

## IIROC NOTICE

### **Rules Notice Notice of Approval/Implementation**

Dealer Member Rules

**Implementation date:** *Immediately*

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**17-0102**

**May 4, 2017**

## **Housekeeping amendments to remove Statement G of Form 1 and corollary amendments to Form 1**

### **Executive Summary**

On March 29, 2017, IIROC's Board of Directors (the **Board**) approved housekeeping amendments to remove Statement G (*Opening IFRS Statement of Financial Position and Reconciliation of Equity*) of Form 1 and amend Form 1 to remove all references to Statement G (collectively, the **Amendments**). The Amendments are effective immediately.



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## **1. Discussion of Amendments and Analysis**

### **1.1 Relevant background**

In Notice [11-0082](#), IIROC implemented amendments to Form 1 to change the accounting standards from Canadian Generally Accepted Accounting Principles (CGAAP) to IFRS with prescribed departures by IIROC. These amendments introduced a new one-time statement (Statement G), which each Dealer Member was required to complete when they adopted IFRS. Statement G required each Dealer Member to reconcile its closing statement of financial position prepared using CGAAP to their opening statement of financial position prepared using IFRS.

This transitional filing and a management certification established the basis for the opening retained earnings for subsequent monthly financial report (MFR) filings using IFRS. Further, Dealer Members are to list and explain adjustments to the opening retained earnings reflecting the adoption of IFRS.

Statement G only affected existing Dealer Members at that time because we require members that joined IIROC after January 1, 2011 to follow IFRS requirements. All Dealer Members have adopted IFRS and, where applicable, have reported their opening balance and adjustments at that time. Consequently, there is no need to retain Statement G and any related references to it in Form 1.

### **Classification of the Amendments**

We have classified the Amendments as “housekeeping” because they:

- do not represent a material change to IIROC rules as Statement G is no longer required
- have no material impact on investors, issuers, Dealer Members or the capital markets in Canada
- are reasonably necessary to ensure Form 1 conforms to applicable securities legislation, statutory or legal requirements.



## **1.2 Amended sections in Form 1**

The Amendments are to the following six sections in Form 1:

- Table of Contents
- General Notes and Definitions
- Separate Certificate of UDP and CFO on Statement G of Part I – Opening IFRS Statement of Financial Position and Reconciliation of Equity
- Statement G
- Statement G - Notes to the Reconciliation
- Statement G - Notes and Instructions.

## **2. Impacts of the Amendments**

The Amendments should not have any material impact on capital market structure, competition generally, cost of compliance and conformity with other rules. The Amendments do not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. They do not impose any unnecessary or inappropriate burden on competition.

### **Technological implications and implementation plan**

The Amendments will not have an impact on Dealer Members' systems, or on the systems of their service providers or other stakeholders.

## **3. Policy Development Process**

### **3.1 Regulatory purpose**

The Amendments maintain rules that are necessary or appropriate to govern and regulate all aspects of IIROC's functions and responsibilities as a self-regulatory entity.

In deciding on the Amendments, IIROC identified a need to ensure IIROC's Rules are up-to-date by eliminating obsolete provisions.



The Amendments are housekeeping in nature and not detrimental to the best interests of the capital markets. As a result, the Board has classified the Amendments as a “Housekeeping Rule” that is not contrary to the public interest.

### **3.2 Rule making process**

IIROC staff consulted with the relevant IIROC policy advisory committees (the Financial Administrators Section (FAS) Capital Formula Subcommittee, and the full FAS) on the Amendments and they did not raise any concerns.

## **4. Appendices**

[Appendix A](#) - Board resolution

[Appendix B](#) - Black-line comparison of the Amendments to current Form 1

[Appendix C](#) - Clean copy of the Amendments