

Strengthening IIROC's Enforcement Authority *Nine provinces and three territories enhance investor protection (as of November 2021)*

With a mandate to protect investors and support healthy Canadian capital markets, IIROC sets and enforces high regulatory standards in the investment industry through fair, effective and timely enforcement. Our enforcement actions send a strong deterrent message to potential wrongdoers and hold accountable those who harm investors.

IIROC continues to pursue additional legal authority to strengthen the effectiveness of its enforcement actions. This includes the authority to collect fines through the courts, strengthen its investigations and disciplinary hearings, and gain protection from malicious lawsuits when acting in the public interest.

IIROC has made significant progress in the following jurisdictions to strengthen investor protection:

Full enforcement toolkit – Authority to collect fines, collect and present evidence, and statutory immunity

Newfoundland and Labrador:

- In November of 2021, the Government of Newfoundland and Labrador introduced Bill 16, An Act to Amend the Securities Act to provide IIROC with the full enforcement toolkit to protect investors by strengthening the regulator's overall enforcement capabilities. The toolkit includes: legal authority to collect disciplinary fines directly through the courts; the ability to collect evidence during investigations and present it at disciplinary hearing; and protection from malicious lawsuits while acting in good faith.
- Newfoundland and Labrador is the sixth province in Canada to provide IIROC with the full legislative enforcement toolkit.

New Brunswick:

- In November 2019, the Government of New Brunswick introduced legislation to provide IIROC with the full enforcement toolkit.
- New Brunswick became the fifth province to provide IIROC with the complete toolkit of legislation to enforce its disciplinary actions.

Prince Edward Island (PEI):

- In December 2018, the Government of PEI passed legislation granting IIROC improved ability to collect evidence during investigations and protection from malicious lawsuits while acting in good faith to carry out its public interest mandate to protect investors. PEI joined Nova Scotia, Quebec and Alberta as the fourth province to provide IIROC with the complete toolkit of legislation to enforce its disciplinary actions.
- An Authorization Order in January 2017 from the PEI Office of the Superintendent of Securities gave IIROC the ability to collect fines against disciplined individuals directly through the Supreme Court of PEI, as well as improved legal authority to present evidence during disciplinary hearings.

Nova Scotia:

- Amendments to the Nova Scotia Securities Act passed in October 2018 gave IIROC legal authority to collect disciplinary fines directly through the courts, and to better collect evidence during investigations and present it at disciplinary hearings. The legislation also protects IIROC from malicious lawsuits when acting in good faith in

carrying out its public interest mandate to protect investors.

- These amendments made Nova Scotia the third province to give IIROC the full enforcement toolkit, joining Alberta and Quebec.

Quebec:

- In 2013, on the recommendation of the Autorité des marchés financiers, Quebec amended its legislation to give IIROC the authority to collect fines through the courts.
- In June 2018, the National Assembly passed amendments enhancing IIROC's ability to collect evidence during investigations as well as to improve cooperation at disciplinary hearings. Bill 141 also clarified that IIROC has full protection against malicious lawsuits.
- With these changes, Quebec joined Alberta in providing IIROC with the complete toolkit of legislation to strengthen the regulator's overall enforcement capabilities.

Alberta:

- Alberta was the first province to give IIROC the legal authority to collect its fines through the courts and subsequently to give IIROC the full enforcement toolkit.
- In June 2017, Bill 13 provided IIROC with more effective legal authority to collect evidence during investigations. IIROC already had effective authority in Alberta to present evidence at disciplinary hearings. In addition, IIROC and its disciplinary tribunals now have full protection against lawsuits when acting in good faith. There was unanimous support in the Alberta Legislature for this Bill.

Partial enforcement authorities

Saskatchewan – Authority to Collect Fines:

- In May 2019, Saskatchewan provided IIROC with legal authority to collect disciplinary fines directly through the courts. The legislation also gives IIROC the right to appeal a decision of a disciplinary hearing panel to the Financial and Consumer Affairs Authority of Saskatchewan.

Northwest Territories, Nunavut and Yukon – Authority to Collect Fines and Present Evidence at Disciplinary Hearings:

- In November 2018, Northwest Territories, Nunavut and Yukon granted IIROC legal authority to collect fines. The Territories also gave IIROC the ability to improve cooperation with third parties during disciplinary hearings.

Manitoba – Authority to Collect Fines and Statutory Immunity:

- Amendments to the Manitoba Securities Act and Commodity Futures Act passed in June 2018. Bill 23 gave IIROC legal authority to collect disciplinary fines directly through the courts. It also gave IIROC and its disciplinary hearing panels protection against malicious lawsuits when acting in good faith in carrying out its public interest mandate to protect investors. The Bill, which received unanimous support, also provided IIROC with the right to appeal a decision of an IIROC hearing panel to the Manitoba Securities Commission.

Authority to collect fines

British Columbia:

- An amendment to the British Columbia Securities Act passed in May 2018 gave IIROC legal authority to collect disciplinary fines directly through the courts. It received unanimous support from all parties in the legislature.

Ontario:

- The Ontario government's budget measures bill, passed in May 2017, included amendments to the Ontario Securities Act to give IIROC the legal authority to collect disciplinary fines directly through the courts.

IIROC is actively seeking similar legal authority in all other jurisdictions across Canada to ensure a consistent level of investor protection coast to coast.

About IIROC

IIROC is the pan-Canadian self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of 174 Canadian investment dealer firms of varying sizes and business models, and their more than 31,000 registered employees. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces. For more information, visit www.iiroc.ca.

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