

10.4 Extension of Restrictions

- (1) A related entity of a Participant and a director, officer, partner or employee of the Participant or a related entity of the Participant shall:
 - (a) comply with the provisions of UMIR and any Policies with respect to specific unacceptable activities, manipulative and deceptive activities, short sales and frontrunning as if references to “Participant” in Rules 2.1, 2.2, 2.3, 3.1 and 4.1 included reference to such person; and
 - (b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to penalties and remedies set out in this Part.

- (2) A related entity of an Access Person and a director, officer, partner or employee of the Access Person or a related entity of the Access Person shall in respect of trading on a marketplace on behalf of the Access Person or related entity of the Access Person:
 - (a) comply with the provisions of UMIR and any Policies with respect to specific unacceptable activities, manipulative and deceptive activities and short sales as if references to “Access Person” in Rules 2.1, 2.2, 2.3 and 3.1 included reference to such person; and
 - (b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to the penalties and remedies set out in this Part.

- (3) If, in the opinion of a Market Regulator, a particular person to whom UMIR applies, including any particular person to whom UMIR has been extended in accordance with subsection (1) and (2), has organized their business and affairs for the purpose of avoiding the application of any provision of UMIR, the Market Regulator may designate any person involved in such business and affairs as a person acting in conjunction with the particular person.

- (4) Upon a Market Regulator making a designation in accordance with subsection (3), the Market Regulator shall provide notice of such designation to:
 - (a) the particular person;
 - (b) the designated person;
 - (c) each Market Regulator; and
 - (d) each applicable securities regulatory authority.

| | |
|----------------------------------|--|
| Defined Terms: | <p>NI 14 101 section 1.1(3) – “securities regulatory authority”</p> <p>UMIR section 1.1 – “Access Person”, “employee”, “Market Regulator”, “marketplace”, “Participant”, “Policy”, “related entity”, “short sale” and “UMIR”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Regulatory History: | <p>Effective April 1, 2005, the applicable securities commissions approved amendments to Rule 10.4 in clause (1) (a) and (2)(a) to add reference to Rule 2.3 and substitute “activities” for “method of trading”. See Market Integrity Notice 2005-011 – “Provisions Respecting Manipulative and Deceptive Activities” (April 1, 2005).</p> <p>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 10.4 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</p> <p>Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 - “Amendments to the French version of UMIR” (December 9, 2013).</p> <p>Effective September 1, 2016, the applicable securities commissions approved amendments to make editorial changes to Rule 10.4. See IIROC Notice 16-0122 – “Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules” (June 9, 2016).</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of David Avery Little (“Little”)</u> (December 22, 2003) OOS 2003-014. See Disciplinary Proceedings under 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of Gerald Douglas Phillips (“Phillips”)</u> (February 26, 2004) SA 2004-002. See Disciplinary Proceedings under 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of Louis Anthony De Jong (“DeJong”) and Dwayne Barrington Nash (“Nash”)</u> (July 29, 2004) Decision 2004-004. See Disciplinary Proceedings under 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of Glen Grossmith (“Grossmith”)</u> (July 18, 2005) SA 2005-004. See Disciplinary Proceedings under Rule 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of W. Scott Leckie</u> (July 19, 2005) SA 2005-005. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1)(a) was considered <u>In the Matter of Ian Macdonald, Edward Boyd, Peter Dennis and David Singh</u> (July 28, 2005) SA 2005-006. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of Martin Fabi (“Fabi”)</u> (October 27, 2008) DN 08-0159. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of Tony D’Ugo (“D’Ugo”)</u> (April 6, 2010) DN 10-0093. See Disciplinary Proceedings under Rule 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of Francesco Mauro (“Mauro”) and Scott Fraser Harding (“Harding”)</u> (May 25, 2010) DN 10-0149. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of James Martin MacMenamin (“MacMenamin”)</u> (June 3, 2010) DN 10-0162. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of National Bank Financial (“NBF”), Paul Clarke (“Clarke”) and Todd O’Reilly (“O’Reilly”)</u> (January 21, 2011) DN 11-0029 and DN 11-0030. See Disciplinary Proceedings under Rule 2.1.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of Gary John Williamson (“Williamson”)</u> (February 28, 2011) DN 11-0085. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of Donald Dean MacKenzie (“MacKenzie”)</u> (May 12, 2011) DN 11-0152. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4(1) was considered <u>In the Matter of David Charles Parkinson (“Parkinson”)</u> (February 22, 2012) DN 12-0061. See Disciplinary Proceedings under Rule 2.2.</p> |
| Disciplinary Proceedings: | <p>Rule 10.4 was considered <u>In the Matter of William Geddes (“Geddes”)</u> (March 15, 2012) DN 12-0098. See Disciplinary Proceedings under Rule 2.2.</p> |