

# NEWS RELEASE

*For immediate release*

*For further information, please contact:*

Andrea Zviedris  
Manager, Media & Public Affairs  
416-943-6906  
[azviedris@iiroc.ca](mailto:azviedris@iiroc.ca)

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## **IIROC calls for consolidation of self-regulators to better serve and protect Canadians**

*IIROC and MFDA consolidation would save hundreds of millions of dollars of duplicative regulation*

**June 9, 2020 (Toronto, Ontario)** – The Investment Industry Regulatory Organization of Canada (IIROC) today released its proposal, "[\*Improving Self-Regulation for Canadians\*](#)", outlining the benefits of bringing together IIROC and the Mutual Fund Dealers Association of Canada (MFDA) as divisions of a consolidated self-regulatory organization (SRO). Benefits would include enhanced investor protection and access to advice, and a significant reduction in overlapping regulatory burden and red tape.

"We believe our proposal would not only enhance investor protection but would save hundreds of millions of dollars of duplicative regulatory costs over the next decade – money that investment firms could direct toward client service, innovation and economic growth," says Andrew J. Kriegler, IIROC's President and CEO. IIROC has been working with an independent consulting firm to conduct a cost-benefit assessment and will publish this report in the coming weeks.

IIROC's proposal responds to the significant transformation that has been taking place in the investment industry in recent years as firms adapt in order to deliver what today's financial consumers want and need throughout their life stages. "The regulatory ecosystem must evolve so advisors can deliver efficient and cost-effective financial advice and services to Canadians, especially those in under-served or smaller communities," adds Irene Winel, IIROC's Senior Vice-President of Member Regulation and Strategy.

IIROC developed its proposal as a result of extensive dialogue with a diverse number of stakeholders including investors, investment and mutual fund dealers and advisors, professional bodies and industry associations. IIROC's objective was to ensure that any proposal recommended to the Canadian Securities Administrators (CSA) in its upcoming review of the investment industry SROs must:

- Be positive for investors, regardless of where they live or how many assets they have;
- Enhance investor protection;
- Have a positive impact on dealers' and registrants' ability to serve Canadians, regardless of size or business model;
- Reduce duplicative regulatory burden;

- Be straightforward, simple and inexpensive to execute, with minimal disruption to Canadians, the industry, or the CSA oversight regime; and
- Position the SRO model for continued policy streamlining and evolution.

"Our learning from our Evolution of Advice engagement, which has been accelerated by the pandemic, demonstrates that we need to rethink how we regulate in this new reality and continue to be flexible, responsive and supportive of innovation while preserving investor protection," notes Kriegler. "Our proposal can be implemented within three months, delivering real, tangible benefits to Canadians and to the industry within a year of approval from the CSA."

IIROC will participate in the CSA's upcoming consultation and applauds its leadership in exploring ways to modernize the regulatory system in Canada. "By working together and staying current with how the industry and our capital markets are evolving we can achieve our shared goal: a structure that is more efficient, more effective and ultimately leads to better outcomes for Canadians," explains Kriegler.

**About IIROC's stakeholder outreach:**

IIROC's proposal, ["Improving Self-Regulation for Canadians: Consolidating the Investment Industry Regulatory Organization of Canada \(IIROC\) and the Mutual Fund Dealers Association of Canada \(MFDA\)"](#)

Joint IIROC and Accenture report, ["Enabling the Evolution of Advice in Canada"](#)

IIROC's investor research with The Strategic Counsel, ["Access to Advice"](#)

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**About IIROC:**

IIROC is the pan-Canadian 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 175 Canadian investment firms and their nearly 30,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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