

IIROC NOTICE

Rules Notice
Notice of Approval/Implementation
IIROC Rules

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Contact:

Charles Piroli
Director, Member Regulation Policy
Telephone: 416.943.6928
e-mail: cpiroli@iiroc.ca

Madeleine A. Cooper
Policy Counsel, Member Regulation Policy
Telephone: 416.646.7203
e-mail: mcooper@iiroc.ca

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Guidance Review Project – Group 1

Executive Summary

IIROC is publishing five Guidance Notes (the **Group 1 Guidance**) to ensure we have guidance consistent with the final IIROC Rules.¹ The Group 1 Guidance:

- is re-written in plain language,
- describes the new registration requirements introduced as part of the final IIROC Rules, and
- replaces portions of IIROC's current Dealer Member Rules (**DMRs**) that were not carried forward in the IIROC Rules on the basis that such portions were more appropriate for guidance.

¹ See [Notice 19-0144](#) for more information on the implementation of the IIROC Rules.



The Group 1 Guidance is the first series of guidance we are publishing to coincide with the implementation of the final IIROC Rules.

1. Background

1.1 Guidance Review Project Overview

In conjunction with the project to rewrite, reformat, rationalize and reorganize our DMRs in plain language², IIROC staff undertook a review of our existing guidance (the **Guidance Review Project**).

The purpose of the Guidance Review Project is to ensure all current IIROC guidance is consistent with the IIROC Rules (formerly known as the Dealer Member Plain Language Rule Book), which will be effective June 1, 2020.³ In this project, we:

- updated the content of current guidance to reflect the IIROC Rules,
- adopted a standard guidance template,
- archived historical, redundant or out-of-date guidance, and
- implemented a new numbering system to identify and organize guidance.⁴

To assist Dealers in navigating new guidance we will:

- redesign the IIROC website to make guidance easier to find, and
- publish a Table of Concordance to identify old guidance that has been updated.

1.2 Guidance Categories

As part of the Guidance Review Project we organized existing IIROC guidance into five categories:

1. **Group 1:** Rewritten in plain language to be consistent with the IIROC Rules when implemented. Primarily includes content from our existing DMRs which was moved to guidance on the basis that such portions were more appropriate for guidance. Also describes the new registration requirements introduced as part of the final IIROC Rules.
2. **Group 2:** Reflects minor content adjustments to ensure consistency with the IIROC Rules. In some cases we combined related guidance into one document.
3. **Group 3:** Reflects updates to rule references to ensure consistency with the IIROC Rules.
4. **Historical:** Guidance that is no longer relevant or current, which will be moved to a newly created “Historical” page on our website.
5. **Separate Project:** Guidance that is being updated as part of a separate project.

We will publish Group 2 and Group 3 guidance during the course of the implementation period and before the effective date of the IIROC Rules.

² See [Notice 19-0144](#) for more information on this project (the **PLR Project**).

³ See [Notice 19-0144](#) for more information on the IIROC Rules.

⁴ Described more fully in section 4 below.



2. Group 1 Guidance

In this section, we describe each of the Group 1 Guidance in more detail. We have updated the language and rule references in all Group 1 Guidance to align with the IIROC Rules and language style.

2.1 Research Report Disclosures and Best Practices (GN-3600-20-001)

This Guidance Note:

- replaces guidance contained in [MR0196](#), [MR0248](#), and [Notice 12-0369](#),
- incorporates provisions regarding research report best practices from [DMR 3400](#), specifically “Guidelines”, into guidance, and
- implements guidance that had been previously published for comment in [Notice 10-0266](#) as *Guidance Note 3600-3 – Research Report Disclosures and Best Practices*, along with the corresponding rule in the IIROC Rules.

2.2 Registration Changes (GN-2600-20-001)

This Guidance Note:

- describes the new registration requirements introduced as part of the PLR Project, and
- updates guidance previously contained in [Notice 09-0227](#) and [Notice 09-0268](#).

2.3 Account Supervision Guidance (GN-3900-20-001)

This Guidance Note:

- incorporates provisions regarding supervisory structures, a Dealer’s systems and procedures and supervision of account activity in general from [DMR 2500](#) into guidance, and
- implements guidance that had been previously published for comment in [Notice 10-0266](#) as *Guidance Note 3900-1- Supervision of Accounts*, along with the corresponding rule in the IIROC Rules.

2.4 Shared Premises (GN-2200-20-001)

This Guidance Note:

- incorporates provisions regarding sharing office premises with another financial services entity from [DMR 2400](#), specifically “Minimum Standards for Shared Premises”, into guidance, and
- implements guidance that had been previously published for comment in [Notice 11-0061](#) as *Guidance Note 2150-2 – Shared Premises*, along with the corresponding rule in the IIROC Rules.

2.5 Content of Books and Records (GN-3800-20-001)

This Guidance Note:



- incorporates best practices regarding the content of certain portions of a Dealer’s books and records from [DMR 200.2](#), specifically “Guide to interpretation of 200.2”, into guidance, and
- implements guidance that had been previously published for comment in [Notice 10-0266](#) as *Guidance Note 3800-2 and 3800-3 - Content and Retention of Books and Records*, along with the corresponding rule in the IIROC Rules.

3. Future Policy Initiatives

As part of ongoing policy initiatives, we may re-visit some of the topics covered by the Group 1 Guidance. For example, in our [Strategic Plan and Priorities](#), we discuss modernizing our approach to supervision. This may result in future updates to GN-3900-20-001. However, we are publishing GN-3900-20-001 now to provide Dealers with guidance on Rule 3900 while we continue to work on this separate project. We will describe any other future projects that impact the Group 1 Guidance in our [Policy Priorities Update Report](#).

4. Guidance Numbering System

We are implementing a new numbering system for any guidance relating to the IIROC Rules. The new numbering system will clarify the primary subject matter to which the guidance relates. For example, “GN-3600-20-001” indicates as follows:

- “GN” refers to Guidance Note,
- “3600” indicates the rule of the IIROC Rules that is primary subject matter of the guidance (Communications with the Public),
- “20” refers to the year the guidance is effective, and
- “001” refers to the chronology of guidance published on this primary subject matter.

5. Effective date of the Group 1 Guidance

The Group 1 Guidance will become effective on the same day the IIROC Rules become effective, June 1, 2020.

6. Appendices

[Appendix A – Research Report Disclosures and Best Practices \(GN-3600-20-001\)](#)

[Appendix B – Registration Changes \(GN-2600-20-001\)](#)

[Appendix C – Account Supervision Guidance \(GN-3900-20-001\)](#)

[Appendix D – Shared Premises \(GN-2200-20-001\)](#)

[Appendix E – Content of Books and Records Guidance \(GN-3800-20-001\)](#)