian investors' evolving needs.
- The modernized IIROC rules are presented in one consistent style and voice, making them simpler to interpret, and reducing uncertainty and regulatory burden by eliminating duplicative requirements.
- IIROC launched the newest generation of the Nasdaq SMARTS surveillance system. As Canada's overseer of activity in Canada's debt and equity markets, IIROC has the ability to monitor up to one billion messages daily in real time. IIROC can also support cross-market, cross-asset and

cross-trader surveillance and investigation, which can assist in detecting manipulation and fraudulent trading practices, including potential money laundering. The new system positions IIROC with leading-edge capabilities to integrate artificial intelligence and machine learning as well as the surveillance of additional asset classes (such as crypto-assets) in an effective, cost-efficient manner.

- IIROC published a joint consultation paper with the Canadian Securities Administrators (CSA) on a proposed framework for crypto-asset trading platforms in March 2019. IIROC's internal working group continues to actively monitor developments in this industry and is developing a framework to assess new business models in this space.
- To help protect client data at a time when cybersecurity is a complex issue facing all industries, IIROC continues to support firms in their cybersecurity preparedness. This past year, tabletop exercises were conducted for small and mid-size firms, and self-assessments were completed by all firms.
- IIROC proposed two alternative forms of disciplinary action, seeking industry and public comment, and also consulted directly with Canadian investors. Following a review of all stakeholder feedback, IIROC published a revised proposal and initiated a second request for comment in April 2019. Feedback is currently under review.
- As a part of its public interest mandate, IIROC continued to advocate for improved legal authority to strengthen its enforcement actions. IIROC seeks the full enforcement toolkit from jurisdictions across Canada: authority to collect fines directly through the courts; authority to collect and present evidence; and statutory immunity when acting in the public interest. As a result, between April 2018 and June 2019, six provinces and three territories adopted changes, providing IIROC with strengthened legal authority.

IIROC's full Annual Report for 2018-2019 is available in [web format](#) and as a downloadable [PDF](#) on the [IIROC website](#).

About IIROC:

IIROC is the national self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian debt and equity marketplaces.