

IIROC NOTICE

Rules Notice
Exemption
Dealer Member Rules

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COVID-19 Related Exemptions from IIROC Rules – Applications Received and Exemptions Granted to May 31, 2020

As announced in IIROC Notice 20-0063, [COVID-19 Related Exemptions from IIROC Rules](#), the IIROC Board of Directors approved the offering of exemptive relief in a number of areas relating to hardships Dealer Members are experiencing in complying with related IIROC Dealer Member Rules (DMRs) because of the COVID-19 pandemic. IIROC's objective, in doing so, was to provide firms, where necessary, flexibility to service their clients with mitigating controls or processes to maintain investor protection in this challenging operational environment.

Before issuing an exemption, IIROC must determine that the exemption is not prejudicial to the interests of the Dealer Member, their clients, or the public. IIROC ensures in each case that investor protection is not compromised by the exemption granted and that any alternative approach proposed by the Dealer Member meets the spirit and intent of the underlying IIROC requirement.

IIROC is managing these requests as expeditiously as possible and with fairness, consistency and transparency. This Notice provides an update on the exemption applications received and the exemptions issued during the period ended May 31, 2020.

The next update will be provided for the period ending June 30, 2020.



Areas for exemptive relief

The exemptive relief is available in the following areas:

- Client document approvals
- Timelines for reporting obligations
- Form 1 audit procedures
- Pre-approval requirements
- Supervision requirements
- Suspension of late filing fees
- Margin-related matters
- Registration and proficiency
- Identity verification threshold conformance to federal anti-money laundering legislation (AML) requirements
- Other relief - similar relief to that listed in the preceding items as may be deemed appropriate, subject to the approval of IIROC's President and Chief Executive Officer.

At its meeting on May 27, 2020, the IIROC Board also approved

- relief from automatic suspension under DMR 18.4 and DMR 18.7 where an Approved Person does not meet post-approval proficiency requirements as a result of the Canadian Securities Institute (CSI) suspending all in-person examinations as a result of COVID-19; this will apply to:
 - the requirement for a Registered Representative to complete the Wealth Management Essentials post-licensing requirement within 30 months after his or her approval as an RR (DMR 18.4 and DMR 2900, Part I, A.3(b))
 - the requirement for an Approved Person qualified to conduct mutual funds business only to complete the Canadian Securities Course and the Conduct and Practices Handbook Course (DMR 18.7(d) and DMR 2900, Part I, sections A.3(a)(i)(A) and (B))
- relief from DMR 40.6(1), 40.6(2) and DMR 2900, Part II, Item C.(b) which require Dealer Members to pay a fee, prescribed by the Board, for any exemption applications filed on the National Registration Database (NRD)
 - as a result of the CSI suspending all in-person examinations due to COVID-19, individuals with post-licensing requirements or other registration proficiency requirements involving the writing of a CSI exam are unable to take the necessary examinations to satisfy regulatory obligations. Absent an exemption, in some cases individuals would be suspended and/or dealers would be unable



to register individuals in key positions such as Ultimate Designated Person, Chief Financial Officer and Chief Compliance Officer.

The relief in each case is conditional on the individual completing the outstanding requirements within 120 days of CSI resuming in-person examinations.

Applications received and exemptions issued

During the period, we received a total of 94 applications for relief from 46 different member firms from all regions, and representing a range of firm sizes and business models. The applications received and exemptions granted by category listed in Notice 20-0063 are summarized as follows (as at May 31, 2020):

- Wet signatures – 17 applications received; 13 exemptions issued
- Auditor procedures – 7 applications received; 6 exemptions issued
- Supervision – registrant accounts – 22 applications received; 17 exemptions issued
- Supervision – trade reviews – 6 applications received; 4 exemptions issued
- Waiver of late filing fees – 10 application received; 8 exemptions issued
- Margin related relief – 2 applications received; 2 exemptions issued
- Registration and proficiency – most applications received are being or have been processed in the ordinary manner by the applicable District Council
- Client verification requirements – 5 applications received; 5 exemptions granted.

Applications for which exemptions had not been issued were still under review as at May 31, 2020.

Process for requesting exemptive relief

Please see IIROC Notice 20-0063, *COVID-19 Related Exemptions from IIROC Rules* for details of the process for requesting exemptive relief.