

## Appendix A – Staff Policy Statement – Early Resolution Offers



### **IIROC Staff Policy Statement Early Resolution Offers**

#### **Purpose**

1. IIROC Enforcement Staff (**Staff**) will provide Early Resolution Offers to the subjects of enforcement proceedings to encourage early settlement of cases and timely resolution of matters under investigation.
2. Early Resolution Offers are intended to increase the granting of credit for cooperation and encourage Dealers to implement timely compensation and remedial measures, which benefits investors and improves overall business standards and practices.

#### **The Early Resolution Offer**

3. The Early Resolution Offer constitutes Staff's best settlement offer by granting a 30% reduction on the sanctions that Staff would otherwise be willing to agree to in a settlement agreement.
4. The reduction can be applied to a fine or a suspension of approval but will not be applied to the disgorgement of any amount obtained as a result of the contravention or any costs incurred in connection with the investigation.
5. A settlement agreement agreed to pursuant to an Early Resolution Offer is subject to acceptance by a hearing panel.

#### **Criteria**

6. Staff will consider the application of the following criteria in determining whether to make an Early Resolution Offer:
  - (a) whether the extent, scope and harm of the misconduct, non-compliance, or regulatory breach has been sufficiently determined;
  - (b) the extent to which the subject has demonstrated proactive and exceptional cooperation in accordance with the [IIROC Staff Policy Statement on Credit for Cooperation](#) (for example, prompt and detailed self-identification of misconduct, the sharing of internal investigations with Staff, and substantial assistance to Staff's investigation by obtaining and providing evidence in a timely manner);

- (c) the extent to which the non-compliance which is the subject matter of the case has been remedied or will be remedied;
- (d) where there are clients losses, compensation must be paid;
- (e) where there has been a financial benefit, the full amount of the profit or loss avoided must be disgorged;
- (f) in the case of individuals, whether they have been internally disciplined; and
- (g) whether the subject, through counsel, an agent or otherwise, has expressed a willingness to resolve the matter in a timely manner.

#### **Content of the Early Resolution Offer**

- 5. The Early Resolution Offer provided by Staff will contain:
  - (a) the sanctions that Staff is prepared to agree to in a settlement;
  - (b) the admissions of fact that are required;
  - (c) the IIROC requirements that have been contravened; and
  - (d) a 30-day deadline for acceptance of the offer.

#### **Timing**

- 6. An Early Resolution Offer will be considered from the commencement of an investigation until the commencement of a proceeding.
- 7. The Early Resolution Offer is strictly time-limited. The subject may request that Staff extend the offer, if the subject provides a comprehensive response to the allegations within the deadline for acceptance. Staff will extend the offer at their sole discretion.