



Appendix C - List of Rules under Phase 1 that would apply to derivatives

The following rule provisions would apply to derivatives under Phase 1 as a result of references to defined terms that would be extended to apply to derivatives.

Rule ¹	Text of rule	How provision would apply to listed derivatives without rule change
UMIR 1.1 Definitions	“bundled order” means an order that includes a client order as well as a non-client order or principal order, or both.	Refers to “client order”, “non-client order” and “principal order”, which would be extended to apply to derivatives.
UMIR 1.1 Definitions	“employee” includes any person who has entered into principal/agent relationship with a Participant in accordance with the terms and conditions established for such a relationship by any self-regulatory entity of which the Participant is a member.	Reference to “Participant”, which would include a member of an exchange that lists/trades derivatives, if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	“Exchange” means a person recognized by the applicable securities regulatory authority under securities legislation to carry on business as an exchange.	Would include an exchange that lists/trades derivatives, if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	“insider” means a person who is an insider of an issuer for the purpose of applicable securities legislation.	While the definition of an “insider” would continue to rely on securities legislation, Participants would be required to include the insider marker for: <ul style="list-style-type: none"> insiders of an issuer for an order in a listed securities insiders of an issuer of an underlying security of a listed derivative (see the section on designations and identifiers in the Request for Comments).
UMIR 1.1 Definitions	“jitney order” means an order entered on a marketplace by a Participant acting for or on behalf of another Participant.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	“Market Regulator” means: (a) an Exchange, unless such Exchange monitors the conduct of its members indirectly through a regulation services provider in which case, the regulation services provider; (b) a QTRS, unless such QTRS monitors the conduct of its users indirectly through a regulation services provider in which case, the regulation services provider; and	Reference to an “Exchange” would include an exchange that lists/ trades derivatives if IIROC becomes the regulation services provider of such an exchange.

¹ Certain rule provisions are highlighted in grey to indicate the provision is not currently in effect at time of publication of the Request for Comment, but has been approved by the IIROC Board and CSA under the Client Identifiers Amendments and will come into effect in July 2021 (see IIROC Notice [19-0071](#) – *Amendments Respecting Client Identifiers* and IIROC Notice [20-0056](#) – *Revised Implementation of Client Identifier Amendments for Listed Securities*).



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	(c) in respect of any other marketplace, the regulation services provider with whom that marketplace has entered an agreement in accordance with the requirements of the Trading Rules.	
UMIR 1.1 Definitions	<p>“marketplace” means:</p> <p>(a) an Exchange;</p> <p>(b) a QTRS; and</p> <p>(c) an ATS.</p>	Reference to an “Exchange” would include an exchange that lists and trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	<p>“Participant” means:</p> <p>(a) a dealer registered in accordance with securities legislation of any jurisdiction and who is:</p> <p style="padding-left: 40px;">(i) a member of an Exchange,</p> <p style="padding-left: 40px;">(ii) a user of a QTRS, or</p> <p style="padding-left: 40px;">(iii) a subscriber of an ATS; or</p> <p>(b) a person who has been granted trading access to a marketplace and who performs the functions of a derivatives market maker.</p>	Reference to an “Exchange” which would include an exchange that lists and trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	“Policy” means a policy statement adopted by a Market Regulator in connection with the administration or application of UMIR as such policy statement is amended, supplemented and in effect from time to time.	Reference to “Market Regulator” would mean IIROC if IIROC becomes the regulation services provider of a marketplace that trades derivatives.
UMIR 1.1 Definitions	“pre-arranged trade” means a trade in respect of which the terms of the trade were agreed upon, prior to the entry of either the order to purchase or to sell on a marketplace, by the persons entering the orders or by the persons on whose behalf the orders are entered.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange
UMIR 1.1 Definitions	“principal account” means an account in which a Participant or a related entity of the Participant holds a direct or indirect interest other than an interest in the commission charged on a transaction.	Reference to a “Participant”, which would include a member of an exchange that trades listed derivatives, if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	<p>“Protected Party” means in respect of a Market Regulator:</p> <p>(a) the Market Regulator;</p> <p>(b) a director, officer or employee of the Market Regulator;</p> <p>(c) a member of the Hearing Committee or of a committee appointed by the Board; or</p> <p>(d) an independent contractor retained by the Market Regulator to provide services to the Market Regulator.</p>	Reference to “Market Regulator” would mean IIROC if IIROC becomes the regulation services provider of a marketplace that trades derivatives
UMIR 1.1 Definitions	“Regular Session” means the time period during a trading day when a marketplace is ordinarily open for trading, but does not include any	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange



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	extended or special trading facility of the marketplace.	
UMIR 1.1 Definitions	<p>“related entity” means, in respect of a particular person:</p> <p>(a) an affiliated entity of the particular person which carries on business in Canada and is registered as a dealer or adviser in accordance with applicable securities legislation; and</p> <p>(b) a person who has been designated by a Market Regulator in accordance with subsection (3) of Rule 10.4 as a person who acts in conjunction with the particular person.</p>	Reference to “Market Regulator” would mean IIROC if IIROC becomes the regulation services provider of a marketplace that trades derivatives. Also used in the definition of a “non-client order”, which would be extended to apply to trading in listed derivatives.
UMIR 1.1 Definitions	<p>“Requirements” means, collectively:</p> <p>(a) UMIR;</p> <p>(b) the Policies;</p> <p>(c) the Trading Rules;</p> <p>(d) the Marketplace Rules;</p> <p>(e) any direction, order or decision of the Market Regulator or a Market Integrity Official; and</p> <p>(f) securities legislation, as amended, supplemented and in effect from time to time.</p>	References to UMIR, Policies, etc. would also refer to those provisions that will be extended to apply to derivatives.
UMIR 1.1 Definitions	<p>“Subject Person” means, in respect of the jurisdiction of a Market Regulator in connection with the conduct of a person:</p> <p>(a) any marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct;</p> <p>(b) any Participant or Access Person of a marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct;</p> <p>(c) any person to whom responsibility for compliance with UMIR by other persons are extended in accordance with Consolidated Rule 1400 or to whom responsibility had been extended at the time of the conduct;</p> <p>(d) any person to whom the application of UMIR are extended in accordance with Rule 10.4 or to whom UMIR had been extended at the time of the conduct; and</p> <p>(e) any person subject to a Marketplace Rule of a marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct.</p>	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.



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UMIR 1.1 Definitions	“trading day” means a calendar day during which trades are executed on a marketplace.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 1.1 Definitions	“UMIR” means those Rules adopted by the Investment Industry Regulatory Organization of Canada and designated by the Investment Industry Regulatory Organization of Canada as the Universal Market Integrity Rules as amended, supplemented and in effect from time to time.	Reference to “Rules” would include rules that affect the trading of listed derivatives on an Exchange for which IIROC is the regulation services provider.
UMIR 2.3 Improper Orders and Trades	A Participant or Access Person shall not enter an order on a marketplace or execute a trade if the Participant or Access Person knows or ought reasonably to know that that the entry of the order or the execution of the trade would not comply with or would result in the violation of: (a) applicable securities legislation; (b) applicable requirements of any self-regulatory entity of which the Participant or Access Person is a member; (c) the Marketplace Rules of the marketplace on which the order is entered; (d) the Marketplace Rules of the marketplace on which the trade is executed; and (e) UMIR and the Policies.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange.
UMIR 6.2 Designations and Identifiers	(1) Each order entered on a marketplace shall contain: (a) the identifier of: (i) the Participant or Access Person entering the order as assigned to the Participant or Access Person in accordance with Rule 10.15, (ii) the marketplace on which the order is entered as assigned to the marketplace in accordance with Rule 10.15, (iii) the Participant for or on behalf of whom the order is entered, if the order is a jitney order, (iv) the client for or on behalf of whom the order is entered: 1. in the form of a Legal Entity Identifier for: A. orders entered using direct electronic access B. orders entered using a routing arrangement	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange.



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	<p>C. an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</p> <p>D. orders for accounts that are supervised under Dealer Member Rule 2700</p> <p>2. in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)</p> <p>(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and</p> <p>(b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is:</p> <p>[...]</p> <p>(xvi) for the account of a client where the order is sent using direct electronic access,</p> <p>(xvii) for the account of a client where the order is sent under a routing arrangement,</p> <p>(xviii) for the account of an order execution only client,</p> <p>(xix) of a type for which the Market Regulator may from time to time require a specific or particular designation,</p> <p>(xx) a bundled order, or</p> <p>(xxi) a multiple client order.</p>	
<p>Policy 7.1 Trading Supervision Obligations</p>	<p>Part 3 – Supervision and Compliance Procedures for Trading on a Marketplace</p> <p>[...]</p> <p>A Participant’s supervision system must at a minimum include the regular review of compliance with respect to the following provisions for trading on a marketplace where applicable to their lines of business:</p> <ul style="list-style-type: none"> • Audit Trail requirements (Rule 10.11) • Electronic Access to Marketplaces (Rule 7.1) • Manipulative and Deceptive Activities (Rule 2.2) 	<p>Reference to:</p> <ul style="list-style-type: none"> • a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange, and • “as applicable” to the Participant’s line of business.



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	<ul style="list-style-type: none"> • Frontrunning (Rule 4.1) • Time synchronization requirements (Rule 10.14). 	
Policy 7.1 Trading Supervision Obligations	<p>Part 8 – Specific Provisions Applicable to Automated Order Systems</p> <p>Trading supervision by a Participant or Access Person must be in accordance with a documented system of risk management and supervisory controls, policies and procedures reasonably designed to ensure the management of the financial, regulatory and other risks associated with the use of an automated order system by the Participant, the Access Person or any client of the Participant.</p> <p>Each Participant or Access Person must have a level of knowledge and understanding of any automated order system used by the Participant, the Access Person or any client of the Participant that is sufficient to allow the Participant or Access Person to identify and manage the risks associated with the use of the automated order system.</p> <p>The Participant or Access Person must ensure that every automated order system used by the Participant, the Access Person or any client of the Participant is tested in accordance with prudent business practices initially before use and at least annually thereafter. A written record must be maintained with sufficient details to demonstrate the testing of the automated order system undertaken by the Participant, Access Person and any third party employed to provide the automated order system or risk management or supervisory controls, policies and procedures. The scope of appropriate order and trade parameters, policies and procedures should be tailored to the strategy or strategies being pursued by an automatic order system with due consideration to the potential market impact of defining such parameters too broadly and in any event must be set so as not to exceed the limits publicly disclosed by the Market Regulator for the exercise of the power of a Market Integrity Official under Rule 10.9 of UMIR.</p> <p>The Market Regulator expects the risk management and supervisory controls, policies and procedures to comply with the Electronic Trading Rules and be reasonably designed to</p>	<p>Reference to:</p> <ul style="list-style-type: none"> • a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange, and • “as applicable” to the Participant’s line of business.



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	<p>prevent the entry of any order that would interfere with fair and orderly markets. This includes adoption of compliance procedures for trading by clients, if applicable, containing detailed guidance on how testing of client orders and trades is to be conducted to ensure that prior to engagement and at least annually thereafter, each automated order system is satisfactorily tested assuming various market conditions. In addition to regular testing of the automated order systems, preventing interference with fair and orderly markets requires development of pre-programmed internal parameters to prevent or “flag” with alerts on a real-time basis, the entry of orders and execution of trades by an automated order system that exceed certain volume, order, price or other limits.</p> <p>Each Participant or Access Person must have the ability to immediately override or disable automatically any automated order system and thereby prevent orders generated by the automated order system from being entered on any marketplace.</p> <p>Notwithstanding any outsourcing or authorization over of risk management and supervision controls, a Participant or Access Person is responsible for any order entered or any trade executed on a marketplace, including any order or trade resulting from the improper operation or malfunction of the automated order system. This responsibility includes instances in which the malfunction which gave rise to a “runaway” algorithm is attributed to an aspect of the algorithm or automated order system that was not “accessible” to the Participant or Access Person for testing.</p>	
Policy 7.1 Trading Supervision Obligations	<p>Part 9 - Specific Provisions Applicable to Direct Electronic Access and Routing Arrangements Standards for Clients, Investment Dealers and Foreign Dealer Equivalents</p> <p>In addition to other trading supervision requirements, a Participant that provides direct electronic access or implements a routing arrangement must establish, maintain and apply reasonable standards for granting direct electronic access or a routing arrangement and assess and document whether each client, investment dealer or foreign dealer equivalent</p>	<p>We would extend the UMIR 1.1 definitions of “direct electronic access” and “routing arrangement”, and requirements under UMIR 7.13 would be extended to apply to derivatives as set out in Appendices A and B. This provision also refers to trading on a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.</p>



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	<p>meets the standards established by the Participant for direct electronic access or a routing arrangement.</p> <p>The Market Regulator expects that as part of its initial “screening” process, non-institutional investors will be precluded from qualifying for direct electronic access except in exceptional circumstances generally limited to sophisticated former traders and floor brokers or a person or company having assets under administration with a value approaching that of an institutional investor that has access to and knowledge regarding the necessary technology to use direct electronic access. The Participant offering direct electronic access or a routing arrangement must establish sufficiently stringent standards for each client granted direct electronic access or each investment dealer or foreign dealer equivalent under a routing arrangement to ensure that the Participant is not exposed to undue risk and in particular, in the case of a non-institutional client the standards must be set higher than for institutional investors.</p> <p>The Participant is further required to confirm with the client granted direct electronic access or an investment dealer or foreign dealer equivalent in a routing arrangement, at least annually, that the client, investment dealer or foreign dealer equivalent continues to meet the standards established by the Participant including to ensure that any modification to a previously “approved” automated order system in use by a client, investment dealer or foreign dealer equivalent continues to maintain appropriate safeguards.</p> <p>Breaches by Clients with Direct Electronic Access or by Investment Dealers or Foreign Dealer Equivalents in a Routing Arrangement</p> <p>A Participant that has granted direct electronic access to a client or entered into a routing arrangement with an investment dealer or foreign dealer equivalent must further monitor orders entered by the client, investment dealer or foreign dealer equivalent to identify whether the client, investment dealer or foreign dealer equivalent may have:</p> <ul style="list-style-type: none"> breached any standard established by the Participant for the granting of direct electronic access or a routing arrangement; 	



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	<ul style="list-style-type: none"> breached the terms of the written agreement regarding the direct electronic access or the routing arrangement; improperly granted or provided its access under direct electronic access or a routing arrangement to another person; engaged in unauthorized trading on behalf of the account of another person; or failed to ensure that its client's orders are transmitted through the systems of the client, or Participant, investment dealer or foreign dealer equivalent (which include proprietary systems or systems that are provided by a third party) before being entered on a marketplace. <p>Identifying Originating Investment Dealer or Foreign Dealer Equivalent In relation to the assignment of a unique identifier to an investment dealer or foreign dealer equivalent in a routing arrangement, if orders are routed through multiple investment dealers or foreign dealer equivalents, the executing Participant is responsible for properly identifying the originating investment dealer or foreign dealer equivalent and must establish and maintain adequate policies and procedures to assure that orders routed by an investment dealer or foreign dealer equivalent to the executing Participant containing the Participant's identifier are also marked with all identifiers and designations relevant to the order as required under Rule 6.2 of UMIR on the entry of the order to a marketplace.</p> <p>Identifying Clients with Direct Electronic Access In relation to the assignment of a unique identifier to a client that is granted direct electronic access, the Participant must establish and maintain adequate policies and procedures to assure that orders routed by the client to the executing Participant containing the Participant's identifier are marked with all identifiers and designations relevant to the order as required under Rule 6.2 of UMIR on the entry of the order to a marketplace.</p>	
UMIR 7.6 Cancelled Trades	If a trade is cancelled, a subsequent trade on any marketplace which was: (a) executed as a result of the price of the cancelled trade; or	Reference to a "marketplace" which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.



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	(b) permitted only as a result of the price of the cancelled trade, shall stand unless cancelled by the consent of the buyer and the seller or by a Market Integrity Official who is of the opinion that the cancellation of the subsequent trade is appropriate under the circumstances.	
7.11 Variation and Cancellation and Correction of Trades	<p>No trade executed on a marketplace shall, subsequent to the execution of the trade, be:</p> <p>(a) cancelled; or</p> <p>(b) varied or corrected with respect to:</p> <p>(i) the price of the trade,</p> <p>(ii) the volume of the trade, or</p> <p>(iii) the date for settlement of the trade,</p> <p>except:</p> <p>(c) by the Market Regulator in accordance with UMIR; or</p> <p>(d) with the prior consent of the Market Regulator, if the variation, cancellation or correction would be necessary to correct an error caused by a system or technological malfunction of the marketplace's systems or equipment or caused by an individual acting on behalf of the marketplace; or</p> <p>(e) with notice to the Market Regulator immediately following the variation, cancellation or correction of the trade in such form and manner as may be required by the Market Regulator and such notice shall be given, if the variation, cancellation or correction is made:</p> <p>(i) prior to the settlement of the trade, by:</p> <p>(A) the marketplace on which the trade was executed at the request of a party to the trade and with the consent of each Participant and Access Person that is a party to the trade, or</p> <p>(B) the clearing agency through which the trade is or was to be cleared and settled, and</p> <p>(ii) after the settlement of the trade, by each Participant and Access Person that is a party to the trade.</p>	Reference to a "marketplace" which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 7.12 Inability to Rely on Marketplace Functionality	A Participant or Access Person shall not enter an order on a particular marketplace if the Participant or Access Person knows or ought reasonably to know that the handling of the order by the marketplace and the trading systems of the marketplace may result in the	Reference to a "marketplace" which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange, with "Participant" being a member of that exchange.



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	display of the order or the execution of the order not being in compliance with any of the applicable requirements of UMIR.	
UMIR 7.13 Direct Electronic Access and Routing Arrangements	<p>(1) A Participant that is a member, user or subscriber may:</p> <ul style="list-style-type: none"> (a) grant direct electronic access or enter into a routing arrangement provided that the Participant has: <ul style="list-style-type: none"> (i) established standards that are reasonably designed to manage, in accordance with prudent business practices, the Participant's risks associated with providing direct electronic access to a client or implementing a routing arrangement with an investment dealer or foreign dealer equivalent, (ii) assessed and documented that the client, investment dealer or foreign dealer equivalent meets the standards established by the Participant, and (iii) executed a written agreement with the client, investment dealer or foreign dealer equivalent; and (b) not grant direct electronic access if the client is acting and registered as a dealer in accordance with applicable securities legislation. <p>(2) The standards established by the Participant under subsection (1) must include a requirement that the client, investment dealer or foreign dealer equivalent:</p> <ul style="list-style-type: none"> (a) has sufficient resources to meet any financial obligations that may result from use of direct electronic access or the routing arrangement; (b) has reasonable arrangements in place to ensure that all personnel transmitting orders using direct electronic access or the routing arrangement have reasonable knowledge of and proficiency in the use of the order entry system; (c) has reasonable knowledge of and the ability to comply with all applicable Requirements, including the marking of each order with the designations and identifiers required by Rule 6.2; (d) has reasonable arrangements in place to monitor the entry of orders transmitted using direct electronic access or the routing arrangement; 	Definitions of "direct electronic access" and "routing arrangement", and requirements under UMIR 7.13 would be extended to apply to derivatives.



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	<p>(e) takes all reasonable steps to ensure that the use of automated order systems, by itself or any client, does not interfere with fair and orderly markets; and</p> <p>(f) ensures that each automated order system, used by itself or any client, is tested in accordance with prudent business practices, including initially before use or introduction of a significant modification and at least annually thereafter.</p> <p>(3) The written agreement entered into by a Participant under subsection (1) with the client, investment dealer or foreign dealer equivalent must provide that:</p> <p>(a) in the case of an agreement for direct electronic access or a routing arrangement:</p> <p>(i) the trading activity of the client, investment dealer or foreign dealer equivalent will comply with:</p> <p>(A) all Requirements, and</p> <p>(B) the product limits or credit or other financial limits specified by the Participant;</p> <p>(ii) the client, investment dealer or foreign dealer equivalent will maintain all technology facilitating direct electronic access or a routing arrangement in a secure manner and will not permit any person to transmit an order using the direct electronic access or the routing arrangement other than the personnel authorized by the client and named under the provision of the agreement referred to in sub-clause (b)(i), or personnel authorized by the investment dealer or foreign dealer equivalent;</p> <p>(iii) the client, investment dealer or foreign dealer equivalent will fully cooperate with the Participant in connection with any investigation or proceeding by any marketplace or the Market Regulator with respect to trading conducted pursuant to direct electronic access or a routing arrangement, including upon request by the Participant, providing access to information to the marketplace or Market Regulator that is necessary for the purposes of the investigation or proceeding;</p> <p>(iv) the Participant is authorized, without prior notice, to:</p>	



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	<p>(A) reject any order,</p> <p>(B) vary or correct any order entered on a marketplace to comply with Requirements,</p> <p>(C) cancel any order entered on a marketplace, or</p> <p>(D) discontinue accepting orders, from the client, investment dealer or foreign dealer equivalent;</p> <p>(v) the client, investment dealer or foreign dealer equivalent will immediately inform the Participant if the client, investment dealer or foreign dealer equivalent fails or expects not to meet the standards set by the Participant; and</p> <p>(b) in the case of an agreement for direct electronic access:</p> <p>(i) the client will immediately notify the Participant in writing of:</p> <p>(A) the names of the personnel of the client authorized by the client to enter an order using direct electronic access, and</p> <p>(B) details of any change to the information in sub-clause (A);</p> <p>(ii) the client may not trade for the account of any other person unless the client is:</p> <p>(A) registered or exempted from registration as an adviser under securities legislation, or</p> <p>(B) a person conducting business in a foreign jurisdiction in a manner analogous to an adviser and that is subject to the regulatory jurisdiction of a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding in that foreign jurisdiction and the order is for or on behalf of a person who is itself a client of the client acting in the capacity of adviser for that person;</p> <p>(iii) if the client trades for the account of any other person in accordance with sub-clause (ii), the client must:</p> <p>(A) ensure that the orders for the other person are transmitted through the systems of the client before being entered on a marketplace, and</p>	



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	<p>(B) ensure that the orders for the other person are subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the client;</p> <p>(iv) the Participant shall provide to the client, in a timely manner, any relevant amendments or changes to:</p> <p>(A) applicable Requirements, and</p> <p>(B) the standards established by the Participant under subsection (1); and</p> <p>(c) in the case of a routing arrangement agreement, the investment dealer or foreign dealer equivalent will not allow any order entered electronically by a client of the investment dealer or foreign dealer equivalent to be entered directly to a marketplace unless:</p> <p>(i) the client's order is transmitted through the systems of the investment dealer or foreign dealer equivalent, prior to being transmitted through the systems of the Participant for automatic onward transmission to a marketplace or transmitted directly to a marketplace without being electronically transmitted through the system of the Participant, and</p> <p>(ii) the client's order is subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the investment dealer or foreign dealer equivalent.</p> <p>(4) A Participant must not allow any order to be transmitted using direct electronic access or through a routing arrangement unless:</p> <p>(a) the Participant is:</p> <p>(i) maintaining and applying the standards established by the Participant under subsection (1),</p> <p>(ii) satisfied the client, investment dealer or foreign dealer equivalent meets the standards established by the Participant under subsection (1), and</p> <p>(iii) satisfied the client, investment dealer or foreign dealer equivalent is in compliance with the written agreement entered into with the Participant;</p> <p>and</p>	



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	<p>(b) the order is subject to the risk management and supervisory controls, policies and procedures established by the Participant including the automated controls to examine each order before entry on a marketplace.</p> <p>(5) The Participant shall:</p> <p>(a) at least annually review and confirm that:</p> <p>(i) the standards established by the Participant under subsection (1) are adequate, and</p> <p>(ii) the Participant has maintained and consistently applied the standards in the period since the establishment of the standards or the date of the last annual review; and</p> <p>(b) at least annually by the anniversary date of the written agreement assess, confirm and document that the client, investment dealer or foreign dealer equivalent:</p> <p>(i) is in compliance with the written agreement with the Participant, and</p> <p>(ii) has met the standards established by the Participant under subsection (1) since the date of the written agreement or the date of the last annual review.</p> <p>(6) A Participant shall forthwith notify the Market Regulator:</p> <p>(a) upon entering into a written agreement respecting direct electronic access, of the name of the client that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System; and</p> <p>(b) of any change in the information described in clause (a).</p>	
10.1 Compliance Requirement	10.1 Compliance Requirement (1) Each Participant and Access Person shall comply with applicable Requirements. (2) For the purposes of subsection (1), a Participant or Access Person shall, with respect to a particular order, comply with the Marketplace Rules of: <p>(a) the marketplace on which the particular order is entered; and</p> <p>(b) the marketplace on which the particular order is executed.</p> (3) Each marketplace shall comply with the applicable Requirements, the Market Operation	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange, and “Market Regulator” would mean IIROC.



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	<p>Instrument and any other applicable securities regulatory requirements.</p> <p>(4) The Market Regulator shall promptly report to the applicable securities regulatory authorities, if the Market Regulator believes that a marketplace has failed to comply with the requirements of subsection (3) or has otherwise engaged in misconduct or apparent misconduct.</p> <p>(5) A Subject Person shall not do any act that the Subject Person knows or could have known after the exercise of reasonable diligence would impede or obstruct the ability of a Market Integrity Official to exercise a power under Rule 10.9.</p> <p>(6) Without limiting the generality of subsection (5), a Subject Person shall be considered to have impeded or obstructed the ability of a Market Integrity Official to exercise a power if the Subject Person:</p> <ul style="list-style-type: none"> (a) destroys or renders inaccessible any document in the possession or control of the Subject Person, whether or not the document is of the form or type that must be retained in accordance with Rule 10.12, that is relevant to the exercise of power; (b) provides any information, document, record or statement to the Market Integrity Official in connection with the exercise of a power that is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading; or (c) persuades or attempts to persuade any person by whatever means to: <ul style="list-style-type: none"> (i) destroy or render inaccessible any document in the possession or control of that other person relevant to the exercise of power, or (ii) provide any information, document, record or statement to the Market Integrity Official in connection with the exercise of a power that would (iii) be misleading or untrue or would not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading. 	



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	<p>(7) Without limiting the availability of other defenses, a Subject Person shall not be considered to have breached subsection (5) or (6) if the Subject Person did not know or could not have known after the exercise of reasonable diligence that:</p> <ul style="list-style-type: none"> (a) the document was relevant to the exercise of a power; or (b) the information, document, record or statement was or would be misleading or untrue or that it omitted to state a fact that was required to be stated or that was necessary to make the information, document, record or statement not misleading in light of the circumstance in which it was made or would be made. <p>POLICY 10.1 – COMPLIANCE REQUIREMENT Part 1 – Monitoring for Compliance Rule 10.1 requires each Participant and Access Person to comply with applicable Requirements. The term “Requirements” is defined as meaning:</p> <ul style="list-style-type: none"> • UMIR; • the Policies; • the Trading Rules; • the Marketplace Rules; • any direction, order or decision of the Market Regulator or a Market Integrity Official; and • securities legislation, <p>as amended, supplemented and in effect from time to time.</p> <p>The Market Regulator will monitor the activities of Subject Persons for compliance with each aspect of the definition of Requirements and use the powers under Consolidated Rule 8100 to conduct any enforcement investigation into possible non-compliance. If the Subject Person has not complied with:</p> <ul style="list-style-type: none"> • UMIR, the Policies or any direction, order or decision of the Market Regulator or a Market Integrity Official, the Market Regulator may undertake a disciplinary proceeding pursuant to Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access; • the Trading Rules or securities legislation, the Market Regulator may, pursuant to the exchange of information provided for under Rule 10.13, refer the matter to the applicable 	



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	<p>securities regulatory authority to be dealt with in accordance with applicable securities legislation; and</p> <ul style="list-style-type: none"> Marketplace Rules, the Market Regulator may undertake a disciplinary proceeding pursuant to Consolidated Enforcement Rule 8200 or Rule 10.5 with respect to temporary restriction of access, if the marketplace has retained the Market Regulator to conduct disciplinary proceedings on behalf of the marketplace in accordance with an agreement with the Market Regulator contemplated by Part 7 of the Trading Rules, otherwise the Market Regulator may refer the matter to the marketplace to be dealt with in accordance with the Marketplaces Rules of that marketplace. 	
UMIR 10.4 Extension of Restrictions	<p>(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:</p> <p>(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</p> <p>(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.</p> <p>(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:</p> <p>(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</p> <p>(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</p>	<p>We propose to extend the UMIR 1.1 definition of a “Participant” to members of an Exchange that trades derivatives for which IIROC acts as the regulation services provider. Definition of a “Market Regulator” would mean IIROC in respect of an exchange that trades listed derivatives where IIROC is the regulation services provider for that exchange.</p>



Rule ¹	Text of rule	How provision would apply to listed derivatives without rule change
	<p>procedures and to the penalties and remedies set out in this Part.</p> <p>(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.</p> <p>(4) Upon a Market Regulator making a designation in accordance with subsection (3), the Market Regulator shall provide notice of such designation to:</p> <ul style="list-style-type: none"> (a) the particular person; (b) the designated person; (c) each Market Regulator; and (d) each applicable securities regulatory authority. 	
UMIR 10.5 Suspension or Restriction of Access	<p>(1) If the Market Regulator has determined that a Subject Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has engaged in, or may engage in, any course of conduct that is or may be a contravention of a Requirement, the Market Regulator may, if the Market Regulator considers it is necessary for the protection of the public interest by an interim order without notice or hearing, order the restriction or suspension of access to the marketplace upon such terms and conditions, if any, considered appropriate provided such interim order shall expire 15 days after the date on which the interim order is made unless:</p> <ul style="list-style-type: none"> (a) a hearing is commenced pursuant to Rule 8200 (Enforcement Proceedings) within that period of time to confirm or set aside the interim order; (b) the person against which the interim order is made consents to an extension of the interim order until a hearing of the matter is held; or (c) an applicable securities regulatory authority directs that the interim order be rescinded or extended. <p>(2) For the purposes of this section, the restriction, suspension or revocation of access of</p>	<p>Reference to a “Market Regulator” would mean IIROC in respect of an exchange that trades listed derivatives where IIROC is the regulation services provider for that exchange.</p>



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	<p>a person to a marketplace may be imposed directly on the person and, if the person is an individual, the restriction, suspension or revocation of access may also be imposed in respect of their capacity as a director, officer, partner, employee or associate of a person with access to a marketplace.</p> <p>(3) For greater certainty, any enforcement or disciplinary proceeding or any order or interim order as against a person by a Market Regulator for contravention of a Requirement shall not affect or limit any enforcement or disciplinary action as against the person by any securities regulatory authority, self-regulatory entity or other Market Regulator with jurisdiction over the person.</p> <p>(4) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace in accordance with this section, such person shall be denied access to any other marketplace and shall have any access to any other marketplace automatically restricted, suspended or revoked unless the applicable securities regulatory authority otherwise determines in a review or appeal of the order or interim order of the Market Regulator undertaken in accordance with Rule 11.3.</p> <p>(5) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace, the Market Regulator shall provide notice forthwith of such restriction, suspension or revocation to:</p> <ul style="list-style-type: none"> (a) the person whose access has been restricted, suspended or revoked; (b) each marketplace; (c) each Market Regulator; and (d) each applicable securities regulatory authority. 	
UMIR 10.12 Retention of Records and Instructions	<p>(1) A Participant shall retain:</p> <ul style="list-style-type: none"> (a) the record of each order as required by Rule 10.11; and (b) sufficient information to identify the beneficial owner of each account for which a record of an order is retained, for a period of not less than seven years from the creation of the record of the order, and for the first two years, such record and 	<p>UMIR 10.11 would be extended to apply to derivatives.</p> <p>Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange</p>



Rule ¹	Text of rule	How provision would apply to listed derivatives without rule change
	<p>information shall be kept in a readily accessible location.</p> <p>(2) An Access Person shall keep information respecting an order on the marketplace:</p> <p>(a) of which the Access Person is a subscriber; or</p> <p>(b) on which the order of the Access Person was executed,</p> <p>during the period of not less than seven years from the date of the origination of the order, and for the first two years, such information shall be kept in a readily accessible location.</p>	
UMIR 10.13 Exchange and Provision of Information by Market Regulators	<p>Each Market Regulator shall provide information and other forms of assistance for market surveillance, investigative, enforcement and other regulatory purposes including the administration and enforcement of UMIR to:</p> <p>(a) a self-regulatory entity;</p> <p>(b) a self-regulatory organization in a foreign jurisdiction;</p> <p>(c) a securities regulatory authority;</p> <p>(d) a securities regulatory authority in a foreign jurisdiction; and</p> <p>(e) another Market Regulator.</p>	Market Regulator would include IIROC with respect to an exchange that trades listed derivatives where IIROC has been retained to act as the regulation services provider for that exchange.
UMIR 10.14 Synchronization of Clocks	Each marketplace and each Participant shall synchronize the clocks used for recording the time and date of any event that must be recorded pursuant to UMIR to the clock used by the Market Regulator for this purpose.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.
UMIR 10.15 Assignment of Identifiers and Symbols	<p>(1) The Market Regulator shall assign a unique identifier to:</p> <p>(a) a marketplace for trading purposes upon the Market Regulator being retained as the regulation services provider for the marketplace.</p>	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange.
UMIR 10.16 Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	<p>(1) An officer, director, partner or employee of a Participant shall forthwith report to their supervisor or the compliance department of the Participant upon becoming aware of activity in a principal, non-client or client account of the Participant or a related entity that the officer, director, partner or employee believes may be a violation of:</p> <p>[...]</p> <p>(b) Rule 2.2 respecting manipulative and deceptive activities;</p> <p>(c) Rule 2.3 respecting improper orders and trades;</p> <p>(d) Rule 4.1 respecting frontrunning;</p>	UMIR 2.2, 2.3 and 4.1 would be extended to apply to derivatives.



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	<p>(e) Dealer Member Rule 3300 respecting best execution of client orders; [...]</p> <p>(h) Any Requirement that has been designated by the Market Regulatory for the purposes of this subsection.</p> <p>(2) An officer, director, partner or employee of an Access Person shall forthwith report to their supervisor or the compliance department of the Access Person upon becoming aware of activity by the Access Person or a related entity that the officer, director, partner or employee believes may be a violation of: [...]</p> <p>(b) Rule 2.2 respecting manipulative and deceptive activities; (c) Rules 2.3 respecting improper orders or trades; and (d) any Requirement that has been designated by the Market Regulator for the purposes of this subsection.</p> <p>(3) If a supervisor or compliance department of a Participant, or Access Person receives a report pursuant to subsection (1) or (2), the supervisor or compliance department shall diligently conduct a review in accordance with the policies and procedures of the Participant adopted in accordance with Rule 7.1 or in accordance with the ordinary practices of the Access Person.</p> <p>(4) If the review conducted by the supervisor or compliance department concluded that there may be a violation, the supervisor or compliance department shall:</p> <p>(a) make a written record of the report by the officer, director, partner or employee and the review conducted in accordance with subsection (3); (b) diligently investigate the activity that is the subject of the report and review; (c) make a written record of the findings of the investigation; and (d) report the findings of the investigation to the Market Regulator if the finding of the investigation is that a violation of an applicable provision of UMIR has occurred and such report shall be made not later than the 15th day of the month following the month in which the findings are made.</p>	



Rule ¹	Text of rule	How provision would apply to listed derivatives without rule change
	<p>(5) Each Participant, Access Person shall with respect to the records of the report, the review and the findings required by subsection (4):</p> <p>(a) retain the records for a period of not less than seven years from the creation of the record; and</p> <p>(b) allow the Market Regulator to inspect and make copies of the records at any time during ordinary business hours during the period that such record is required to be retained in accordance with clause (a).</p> <p>(6) The obligation of a Participant or an Access Person to report findings of an investigation under subsection (4) is in addition to any reporting obligation that may exist in accordance with applicable securities legislation, the requirements of any self-regulatory entity and any applicable Marketplace Rules.</p>	
Policy 10.16 – Gatekeeper Obligations Of Directors, Officers And Employees Of Participants And Access Persons	Rule 10.16 requires a Participant or Access Person to conduct further investigation or review where the Participant or Access Person has reason to believe that there may have been a violation of one of the provisions enumerated in Rule 10.16. A Participant or Access Person cannot ignore “red flags” which may be indicative of improper behaviour by a client, director, officer, partner or employee of the Participant, Access Person or related entity.	The requirement to file a gatekeeper report where the potential violation relates to UMIR 2.2, 2.3 and 4.1, would be extended to apply to derivatives.
10.17 Gatekeeper Obligations with Respect to Electronic Trading	<p>(1) A Participant that has, under Rule 7.1, authorized an investment dealer to perform on its behalf the setting or adjusting of a specific risk management or supervisory control, policy or procedure or the provision of risk management or supervisory controls, policies and procedures to a third party shall forthwith report to the Market Regulator the fact that:</p> <p>(a) the written agreement with the investment dealer or third party has been terminated; or</p> <p>(b) the Participant knows or has reason to believe that the investment dealer or third party has failed to promptly remedy any deficiency identified by the Participant.</p>	Definitions of “direct electronic access” and “routing arrangement”, and requirements under UMIR 7.13 would be extended to apply to derivatives. There are also references to trading on a “marketplace” in Part 9 of Policy 7.1 would include an exchange that lists/trades derivatives if IIROC becomes regulation services provider of such an exchange.
10.18 Gatekeeper Obligations with Respect to Access to Marketplaces	<p>(1) A marketplace that has provided access to a Participant or Access Person shall forthwith report to the Market Regulator the fact that the marketplace:</p> <p>(a) has terminated the access of the Participant or Access Person to the marketplace; or</p>	Definitions of “direct electronic access” and “routing arrangement”, and requirements under UMIR 7.13 would be extended to apply to derivatives. There are also references to trading on a “marketplace” which would include an



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	<p>(b) knows or has reason to believe that the Participant or Access Person has or may have breached a material provision of any Marketplace Rule or agreement pursuant to which the Participant or Access Person was granted access to the marketplace.</p> <p>(2) A Participant that has provided access to a marketplace pursuant to direct electronic access or through a routing arrangement shall forthwith report to the Market Regulator the fact that the Participant:</p> <p>(a) has terminated the access of the client under the arrangement for direct electronic access or of the investment dealer or foreign dealer equivalent through a routing arrangement; or</p> <p>(b) knows or has reason to believe that the client, investment dealer or foreign dealer equivalent has or may have breached a material provision of:</p> <p>(i) any standard established by the Participant for the granting of direct electronic access or a routing arrangement, or</p> <p>(ii) the written agreement between the Participant and the client regarding the direct electronic access, or the investment dealer or foreign dealer equivalent regarding a routing arrangement.</p>	<p>exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.</p>
<p>11.1 General Exemptive Relief</p>	<p>(1) A Market Regulator may exempt a specific transaction from the application of a provision of UMIR, if in the opinion of the Market Regulator, the provision of such exemption:</p> <p>(a) would not be contrary to the provisions of any applicable securities legislation and the regulation and rules thereunder;</p> <p>(b) would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and</p> <p>(c) is warranted after due consideration of the circumstances of the particular person or transaction.</p> <p>(2) A Market Regulator may, upon approval by the applicable securities regulatory authority, exempt a marketplace or a class of transactions from the application of a provision of UMIR.</p>	<p>Reference to “Market Regulator” would mean IIROC with respect to any provision of UMIR that would be extended to apply to derivatives under Phase 1.</p>



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	(3) The Market Regulator shall amend UMIR to reflect any exemption provided under subsection (2).	
11.2 General Prescriptive Power	(1) A Market Regulator may, from time to time, make or amend a provision of UMIR or Policy. (2) A provision of UMIR or Policy or an amendment to a provision of UMIR or Policy shall not become effective without the approval of the applicable securities regulatory authority.	Reference to “Market Regulator” being IIROC with respect to rules that could affect an Exchange that lists/trades derivatives, if IIROC becomes the regulation services provider for such an exchange.
11.3 Review or Appeal of Market Regulator Decisions	Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal.	Reference to “Market Regulator” being IIROC with respect to rules that could affect an Exchange that lists/trades derivatives, if IIROC becomes the regulation services provider for such an exchange.
11.4 Method of Giving Notice	(1) Unless otherwise specifically provided in any Requirement, notice to any person shall be sufficiently given if: (a) delivered personally to the person to whom it is to be given; (b) delivered or mailed by pre-paid ordinary mail to the last address of such person as recorded by the Market Regulator or any securities regulatory authority or recognized self-regulatory organization; or (c) provided by telephone transmission or any other form of transmitted or recorded communication or in any other manner, including electronic means, which may, in all the circumstances, could be reasonably expected to come to the attention of such person. (2) The Market Regulator may change the address of any person on the records of the Market Regulator in accordance with any information believed by the Market Regulator to be reliable. (3) A notice delivered in accordance with this section shall be deemed to have been given when the notice is delivered personally or at the address aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been	Reference to “Market Regulator” being IIROC with respect to rules that could affect an Exchange that lists/trades derivatives, if IIROC becomes the regulation services provider for such an exchange.



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	given when delivered to the appropriate communication company or agency or its representatives for dispatch.	
11.5 Computation of Time	<p>(1) In computing the time when a notice must be given or for the doing of anything or taking any proceeding under any provision of a Requirement requiring that a notice be given a specified number of days prior to any meeting, hearing, action or proceeding or that any action be done or proceeding taken within a specified number of days after some event, the date of giving of the notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.</p> <p>(2) Where the time limited for a proceeding or the doing of anything under any provision of a Requirement expires or falls upon a day that is not a trading day, the time so limited extends to and the thing may be done on the next day following that is a trading day.</p>	Reference to “Market Regulator” being IIROC with respect to rules that could affect an Exchange that lists/trades derivatives, if IIROC becomes the regulation services provider for such an exchange.
11.6 Waiver of Notice	Any person may waive any notice that is required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which notice is required to be given, shall cure any default in giving such notice.	To facilitate notice requirements in other UMIR provisions, which will be extended to rules relating to derivatives.
11.7 Omissions or Errors in Giving Notice	The accidental omission to give any notice to any person or the failure of a person to receive any notice or an error in any notice not affecting the substance of the notice does not invalidate any action founded or taken on the basis of such notice.	To facilitate notice requirements in other UMIR provisions, which will be extended to rules relating to derivatives.
11.10 Indemnification and Limited Liability of the Market Regulator	(1) To the extent permitted by law, the Market Regulator shall be indemnified and saved harmless by a Subject Person from and against all costs, charges and expenses (including an amount paid to settle an action or satisfy a judgment and including legal and professional fees and out of pocket expenses of attending trials, hearings and meetings), whatsoever that the Market Regulator sustains or incurs in or about any action, suit or proceeding, whether civil, criminal or administrative, and including any investigation, inquiry or hearing, or any appeal or review, that is threatened, brought, commenced or prosecuted against a Protected Party or in respect of which a Protected Party is compelled or requested to participate, for or in respect of	<p>Reference to “Market Regulator” being IIROC with respect to rules that could affect an Exchange that lists/trades derivatives, if IIROC becomes the regulation services provider for such an exchange.</p> <p>Definitions of “Subject Person” and “Protected Party” would also be extended to apply to derivatives.</p>



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	<p>any act, deed, matter or thing whatsoever made, done or permitted by the Subject Person.</p> <p>(2) To the extent permitted by law, all costs, charges and expenses in respect of which the Market Regulator is indemnified pursuant to subsection (1) shall be paid to the Market Regulator by the Subject Person within 90 days after receiving the written request of the Market Regulator.</p> <p>(3) The Market Regulator shall not be liable to any Subject Person for any loss, damage, cost, expense or other liability or claim arising from any:</p> <ul style="list-style-type: none"> (a) failure of any system owned, operated or used by the Market Regulator; or (b) act done in good faith in the exercise or intended exercise of any power or in the performance or intended performance of any duty or for any neglect, default or omission in the exercise or performance in good faith of any such power or duty by a Protected Party. <p>(4) Subject to subsection (5), no Subject Person shall be entitled to commence or carry on any action or proceeding in respect of any penalty or remedy imposed by an order or interim order or in respect of any act done or omitted under the provisions of and in compliance with, or intended compliance with, UMIR and any Policy as against a Protected Party.</p> <p>(5) Subsection (4) shall not restrict or limit the ability of any person to apply for a review in accordance with Rule 11.3 of a direction, order or decision of a Market Regulator or Market Integrity Official.</p>	
11.11 Status of UMIR and Policies	In the event of a conflict between a provision of UMIR or any Policy and the provision of a Marketplace Rule or the functionality of the trading system of any marketplace, UMIR shall govern unless otherwise provided by the securities regulatory authority.	Reference to a “marketplace” which would include an exchange that lists/trades derivatives if IIROC becomes the regulation services provider of such an exchange.