

IIROC Policy Priorities - Update Report

LEGEND	Orange coding means the initiative has been published in its final form and is currently in the implementation phase. This may require immediate attention from Dealer Members.
	Yellow coding means the initiative may require attention from Dealer Members within the next 3 months .
	Blue coding means the initiative may require attention from Dealer Members within the next 3 to 6 months .
	Green coding means the initiative may require attention from Dealer Members within the next 6 to 12 months .



As at January 11, 2022

Introduction

This document describes the policy initiatives that we anticipate implementing and/or publishing for comment over the next 12 months. For each initiative, we've provided our estimate of when Dealer Members may be required to take appropriate action. This information will help Dealer Members to anticipate, plan for and/or respond to policy initiatives on a timely and efficient basis.

Except for initiatives where we have published an Implementation Notice or Notice of Approval with an effective date, all next step dates are IIROC staff's best estimate.

Legend for "Rules"

- [IIROC Rules](#)* – IR
- [IIROC Universal Market Integrity Rules](#) – UMIR

*Please see the "Plain Language Dealer Member Rules Rewrite Project (IIROC Rules)" initiative in this report.

We will update this chart on a quarterly basis.

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INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Proposed Amendment to IROC By-law No. 1 Regarding the Definition of "Marketplace"	By-law No. 1	Member approval received at the IROC Annual and Special Meeting on September 21, 2021.	Amendment to Section 1.1 of IROC By-law No. 1 to change the definition of "Marketplace".	Amendments effective September 21, 2021.
Plain Language Dealer Member Rules Rewrite Project (IROC Rules)	IR	<p>Notice of Approval published on August 22, 2019 in Rules Notice 19-0144.</p> <p>Revised Implementation Date of IROC Rules published on April 16, 2020 in Rules Notice 20-0079.</p> <p>Notice of Approval published on October 14, 2021 in Rules Notice 21-0190.</p> <p>New Webcasts published on November 30, 2021 in Education Notice 21-0222.</p> <p>Implementation Reminder published on December 13, 2021 in Administrative Notice 21-0235.</p>	Rewrite of Dealer Member Rules in plain language. Proposed IROC Dealer Member rule amendments drafted in plain language that result from the CSA Registration Reform Project are included as part of the project.	Amendments effective on December 31, 2021.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Client Focused Reforms	IR	<p>Notice of Approval relating to housekeeping rule amendments published on November 19, 2020 in Rules Notice 20-0239.</p> <p>Notice of Approval relating to public comment rule amendments published on August 26, 2021 in Rules Notice 21-0148.</p> <p>Notice of Approval relating to KYC and suitability determination for retail clients guidance note published on December 17, 2021 in Rules Notice 21-0244.</p>	Amendments to IIROC Rules for uniformity with the CSA's Client Focused Reform Amendments published on October 3, 2019.	Amendments effective December 31, 2021.
Housekeeping amendments to enhance protection of older and vulnerable clients	IR	<p>Notice of Approval published on September 9, 2021 in Rules Notice 21-0159.</p>	Amendments to IIROC Rules for uniformity with the CSA's amendments to National Instrument 31-103 to enhance protection of older and vulnerable clients published on July 15, 2021.	Amendments effective December 31, 2021.
Proposed amendments to Form 1 and corollary amendments to the IIROC Rules	IR	<p>Notice of Approval published on September 30, 2021 in Rules Notice 21-0172.</p>	Amendments to improve the overall consistency of the IIROC requirements, as well as to provide greater clarity of certain defined terms and to incorporate plain language writing conventions within Form 1.	Amendments effective December 31, 2021.

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Debt Securities Concentration Test	IR	Notice of Approval published on February 18, 2021 in Rules Notice 21-0028 .	Introduces requirements to: <ul style="list-style-type: none"> prevent undue concentration in securities of a particular issuer by expanding the types of securities that will be subject to the securities concentration test to include: <ul style="list-style-type: none"> corporate debt securities with a normal margin rate of 10% or less “other non-commercial debt securities” with a normal margin rate of 10%. update the use of credit ratings and references to credit rating agencies in the DMRs and Form 1. 	Amendments effective September 1, 2022.
Guidance Review Project – Group 2 & 3 Guidance Notes	IR	Guidance Notes published on October 14, 2021 in Rules Notice 21-0190 .	Updating/revising of IIROC’s Guidance Notes for consistency with the IIROC Rules.	Guidance Notes effective December 31, 2021.
Reporting, Internal Investigation and Client Complaint Requirements	UMIR & IR	Proposed amendments under development.	Amendments to: <ul style="list-style-type: none"> introduce a principles-based reporting requirement which focuses on harm to clients and the capital markets make our reporting requirements clearer and more consistent with regulatory expectations better align our reporting requirements and complaint requirements.	Estimated publication of Request for Comments – January, 2022.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
IIROC Rules - New Guidance Notes	IR	<p>Proposed <i>Delegation</i> guidance under development.</p> <p><i>Reporting of material changes to business activities</i> guidance note published on August 17, 2021 in Rules Notice 21-0147.</p> <p><i>Managing significant areas of risk</i> guidance note published on September 23, 2021 in Rules Notice 21-0171.</p> <p><i>Supervision of Associate Portfolio Managers</i> guidance note published on December 2, 2021 in Rules Notice 21-0224.</p>	<p>New guidance notes on certain IIROC Rule requirements:</p> <ul style="list-style-type: none"> <i>Supervision of Associate Portfolio Managers</i> – to provide greater clarity on the pre-approval of Associate Portfolio Managers (APM) advice and APM supervision requirements <i>Reporting material changes to business activities</i> – to provide IIROC’s expectations on the notice requirement set out in subsection 2246(2) of the IIROC Rules <i>Delegation</i> – to provide IIROC’s expectations on the delegation of tasks or activities by an individual at a Dealer Member pursuant to section 1103 of the IIROC Rules <i>Managing Significant Areas of Risk</i> – to provide IIROC’s expectations on the responsibility for significant areas of risk assigned to an executive . 	Estimated publication of <i>Delegation</i> guidance note – Winter, 2021-2022.
Cybersecurity Incident Reporting Guidance Note	IR	Proposed guidance under development.	New guidance note on cybersecurity incident reporting requirements to assist Dealer Members in demonstrating compliance with IIROC requirements.	Estimated publication of Guidance – Winter, 2021-2022.
Proposed Amendments to the IIROC Rules and Form 1 relating to the futures segregation and portability customer protection regime	IR	<p>Comments under IIROC review.</p> <p>Proposed amendments published for comment on July 8, 2021 in Rules Notice 21-0113. Comment period closed September 7, 2021.</p>	<p>Introduces amendments to:</p> <ul style="list-style-type: none"> provide consistency with CDCC segregation and portability model <p>reduce commingling of futures business and other business lines not subject to segregation and portability regime.</p>	Estimated publication of Notice of Approval or re-publication of Request for Comments – Spring, 2022.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Listed Derivatives Trading	UMIR & IR	Submitted to CSA for approval. Proposed amendments published for comment on October 8, 2020 in Rules Notice 20-0202 . Comment period closed December 7, 2020.	Amendments to accommodate the trading of listed derivatives.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Spring, 2022.
Derivatives Rule Reform	IR	Comments under IROC review. Proposed amendments and draft guidance published for comment on November 21, 2019 in Rules Notice 19-0200 . Comment period closed February 19, 2020.	Amendments to modernize Dealer Member rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Estimated re-publication of Request for Comments – Spring, 2022.
Proposed margin requirements for structured products (principal-protected notes and principal-at-risk notes)	IR	Proposed amendments published for comment on February 25, 2021 in Rules Notice 21-0032 . Comment period closed April 12, 2021.	Introduces amendments to: <ul style="list-style-type: none"> require a margin rate of 70% for structured products that meet eligibility criteria allow an alternative component-based margin methodology for structured products with a guarantee component. 	Estimated publication of Notice of Approval or re-publication of Request for Comments – Spring, 2022.
Institutional Credit and Custody Risk	IR	Proposed amendments under development.	Amendments to update institutional counterparty and custodian definitions including re-evaluating margin requirements on institutional accounts.	Estimated publication of Request for Comments – Spring, 2022.
Floating Index Margin and LSERM Methodology	IR	Proposed amendments under development.	Amendments to reduce procyclicality in the formula.	Estimated publication of Request for Comments – Spring, 2022.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Partial Swap Offsets	IR	Proposed amendments under development.	Amendments to the IIROC Rules to allow margin offsets for swaps on partial notional amounts.	Estimated publication of Request for Comments – Spring 2022.
Proficiency Requirements (New)	IR	Proposed amendments under development.	Amendments to the IIROC Rules to clarify proficiency requirements applicable to Approved Persons.	Estimated publication of Request for Comments – Spring 2022.
Trade Settlement Cycle Transition to T+1 (New)	IR	Proposed amendments under development.	Amendments to IIROC Rules to support industry’s move to T+1 settlement scheduled for 2024.	Estimated publication of Request for Comments – Spring 2023.
Initiatives from the previous Update Report that have been closed and are not included in this Update Report				