

For Immediate Release
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IIROC and CSA provide update on conflicts of interest arising from soliciting dealer arrangements

Calgary and Toronto – The Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Securities Administrators (CSA) today published an update about the management of conflicts of interest arising from soliciting dealer arrangements.

Following initial targeted consultation in 2018, the CSA published CSA Staff Notice 61-303 and Request for Comment *Soliciting Dealer Arrangements*, inviting further feedback from stakeholders. After the comment period ended and after reviewing the feedback, IIROC and the CSA determined that the publication of the guidance contained in [IIROC Notice 19-0092 *Managing Conflicts of Interest arising from Soliciting Dealer Arrangements \(the Notice\)*](#) would provide the most appropriate and effective means of addressing regulatory concerns associated with soliciting dealer arrangements.

IIROC consulted with IIROC Dealer Members (Dealers), its advisory committees, the CSA and considered the comments received in response to the CSA’s Staff Notice and Request for Comment, when drafting the guidance.

The Notice sets out IIROC’s view that in some cases, conflicts of interest arising from soliciting dealer arrangements can be managed through appropriate policies and procedures. In other cases, where conflicts are or appear to be unmanageable, they should be avoided. For example, Dealers should avoid arrangements that contemplate one-sided or success-based fees in contested director elections.

“Today’s guidance provides our Dealers with greater clarity about the circumstances where conflicts of interest associated with soliciting dealer arrangements can be managed or should be avoided,” said Irene Winel, Senior Vice-President, Member Regulation and Strategy, IIROC.

“We welcome IIROC’s guidance concerning soliciting dealer arrangements,” said Louis Morisset, CSA Chair and President and Chief Executive Officer of the Autorité des marchés financiers. “We’re pleased with the collaborative work carried out by IIROC and the CSA under this initiative.”

Soliciting dealer arrangements are agreements that incentivize Dealers to encourage securityholders of an issuer to vote their securities or take action in connection with an acquisition or other transaction involving the issuer. For instance, an issuer may agree to pay a Dealer a fee for each vote solicited from securityholders in respect of a securityholder meeting. These arrangements can raise regulatory concerns about the ability of a participating Dealer to comply with IIROC’s conflicts rule and related guidance.

The Notice is available on IIROC's [website](#).

IIROC is the national self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC carries out its regulatory responsibilities under Recognition Orders from the provincial securities commissions that make up the Canadian Securities Administrators (CSA).

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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For Investor inquiries, please refer to your respective securities regulator. You can contact them here.

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