

IIROC Policy Priorities - Update Report

L E G E N D	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 April 9, 2019

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.

For publication history details please refer to the following:

- DMR - the "Proposed Policy: Active Matters" tab of the "[Dealer Member Regulatory Resources](#)" page on our website
- UMIR - [Status of Amendments](#)

We will update this chart on a quarterly basis.

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As at April 9, 2019

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Form 1 - Schedule 7A (New)	DMR	Notice of Approval published on March 5, 2019 in Rules Notice 19-0035 .	Housekeeping amendment to Schedule 7A of Form 1 to correct a typographical mistake.	Amendment effective on March 5, 2019.
Form 1 – Adoption of International Financial Reporting Standards 16 on Leases	DMR	Notice of Approval published on March 5, 2019 in Rules Notice 19-0036 .	Housekeeping amendments to adopt International Financial Reporting Standards (IFRS) 16 on leases and to ensure the changes do not impact risk adjusted capital regarding non-refundable leasehold inducements.	Amendment to Statement B of Form 1 to remove the reference to line A65 effective on March 5, 2019. Remaining amendments effective on December 1, 2020.
E-Signatures (New)	DMR	Guidance Note published on March 26, 2019 in Rules Notice 19-0051 .	Guidance clarifying the use of electronic signatures to evidence: <ul style="list-style-type: none"> the execution of agreements and contracts consents or notifications to clients. 	Guidance effective on March 26, 2019.
Transaction Reporting for Debt Securities	DMR	Notice of Approval published on March 28, 2019 in Rules Notice 19-0052 .	Introduces requirements to: <ul style="list-style-type: none"> shorten the transaction reporting deadlines for debt securities to align with the change to shorter settlement cycles remove the reporting requirement on alternative trading systems when trades in debt securities are executed against a Dealer Member to eliminate duplicative reporting add new data fields to enhance the surveillance capabilities of IIROC Debt Surveillance and assist with the regulatory functions of the Bank of Canada. 	Amendments effective on October 28 , 2019.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Cybersecurity Incident Reporting	DMR	Comments under IROC review. Proposed amendments published for comment on April 5, 2018 in Rules Notice 18-0070 . Comment period closed May 22, 2018 Technical Notice 18-0063 published on March 22, 2018.	Amendments to our Dealer Member Rules requiring mandatory reporting of certain cybersecurity incidents.	Estimated publication of Notice of Approval or re-publication of Request for Comments – April, 2019.
Alternative Forms of Disciplinary Actions	UMIR & DMR	Comments on the preliminary proposal under IROC review. Preliminary proposal published for comment on February 22, 2018 in Rules Notice 18-0045 . Comment period closed on May 23, 2018.	Proposals to provide for alternative forms of disciplinary action. The proposals would allow for more tailored enforcement responses and ensure enforcement actions are fair and proportionate to the particular circumstances of cases under investigation.	Estimated publication of Request for Comments – April, 2019.
Form 1 - Agency Tri-Party Arrangements	DMR	Proposed amendments published for comment on February 21, 2019 in Rules Notice 19-0027 .	Amendments to allow Dealer Members to treat the agent as equivalent to principal for margin purposes in certain agency tri-party repurchase and resale arrangements and securities borrow and loan arrangements.	Comment period closes April 22, 2019.
Client Identifiers	UMIR & DMR	Comments under IROC review. Proposed amendments re-published for comment on June 28, 2018 in Rules Notice 18-0122 . Comment period closed September 26, 2018.	Introduces requirements to: <ul style="list-style-type: none"> include client identifiers on each order sent to a marketplace and on each reportable trade in a debt security use a unique client identifier for each client of a foreign dealer equivalent who enters orders under a routing arrangement where the orders are automatically generated on a predetermined basis by the client.	Estimated publication of Notice of Approval or re-publication of Request for Comments – April, 2019.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Adviser Identifiers and Order Execution Only Eligibility	DMR	Submitted to CSA for approval. Proposed amendments published for comment on July 26, 2018 in Rules Notice 18-0141 . Comment period closed October 24, 2018.	Introduces requirements to: <ul style="list-style-type: none"> prohibit registered dealers from becoming OEO clients mandate identifiers for registered advisers that have been granted trading authority over a client's OEO account and trade through that client's OEO account. 	Estimated publication of Notice of Approval or re-publication of Request for Comments – May, 2019.
Non-client Definition	UMIR & DMR	Proposed amendments and guidance under development.	To clarify and eliminate any inconsistencies between the DMR and UMIR definitions of the term “non-client”.	Estimated publication of Request for Comments – July, 2019.
Plain Language Dealer Member Rules Rewrite Project	DMR	Submitted to CSA for approval. Proposed IIROC Dealer Member Plain Language Rule Book published for comment on January 18, 2018 in Rules Notice 18-0014 . Comment period closed March 5, 2018.	Rewrite of current Dealer Member Rules in plain language. Proposed IIROC Dealer Member rule amendments drafted in plain language that result from the CSA Registration Reform Project are included as part of the project.	Estimated publication of Notice of Approval or re-publication of Request for Comments – July, 2019.
Changes in Dealer Member Ownership – Forms and Guidance	DMR	Submitted to CSA for approval. Proposed form and guidance changes published for comment on March 9, 2017 in Rules Notice 17-0055 . Comment period closed May 12, 2017.	Changes to the Investor Application Form, the Investor Notification Form and the Investor Notification and Approval guidance to align with changes proposed in the Plain Language Dealer Member Rules Rewrite Project (PLR).	Publication of Notice of Approval or publication of Request for Comments. Timing to be coordinated with PLR.
Form 1 – PLR Related Housekeeping Amendments (New)	DMR	Proposed housekeeping amendments under development.	Housekeeping amendments to Form 1 for use in, and consistency, with the terms and drafting protocol used in PLR.	Publication of Notice of Approval or publication of Request for Comments. Timing to be coordinated with PLR.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Form 1 – PLR Related Amendments	DMR	Submitted to CSA for approval. Proposed amendments published for comment on February 15, 2018 in Rules Notice 18-0043 . Comment period closed March 19, 2018.	Amendments to certain defined terms used in Form 1 for consistency with PLR.	Publication of Notice of Approval or publication of Request for Comments. Timing to be coordinated with PLR.
Anti-Money-Laundering	DMR	Submitted to CSA for approval. Proposed amendments re-published for comment on April 12, 2018 in Rules Notice 18-0079 . Comment period closed May 14, 2018.	Harmonizes IROC Rules with federal anti-money laundering rules and provincial securities legislation (NI 31-103), as applicable.	Publication of Notice of Approval or re-publication of Request for Comments. Timing to be coordinated with PLR.
Guidance Review Project	DMR	Guidance Notes being updated/revised by IROC.	Updating/revising of IROC's Guidance Notes for consistency with Plain language Dealer Member Rules rewrite project.	Timing to be coordinated with implementation of PLR.
Continuing Education Requirements	DMR	Comments under IROC review. Proposed amendments published for comment on January 25, 2018 in Rules Notice 18-0019 . Comment period closed February 26, 2018.	Amendments to the continuing education (CE) rules to address inconsistencies, support our goal of modernizing and simplifying the CE Program, and respond to comments received during the course of our on-going review of our CE Program.	Estimated publication of Notice of Approval or re-publication of Request for Comments – June , 2019.
Price Improvement by a Dark Order	UMIR	Comments under IROC review. Proposed amendments published for comment on December 18, 2018 in Rules Notice 18-0231 . Comment period closed March 15, 2019.	Modifies requirements in UMIR 6.6 for Dark Orders to provide a better price by introducing a minimum order value of \$30,000 threshold in addition to the current threshold of 50 standard trading units.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Summer, 2019.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Debt Securities Concentration Test	DMR	Comments under IROC review. Proposed amendments published for comment on August 9, 2018 in Rules Notice 18-0153 . Comment period closed November 8, 2018.	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. 	Estimated publication of Notice of Approval or re-publication of Request for Comments – Summer, 2019.
Electronic Delivery of Client Documents	DMR	Proposed guidance under development.	Enhance guidance on the ability of Dealer Members to electronically deliver client documents.	Estimated publication of Guidance – Summer, 2019.
Derivatives Rule Reform	DMR	Proposed amendments under development. Industry advisory committee consultations commenced in November, 2018.	Amendments to modernize Dealer Member Rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Estimated publication of Request for Comments – Fall, 2019
Segregation and Portability for Futures Markets	DMR	Submitted to CSA for approval. Proposed amendments published for comment on May 18, 2017 in Rules Notice 17-0110 . Comment period closed on August 16, 2017.	Facilitates the adoption of a customer protection segregation and portability regime by Central Clearing Counterparties (CCPs) serving the futures markets.	Publication of Notice of Approval or re-publication of Request for Comments. Timing of implementation to be aligned with changes at the CCPs.

INITIATIVE	DMR/UMIR	STATUS	DESCRIPTION	NEXT STEPS
Regulatory Framework for Addressing Financial Exploitation and Cognitive Impairment among Older and Vulnerable Investors	DMR	Proposed amendments under consideration.	<p>Introduce requirements to prevent the financial exploitation of vulnerable investors. These requirements will target three areas where Dealer can accommodate and protect vulnerable investors:</p> <ul style="list-style-type: none"> • obtaining a trusted contact person information • placing temporary holds on trades and disbursements • operating under a legal safe harbor. 	IIROC is working together with members of the CSA and the MFDA to develop a regulatory framework to address these issues.
Limitation of Liability Clauses	DMR	Proposed guidance under consideration.	To address regulatory concerns regarding limitation of liability clauses in contracts between Dealer Members and their clients.	IIROC is considering options.

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