

# IIROC NOTICE

## Rules Notice

### Notice of Withdrawal

UMIR and the IIROC Rules

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Legal and Compliance  
Senior Management  
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Contact:

Theodora Lam

Senior Policy Counsel, Market Regulation Policy

Telephone: 416-646-7280

e-mail: [tlam@iiroc.ca](mailto:tlam@iiroc.ca)

Madeleine A. Cooper

Policy Counsel, Member Regulation Policy

Telephone: 416-646-7203

email: [mcooper@iiroc.ca](mailto:mcooper@iiroc.ca)

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## Withdrawal of the Proposed Amendments and Proposed Guidance Respecting Non-Clients

### Overview

On September 5, 2019, IIROC published for comment proposed amendments (**Proposed Amendments**) to IIROC's Universal Market Integrity Rules (**UMIR**) and the IIROC Rules in IIROC Notice [19-0157](#) – *Proposed Amendments Respecting Non-Clients* along with proposed guidance in IIROC Notice [19-0158](#) – *Proposed Guidance Respecting Non-Clients (Proposed Guidance)*, which would:

- replace the definition of a “non-client order” or “non-client account”<sup>1</sup> with new definitions of “Dealer Related Person order” and “Dealer Related Person account”

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<sup>1</sup> IIROC Notice No. [16-0052](#) – Rules Notice – Request for Comments – DMR - *Re-Publication of Proposed IIROC Dealer Member Plain Language Rule Book* (March 10, 2016) proposed a new definition of non-client orders or non-client accounts to mean:

“non-client accounts” or “non-client orders” mean accounts or orders in which the *Dealer Member* or an *Approved Person* has a direct or indirect interest other than the commission charged.



- introduce a new definition of “Dealer Member account” into the IIROC Rules.

The Proposed Amendments and Proposed Guidance were developed to address industry requests for clarity on the application of IIROC requirements around “non-client” or “pro” accounts. As a result, we worked with a special working group of industry stakeholders to draft the rules proposal.

However, public commenters expressed concern with proceeding with the Proposed Amendments and Proposed Guidance due to their potential industry impact. In light of these concerns, we have decided to withdraw the Proposed Amendments and Proposed Guidance. We will consider issuing new guidance on the interpretation of the definition of a “non-client order” or “non-client account” where deemed appropriate.

### **Withdrawal**

IIROC has informed the Canadian Securities Administrators that it has withdrawn the Proposed Amendments and Proposed Guidance.

Questions may be referred to:

Theodora Lam  
Senior Policy Counsel, Market Regulation Policy  
Investment Industry Regulatory Organization of Canada  
Telephone: 416-646-7280  
e-mail: [tlam@iiroc.ca](mailto:tlam@iiroc.ca)

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UMIR 1.1 defines a “non-client order” to mean an order for the purchase or sale of a security received or originated by a Participant for an account:

- (a) for a partner, director, officer or a person holding a similar position or acting in a similar capacity of the Participant or of a related entity of the Participant;
- (b) for an employee of the Participant or of a related entity of the Participant who holds approval from an Exchange or a self-regulatory entity; or
- (c) which is considered to be an employee account or a non-client account by a self-regulatory entity, but does not include a principal account.