

IIROC NOTICE

Rules Notice
Exemption
Dealer Member Rules

Please distribute internally to:
Institutional
Legal and Compliance
Operations
Registration
Retail
Senior Management

Contact:

Mark Stechishin
Associate General Counsel
Telephone: 416-943-5878
e-mail: mstechishin@iiroc.ca

20-0092
May 6, 2020

COVID-19 Related Exemptions from IIROC Rules – Applications Received and Exemptions Granted to April 30, 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 April 30, 2020.

The next update will be provided for the period ended May 31, 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.

Applications received and exemptions issued

During the period, we received a total of 72 applications for relief from 36 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 April 30, 2020):

- Wet signatures – 13 applications received; 10 exemptions issued
- Auditor procedures – 7 applications received; 6 exemptions issued
- Supervision – registrant accounts – 15 applications received; 12 exemptions issued
- Supervision – trade reviews – 3 applications received; 3 exemptions issued
- Waiver of late filing fees – 5 application received; 5 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 April 30, 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.