

## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1 SROs

#### 13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Amended MOU regarding the Oversight of IIROC – Notice of Approval

**NOTICE OF COMMISSION APPROVAL  
OF  
MEMORANDUM OF UNDERSTANDING  
AMONG THE CANADIAN SECURITIES ADMINISTRATORS  
REGARDING THE OVERSIGHT OF  
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**

The Commission is publishing an amended memorandum of understanding (**MOU**) among the Canadian Securities Administrators (**CSA**) regarding the oversight of the Investment Industry Regulatory Organization of Canada (**IIROC**).

The MOU is subject to the approval of the Ontario Minister of Finance. The MOU was delivered to the Minister on January 25, 2021. Subject to the Minister's approval, the amended MOU will take effect on April 1, 2021.

The MOU amends and restates an existing IIROC MOU, which came into effect on September 1, 2008. The IIROC MOU is being amended as part of the CSA project aimed to increase regulatory efficiency by streamlining and harmonizing the oversight regime of IIROC. For more details on this project, please refer to the relevant [OSC Notice](#) published on July 30, 2020 on our website at <http://www.osc.gov.on.ca/>.

MEMORANDUM OF UNDERSTANDING  
REGARDING OVERSIGHT OF  
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA  
AMONG:

BRITISH COLUMBIA SECURITIES COMMISSION  
ALBERTA SECURITIES COMMISSION  
FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN  
MANITOBA SECURITIES COMMISSION  
ONTARIO SECURITIES COMMISSION  
AUTORITÉ DES MARCHÉS FINANCIERS  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, DIGITAL GOVERNMENT AND SERVICE NEWFOUNDLAND AND  
LABRADOR  
NOVA SCOTIA SECURITIES COMMISSION  
FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK  
PRINCE EDWARD ISLAND OFFICE OF THE SUPERINTENDENT OF SECURITIES  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST TERRITORIES  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT  
OFFICE OF THE YUKON SUPERINTENDENT OF SECURITIES  
(each a **Recognizing Regulator**, collectively the **Recognizing Regulators** or the **Parties**)

The Parties agree as follows:

**1. Underlying Principles**

*a. Recognition*

Investment Industry Regulatory Organization of Canada (**IIROC**) is recognized as a self-regulatory organization under applicable legislation by each of the Recognizing Regulators and is a regulation services provider pursuant to National Instrument 23-101 *Trading Rules*.

*b. Oversight Program*

To ensure effective oversight of IIROC's performance of its self-regulatory activities and regulation services, the Parties to this Memorandum of Understanding (**MOU**) have developed an oversight program (the **Oversight Program**) which includes:

- (i) reviewing information filed by IIROC, as set out in section 4;
- (ii) reviewing and approving Rule Changes, as set out in section 6; and
- (iii) performing periodic reviews of IIROC's self-regulatory activities and regulation services as set out in section 5.

The purpose of the Oversight Program is to ensure that IIROC is acting in accordance with its public interest mandate, specifically by complying with its terms and conditions of recognition.

*c. Previous Memoranda of Understanding*

This MOU amends, restates and replaces the Memorandum of Understanding dated May 30, 2008 among the recognizing regulators of IIROC concerning the oversight of IIROC (the **Previous MOU**).

The Previous MOU superseded the letter agreement dated June 5, 2001 between the Investment Dealers Association of Canada (**IDA**) and the recognizing regulators of the IDA regarding the coordination of oversight of the IDA by the Canadian Securities Administrators and the Memorandum of Understanding Regarding Oversight of Market Regulation Services Inc. (**RS**) dated May 1, 2002 among the recognizing regulators of RS.

**2. Definitions**

"Approved Person" has the meaning attributed to that term in IIROC's Rules.

"Board" has the meaning ascribed to that term in IIROC's By-law No. 1.

"Member" has the meaning attributed to that term in IIROC's By-law No. 1.

"Principal Regulator" means the Recognizing Regulator that is designated as such from time to time by consensus of all the Recognizing Regulators.

“Rule” means any rule, policy, form, fee model or other similar instrument of IIROC.

“Rule Change” means a new Rule, or an amendment, a revocation or a suspension of an existing Rule.

**3. General Provisions**

*a. Oversight Committee*

An oversight committee will be established (the **Oversight Committee**) which will act as a forum and venue for the discussion of issues, concerns and proposals related to the oversight of IIROC.

The Oversight Committee will include staff representatives from each of the Recognizing Regulators.

The Oversight Committee will provide to the Canadian Securities Administrators (**CSA**) Chairs an annual written report that will include a summary of all oversight activities during the previous period.

*b. Staff Contact*

The Principal Regulator will provide IIROC with key staff contacts in each jurisdiction for the purposes of matters arising under this MOU or relating to oversight in general.

*c. Status Meetings*

The Principal Regulator will organize quarterly conference calls and an annual in-person meeting of the Oversight Committee and IIROC staff. The purpose is to discuss matters relating to the oversight of IIROC, issues relating to the regulation of IIROC’s Members and other matters that are of interest to the Recognizing Regulators and IIROC. The Principal Regulator is also responsible for taking minutes of these calls and in-person meetings.

**4. Review of Information Filed**

Any comments of the staff of the Recognizing Regulators on information filed by IIROC will be sent to the Principal Regulator. The Principal Regulator will request that IIROC respond to comments raised by the Recognizing Regulators and forward any response to the Recognizing Regulators.

**5. Oversight Reviews**

The Recognizing Regulators have developed procedures for performing periodic reviews of IIROC’s self-regulatory activities and regulation services, as set out in Appendix “A”.

**6. Review of By-laws and Rules**

The Recognizing Regulators have developed a Joint Rule Review Protocol (the **Protocol**) for coordinating the review and approval of, or non-objection to, IIROC by-laws and Rules, as set out in Appendix “B”.

**7. Appendices**

The appendices are integral parts of this MOU.

**8. Amendments to and Withdrawal from this MOU**

This MOU may be amended from time to time as mutually agreed upon by the Recognizing Regulators. Any amendments must be in writing and approved by the duly authorized representatives of each Recognizing Regulator. Each Recognizing Regulator can, at any time, withdraw from this MOU on at least 90 days written notice to the Principal Regulator and to each Recognizing Regulator.

**9. Effective Date**

This MOU comes into effect on April 1, 2021.

**BRITISH COLUMBIA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**ALBERTA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**MANITOBA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**ONTARIO SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**AUTORITÉ DES MARCHÉS FINANCIERS**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, DIGITAL GOVERNMENT AND SERVICE NEWFOUNDLAND AND LABRADOR**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**DEPUTY MINISTER FOR INTERGOVERNMENTAL AFFAIRS NEWFOUNDLAND AND LABRADOR**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**NOVA SCOTIA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**PRINCE EDWARD ISLAND OFFICE OF THE SUPERINTENDENT OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST TERRITORIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE YUKON SUPERINTENDENT OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

## Appendix A

### Oversight Reviews

The Recognizing Regulators will carry out periodic oversight reviews of IIROC's offices for the purposes of: (i) evaluating whether selected regulatory processes are effective, efficient, and are applied consistently and fairly; and (ii) assessing compliance with the terms and conditions of recognition.

A Recognizing Regulator may choose to participate in a coordinated review of an IIROC office depending on the functions carried out in that office, or may choose to rely on another Recognizing Regulator for the review of an IIROC office. In cases where a Recognizing Regulator chooses not to review the IIROC office in its jurisdiction, the other Recognizing Regulators may conduct a review of that IIROC office.

Each Recognizing Regulator may also perform an independent review of IIROC to deal with significant and/or local issues. Any Recognizing Regulator who intends to perform such a review will notify staff of the other Recognizing Regulators prior to conducting such a review.

The Recognizing Regulators who choose to participate in an oversight review are considered to be "Reviewing Regulators" for the purposes of this Appendix A.

The scope of the review will be determined by utilizing a risk-based methodology established and agreed upon by staff of the Reviewing Regulators.

When conducting a coordinated review, the Reviewing Regulators will use best efforts to adhere to the following within any timelines established among themselves:

- 1) The Reviewing Regulators will establish and agree on a work plan for the coordinated review that sets the target completion date for each step, including conducting the review, reviewing draft reports, confirming factual accuracy, translating and publishing the final report, and follow-up plans.
- 2) The coordinated review of IIROC's offices will be conducted at the same time and, for each IIROC office, a Reviewing Regulator will be designated as the regulator who has overall responsibility for the review of that office.
- 3) The Reviewing Regulators will develop and use a uniform review program and uniform performance benchmarks to conduct the coordinated review and will ensure the review is appropriately staffed in their respective jurisdiction.
- 4) The Principal Regulator will, as needed, arrange for communication among the Reviewing Regulators during the course of a review, to discuss the progress of the work completed and to ensure appropriate consistency in the Reviewing Regulators' approach.
- 5) Each Reviewing Regulator will share with all other Reviewing Regulators the results of its review, including draft findings and, upon request, supporting materials.
- 6) Unless otherwise agreed upon, the Principal Regulator will draft a review report and share it among the Reviewing Regulators to ensure it meets all of their expectations and requirements, as applicable. The review report will:
  - a) take into account the draft findings and comments of the Reviewing Regulators, and
  - b) use a common set of criteria to rate the significance and urgency of findings.
- 7) After the Reviewing Regulators are mutually satisfied with the draft review report, the Principal Regulator will forward the draft review report to IIROC to confirm factual accuracy.
- 8) IIROC will review the draft review report for factual accuracy and respond to the Reviewing Regulators with comments.
- 9) The Reviewing Regulators will consider IIROC's comments and revise the review report as necessary.
- 10) The Principal Regulator will send the revised review report to IIROC for its formal response.
- 11) On receipt of IIROC's formal response, the Reviewing Regulators will incorporate such formal response and any follow-up plans to the review report as applicable.
- 12) Each Reviewing Regulator will seek the necessary internal approval to publish the final review report, taking into account language translation needs where applicable.
- 13) When each Reviewing Regulator has obtained the necessary internal approvals, the Principal Regulator will, and the other Reviewing Regulators may, publish the final review report.

## Appendix B

### Joint Rule Review Protocol

#### 1. Scope and purpose

The Recognizing Regulators (RRs) have entered into this Protocol to establish uniform procedures for their review of and decision-making about Rule Changes proposed by IIROC.

Any review of a new by-law or amendment to an existing by-law proposed by IIROC will follow the process for review of and decision-making about Rule Changes set out in this Protocol, with the necessary adaptations.

#### 2. Classifying Rule Changes

- (a) **Classification.** IIROC will classify each proposed Rule Change as “housekeeping” or “public comment”.
- (b) **Housekeeping Rule Changes.** A “housekeeping” Rule Change is a Rule Change that has no material impact on investors, issuers, registrants, IIROC, the Canadian Investor Protection Fund (CIPF) or the Canadian capital markets generally and that:
  - (i) makes necessary changes of an editorial nature (such as correcting a textual mistake or inaccurate cross-reference, correcting a translation, making a formatting change, or standardization of terminology),
  - (ii) changes the routine internal processes, practices, or administration of IIROC,
  - (iii) is necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards, or to other IIROC Rules or by-laws (including those that the RRs have approved or non-objected to, but which IIROC has not yet made effective), or
  - (iv) establishes or changes a due, fee or other charge imposed by IIROC under a Rule that the RRs have previously approved or non-objected to.
- (c) **Public comment Rule Changes.** A “public comment” Rule Change is any Rule Change that is not a housekeeping Rule Change.
- (d) **RRs’ disagreement with classification.** If staff of an RR thinks IIROC incorrectly classified a proposed Rule Change as housekeeping, the RRs and IIROC will use best efforts to adhere to the following:
  - (i) within 5 business days of the date of IIROC’s filing under section 3, staff of the RR who intends to disagree with the classification will advise staff of the other RRs, in writing, that they intend to disagree and provide reasons for its intended disagreement.
  - (ii) within 3 business days of receiving or sending a notice of disagreement, staff of the Principal Regulator (PR) will discuss the classification, and may arrange a conference call, with staff of the other RRs and, as applicable, IIROC.
  - (iii) if disagreement with the classification still exists after any such discussion, staff of the PR will notify IIROC of the disagreement, in writing, with a copy to staff of the other RRs within 10 business days of the date of IIROC’s filing.
  - (iv) if staff of the PR sends a notice of disagreement to IIROC under paragraph 2(d)(iii), IIROC will reclassify the proposed Rule Change as a public comment Rule Change or withdraw the proposed Rule Change by filing a written notice with staff of the RRs indicating that it will be withdrawing the Rule Change.
  - (v) if IIROC does not receive any such notice of disagreement within 10 business days of the date of IIROC’s filing, IIROC will assume that staff of the RRs agree with the classification.

#### 3. Required Filings

- (a) **Language requirements.** IIROC will file the information required under this section concurrently in both English and French, accompanied with an attestation from a certified translator.
- (b) **Filings for housekeeping Rule Changes.** IIROC will file the following information with staff of the RRs for each proposed housekeeping Rule Change:

- (i) a cover letter that indicates the classification of the proposed Rule Change and the applicable provisions in subsection 2(b),
  - (ii) the Board resolution, including the date that the proposed Rule Change was approved and a statement that the Board has determined that the proposed Rule Change is in the public interest,
  - (iii) the text of the proposed Rule Change and, where applicable, a blacklined version showing the changes to an existing Rule, and
  - (iv) a notice for publication including:
    - (A) a brief description of the proposed Rule Change,
    - (B) the reasons for the housekeeping classification,
    - (C) the anticipated effective date of the proposed Rule Change,
    - (D) a statement as to whether the proposed Rule Change involves a Rule that IIROC, its Members or Approved Persons must comply with in order to be exempted from a requirement of securities legislation and any applicable references to such requirement,
    - (E) confirmation that IIROC followed its established internal governance practices in approving the proposed Rule Change and considered the need for consequential amendments, and
    - (F) a statement as to whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of IIROC's recognition.
- (c) **Filings for public comment Rule Changes.** IIROC will file the following information with staff of the RRs for each proposed public comment Rule Change:
- (i) a cover letter that indicates the classification of the proposed Rule Change,
  - (ii) the Board resolution, including the date that the proposed Rule Change was approved, and a statement that the Board has determined that the proposed Rule Change is in the public interest,
  - (iii) the text of the proposed Rule Change, and, where applicable, a blacklined version showing the changes to an existing Rule, and
  - (iv) a notice for publication including:
    - (A) Information that must be included:
      - a. a concise statement, together with supporting analysis (including applicable quantitative analysis), of the nature, purpose and effect (including any regional-specific effect) of the proposed Rule Change,
      - b. an explanation as to how IIROC has taken the public interest into account when developing the Rule Change and the anticipated effects of the proposed Rule Change on investors, issuers, registrants, IIROC, the CIPF and the Canadian capital markets generally,
      - c. a description of the Rule Change,
      - d. a description of the Rule-making process, including the context in which IIROC developed the proposed Rule Change, the process followed and the consultation process undertaken when developing the Rule Change,
      - e. the anticipated effective date of the proposed Rule Change,
      - f. a request for public comment together with details on how to submit comments within the comment period deadline, and a statement that IIROC will publish all comments received during the comment period on its public website,
      - g. the items in subparagraphs 3(b)(iv)(D), (E) and (F).

- (B) Information that must be included, if relevant:
  - a. where the proposed Rule Change requires investors, issuers, registrants, IIROC, or the CIPF to make technological systems changes, a description of the implications of the proposed Rule Change and, where possible, a discussion of material implementation issues and plans,
  - b. any issues considered and any alternative approaches considered, including the reasons for rejecting those alternative approaches,
  - c. a reference to other jurisdictions including an indication as to whether another regulator in Canada, the United States or another jurisdiction has a comparable requirement or is contemplating making a comparable requirement and, if applicable, a comparison of the proposed Rule Change to the requirement of the other jurisdiction.

#### 4. Review criteria

Without limiting the discretion of the RRs, the RRs agree that the following are factors that staff of the RRs should consider when reviewing proposed Rule Changes:

- (a) whether IIROC has provided sufficient analysis of the nature, purpose and effect of a proposed Rule Change,
- (b) whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of IIROC's recognition, and
- (c) whether a proposed Rule Change is in the public interest.

#### 5. Review and approval process for housekeeping Rule Changes

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(b), staff of the PR will, as soon as practicable, send written confirmation of receipt of the proposed housekeeping Rule Change to IIROC, with a copy to staff of the other RRs.
- (b) **Approval.** Except where a notice of disagreement has been sent to IIROC in accordance with paragraph 2(d)(iii), the proposed Rule Change will be deemed approved or non-objected to on the eleventh business day following the date of IIROC's filing under section 3.

#### 6. Review process for public comment Rule Changes

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(c), staff of the PR will, as soon as practicable, send written confirmation of receipt of the proposed public comment Rule Change to IIROC, with a copy to staff of the other RRs.
- (b) **Publication and public comment period.** As soon as practicable, staff of the PR and IIROC will, and staff of the other RRs may:
  - (i) coordinate a publication date among themselves, and
  - (ii) publish on their respective public websites or bulletin the materials referred to in paragraphs 3(c)(iii) and (iv) for the comment period recommended by IIROC, commencing on the date the proposed public comment Rule Change appears on the public website or in the bulletin of the PR.
- (c) **Publishing and responding to public comments.** Within 3 business days of the end of the subsection 6(b) comment period, IIROC will publish any public comments on its public website, if it has not already done so. IIROC will also prepare a summary of public comments and responses to those public comments, if any, and send them to staff of the RRs within any timelines established by staff of the RRs.
- (d) **RR review.** After the subsection 6(b) comment period has ended, and, if applicable, IIROC has provided the summary and responses required by subsection 6(c), staff of the RRs will, in writing, provide any significant comments to staff of the other RRs within any timelines established among themselves.
- (e) **RRs have no comments.** If staff of the PR does not receive or have any significant comments within the period provided for under subsection 6(d), staff of the RRs will be deemed not to have any comments and proceed immediately to the approval or non-objection process in section 8.

- (f) **RRs have comments.** If staff of the PR receives or has significant comments within the period provided for under subsection 6(d), staff of the RRs and, as applicable, IIROC will use best efforts to adhere to the following process using timelines established among themselves:
- (i) after the end of the period provided for under subsection 6(d), staff of the PR will prepare and send to staff of the other RRs a draft comment letter that incorporates their own significant comments and the significant comments raised by staff of the other RRs and may, if deemed necessary, identify different views among staff of the RRs,
  - (ii) staff of the RRs will provide any significant comments on the draft comment letter, in writing, to staff of the PR and the other RRs; if staff of the PR does not receive any such comments within the timelines agreed upon, staff of the other RRs will be deemed not to have any comments,
  - (iii) following the other RRs' response (or deemed response), staff of the PR will consolidate all comments received and, when finalized to the satisfaction of staff of the RRs, send the comment letter to IIROC, with a copy to staff of the other RRs,
  - (iv) IIROC will respond, in writing, to the comment letter sent by staff of the PR, with a copy to staff of the other RRs,
  - (v) after receiving IIROC's response, staff of the RRs will provide any significant comments, in writing, to staff of the other RRs; if staff of the PR does not receive or have any such comments within the timelines agreed upon, staff of the RRs will:
    - (A) be deemed not to have any comments, and
    - (B) proceed immediately to the approval or non-objection process in section 8,
  - (vi) staff of the RRs and, as applicable, IIROC will follow the process in paragraphs 6(f)(i) to (v) when staff of the RRs have significant comments on IIROC's response to any comment letter,
  - (vii) staff of the PR will attempt to resolve any issues that staff of the RRs have raised on a timely basis and will consult with staff of the other RRs or IIROC, as needed,
  - (viii) if staff of the RRs disagree about the substantive content of the comment letter in paragraph 6(f)(i) or whether to recommend approval of or non-objection to the Rule Change, staff of the PR will invoke section 12, and
  - (ix) if IIROC fails to respond to comments of staff of the RRs within 120 days of receipt of the most recent comment letter from staff of the RRs (or such other time agreed upon by staff of the RRs), IIROC may withdraw the Rule Change in accordance with section 13 or staff of the RRs will, if they agree among themselves to do so in writing, recommend that their respective decision makers object to or not approve the Rule Change.

## 7. Revising and republishing public comment Rule Changes

- (a) **Language requirements.** If, subsequent to its publication for comment, IIROC revises a public comment Rule Change, IIROC will file any such revision, which will include, as applicable, a blacklined version to the original published version, a blacklined version to the existing Rule, and the text of the revised Rule Change concurrently in both English and French, accompanied with an attestation from a certified translator.
- (b) **Revising Rule Changes.** If such a revision changes the Rule Change's substance or effect in a material way, staff of the PR may, in consultation with IIROC and staff of the other RRs, require the revised Rule Change to be republished for an additional comment period. Upon republication, the previously published Rule Change will be superseded.
- (c) **Published documents.** If a public comment Rule Change is republished, the revised request for comments will include, as applicable, the information filed under subsection 7(a), the date of Board approval (if different from the original published version), IIROC's summary of public comments received and responses for the previous request for comments, together with an explanation of the revisions to the Rule Change and the supporting rationale for the revisions.
- (d) **Applicable provisions.** Any republished public comment Rule Change will be subject to all provisions in this Protocol applicable to public comment Rule Changes, except where otherwise provided for in this Protocol.

**8. Approval process for public comment Rule Changes**

- (a) **PR seeks approval.** Staff of the PR will use their best efforts to seek approval of or non-objection to the Rule Change within 30 business days of the end of the review process set out in section 6.
- (b) **PR circulates documents.** After the PR makes a decision about a Rule Change, staff of the PR will promptly circulate to staff of the other RRs applicable documentation relating to the PR's decision.
- (c) **Other RRs seek approval.** Staff of the other RRs will use their best efforts to seek approval or non-objection within 30 business days of receipt of applicable documentation from staff of the PR.
- (d) **Other RRs communicate decision to PR.** Staff of each RR will promptly inform staff of the PR in writing after a decision about the Rule Change has been made.
- (e) **PR communicates decision to IIROC.** Staff of the PR will promptly communicate to IIROC, in writing, the decision about the Rule Change, including any conditions, upon receipt of notification of the other RRs' decisions.

**9. Effective date of Rule Changes**

- (a) **Public comment Rule Changes.** Public comment Rule Changes (other than Rule Changes implemented under section 11) will be effective on the later of:
  - (i) the date the PR publishes the notice of approval or non-objection in accordance with subsection 10(a), and
  - (ii) the date designated by IIROC under subparagraph 3(c)(iv)(A).
- (b) **Housekeeping Rule Changes.** Housekeeping Rule Changes will be effective on the later of:
  - (i) the date of deemed approval or non-objection in accordance with subsection 5(b), and
  - (ii) the date designated by IIROC under subparagraph 3(b)(iv)(C).
- (c) **Revisions to the effective date of a Rule Change.** IIROC will advise staff of the RRs in writing if it has not made a Rule Change effective by the date designated by IIROC under subparagraph 3(c)(iv)(A), and will include the following information:
  - (i) the reasons it has not yet made the Rule Change effective,
  - (ii) IIROC's projected timeline for making the Rule Change effective, and
  - (iii) the impact on the public interest of not making the Rule Change effective by the date designated by IIROC under subparagraph 3(c)(iv)(A).

**10. Publishing notice of approval**

- (a) **Public comment Rule Changes.** For any public comment Rule Change, staff of the PR and IIROC will both publish a notice of approval of or non-objection on their respective public websites, together with:
  - (i) if applicable, IIROC's summary of comments received and responses,
  - (ii) if changes were made to the version published for public comment, a blacklined version of the revised Rule Change compared to the previously published public comment Rule Change, and
  - (iii) if requested, a blacklined version to the existing Rule.
- (b) **Housekeeping Rule Changes.** For any housekeeping Rule Change, staff of the PR will prepare a notice of deemed approval or non-objection and both the PR and IIROC will publish the notice, together with the materials referred to in paragraphs 3(b)(iii) and (iv), on their respective public websites.

## 11. Immediate implementation

- (a) **Criteria for immediate implementation.** If IIROC reasonably thinks there is an urgent need to implement a proposed public comment Rule Change because of a substantial risk of material harm to investors, issuers, registrants, other market participants, IIROC, the CIPF or the Canadian capital markets generally, IIROC may make the proposed public comment Rule Change effective immediately, subject to subsection 11(d), and provided that:
- (i) IIROC provides staff of each RR with written notice of its intention to rely upon this procedure at least 10 business days before the Board considers the proposed public comment Rule Change for approval, and
  - (ii) IIROC's written notice in paragraph 11(a)(i) includes:
    - (A) the date on which IIROC intends the proposed public comment Rule Change to be effective, and
    - (B) an analysis in support of the need for immediate implementation of the proposed public comment Rule Change.
- (b) **Notice of disagreement.** If staff of an RR does not agree that immediate implementation is necessary, staff of the RRs and, as applicable, IIROC will use best efforts to adhere to the following:
- (i) Staff of the RR which disagrees with the need for immediate implementation will, within 5 business days after IIROC provides notice under subsection 11(a), advise staff of the other RRs in writing that they disagree and provide the reasons for its disagreement.
  - (ii) Staff of the PR will promptly notify IIROC of the disagreement in writing.
  - (iii) Staff of IIROC and staff of the RRs will discuss and attempt to resolve any concerns raised on a timely basis but, if the concerns are not resolved to the satisfaction of staff of all RRs, IIROC cannot immediately implement the proposed public comment Rule Change.
- (c) **Notice of no disagreement.** Where there is no notice of disagreement under and within the timelines set out in paragraph 11(b)(i), or where concerns have been resolved under paragraph 11(b)(iii), staff of the PR will immediately provide written notice of no disagreement to IIROC, with a copy to staff of the other RRs, indicating that it may now seek Board approval to immediately implement the proposed public comment Rule Change.
- (d) **Effective date.** Proposed public comment Rule Changes that IIROC immediately implements in accordance with section 11 will be effective on the later of the following:
- (i) the date the Board approves the Rule Change, and
  - (ii) the date designated by IIROC in its written notice to staff of the RRs.
- (e) **Subsequent review of Rule Change.** A public comment Rule Change that is implemented immediately will subsequently be published, reviewed, and approved or non-objected to in accordance with the applicable provisions of this Protocol.
- (f) **Subsequent disapproval of Rule Change.** If the RRs subsequently object to or do not approve a public comment Rule Change that IIROC immediately implemented, IIROC will promptly repeal the public comment Rule Change and inform its Members of the RRs' decision.

## 12. Disagreements

If any disagreement, either among the RRs or between the RRs and IIROC, about a matter arising out of or relating to this Protocol cannot be resolved through discussions, staff of the RRs will use best efforts to adhere to the following using timelines established among themselves:

- (a) Staff of the PR will arrange for senior staff of the RRs to discuss the issues and attempt to reach a consensus.
- (b) If, following such discussions, a consensus is not reached, staff of the PR will escalate the disagreement as applicable and, ultimately, to the RRs' Chairs or other senior executives of the RRs or such other process as agreed to by staff of the RRs.

- (c) If, following such escalation, a consensus is not reached, IIROC may withdraw the Rule Change in accordance with section 13 or staff of the RRs will recommend that their respective decision makers object to or not approve the Rule Change.

### 13. Withdrawing Rule Changes

- (a) **Filing notice of withdrawal.** If IIROC withdraws a proposed public comment Rule Change that the RRs have not yet approved or non-objected to, IIROC will file with staff of the RRs a written notice indicating that it will be withdrawing the Rule Change.
- (b) **Contents of notice of withdrawal.** The written notice in subsection 13(a) must contain:
  - (i) the reason IIROC submitted the proposed Rule Change,
  - (ii) any date that the Board approved the proposed Rule Change,
  - (iii) any prior publication dates,
  - (iv) the Board resolution supporting the withdrawal of the proposed Rule Change, if applicable,
  - (v) the reasons IIROC is withdrawing the proposed Rule Change, and
  - (vi) the impact of withdrawing the proposed Rule Change on the public interest.
- (c) **Publishing notice of withdrawal.** Where the proposed Rule Change being withdrawn had previously been published for comment under subsection 6(b), staff of the PR and IIROC will both publish a notice on their public websites stating that IIROC will be withdrawing the proposed Rule Change, together with the reasons IIROC is withdrawing the proposed Rule Change.

### 14. Reviewing and amending Protocol

Staff of the RRs will, when they agree it is necessary to do so, conduct a joint review of the operation of this Protocol in order to identify issues relating to:

- (a) the effectiveness of this Protocol,
- (b) the continuing appropriateness of the timelines and other requirements set out in this Protocol, and
- (c) any necessary or desirable amendments to this Protocol.

### 15. Waiving or varying Appendix B

- (a) **IIROC request.** IIROC may file a written request with the RRs to waive or vary any part of this Protocol and, in such a case, the RRs will use best efforts to adhere to the following using timelines established among themselves:
  - (i) an RR who objects to the granting of the waiver or variation will, in writing, notify the other RRs of its objection, together with the reasons for its objection. If the PR does not receive or send any notice of objection within the agreed upon timelines, the RRs are deemed to not object to the waiver or variation.
  - (ii) the PR will provide written notice to IIROC as to whether or not the waiver or variation has been granted.
- (b) **RR request.** The RRs may waive or vary any part of this Protocol if all of the RRs agree in writing to such waiver or variation.
- (c) **General.** A waiver or variation may be specific or general and may be made for a time or for all time as mutually agreed to by the RRs.

### 16. Publishing materials

If staff of the PR publishes any materials under this Protocol, staff of the other RRs may also publish the same materials, and in such a case, staff of the PR will coordinate the publication date with staff of the other RRs.