

# IIROC NOTICE

**Rules Notice**  
**Notice of Approval / Implementation**  
UMIR and Dealer Member Rules

*Please distribute internally to:*  
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Trading Desk  
Retail

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**19-0071**

**April 18, 2019**

## **Amendments Respecting Client Identifiers**

### **Executive Summary**

On April 15, 2019, the applicable securities regulatory authorities approved amendments (**Amendments**) to the Universal Market Integrity Rules (**UMIR**) and the Dealer Member Rules (**DMR**) to include client identifiers and/or certain designations on:

- each order for a listed security that is sent to a marketplace
- each reportable trade in a debt security.

On May 17, 2017, IIROC published for comment proposed changes regarding client identifiers in IIROC Notice [17-0109](#) – *Proposed Provisions Respecting Client Identifiers*. In response to comments received and further industry consultation, we re-published proposed rule changes for comment on June 28, 2018 in IIROC Notice [18-0122](#) – *Publication of Proposed Provisions Respecting Client Identifiers (June 2018 Proposal)*. All relevant background, including the description and impact of the Amendments, is set out in these Notices.



We have made a few non-material changes to the June 2018 Proposal in response to comments received and further industry consultation. The changes to the June 2018 Proposal are described below.

### **Comments Received**

We received eight comment letters in response to IROC Notice 18-0122. Appendix D provides a summary of the public comments received and our responses.

### **Description of Non-Material Changes to June 2018 Proposal**

- Replacing the references to “equity security” in DMR 3600, proposed plain language rewrite of DMR (PLR) 3140 and proposed PLR 3241 with “listed security” as defined in DMR 3300.1 and proposed PLR 3119(1)(v) in order to capture all orders that could be entered on a marketplace, including listed debentures.
- Moving the definition of “listed security” from the provisions regarding the best execution of client orders in proposed PLR 3119(1)(v) to the general definition section in proposed PLR 1201(2), as the definition of “listed security” applies to more than one section of PLR.
- Amending the definitions of “bundled order” and “multiple client” order in DMR 3200, DMR 3600 and proposed PLR 1201(2) to align with the same definitions in UMIR 1.1.
- Clarifying the requirement in DMR on originating Dealer Members who are not Participants to use an LEI as the identifier when sending an order in a listed security on a marketplace under subsection 2(b) of DMR 3600 (or proposed PLR 3140(1)(b)). This is to align with the requirement on Executing Participants to include an LEI for originating Dealer Members as:
  - a routing arrangement client under UMIR 6.2(1)(a)(iv)(1)(B), or
  - a client supervised as an institutional client by the executing Participant under UMIR 6.2(1)(a)(iv)(1)(D).

We are confirming the LEI requirement on originating Dealer Members in response to commenters’ request for a clarification of the roles between the originating and executing Dealer Members.



- Confirming that Dealer Members do not need to ensure that their clients renew their LEIs on an annual basis. However Dealer Members that use an LEI as the identifier must annually renew their LEIs, including:
  - reporting Dealer Members for debt securities under Item 14 of section 2.4(c) of DMR 2800C (or subsection 7 of proposed PLR 7203) (see section 2.6 of DMR 2800C (or proposed PLR 7203(8))
  - originating Dealer Members that are not Participants for listed securities under DMR 3600(2)(b) (or proposed PLR 3140(1)(b)) (see section DMR 3600(4) (or proposed PLR 3140(3))).
- Clarifying our expectations on reasonable steps with a deadline by which the Dealer Member must stop trading for a client that is required to use an LEI as a client identifier but has still not obtained one. This change is in response to commenters asking IIROC to specify how long Dealer Members would be able to trade for clients that do not have an LEI.
- Removing the rule requirement to report allocations in debt securities that occur before the transaction reporting deadline in DMR 2800C or proposed PLR 7200. Rather than including this as a rule requirement, Dealer Members can continue to rely on the [MTRS 2.0 UserGuide](#) regarding the reporting of trade allocations.
- Clarifying that the only parties that need to notify us with client names and the account numbers are clients that enter into a direct electronic access agreement that are not eligible to receive an LEI under UMIR 7.13(6)(a).

We will be working with an Implementation Committee (**Committee**) to facilitate the implementation of the Amendments.



## Implementation

The Amendments come into force on the following days after the publication of this Notice:

### Phase 1 – Debt Securities: 6 months

- LEIs for institutional customers and account numbers for retail customers
- Corrections for missing or erroneous client identifiers for trades only (not orders).

### Phase 2 – Listed Securities: 18 months

- LEIs for the following clients:
  - Direct Electronic Access (**DEA**) clients that are eligible to obtain an LEI and Routing Arrangement (**RA**) clients
  - identified order execution only clients<sup>1</sup> that are eligible to obtain an LEI.
- Account numbers for the following clients:
  - clients not supervised as institutional clients at the Dealer Member
  - identified order execution only clients that are ineligible to obtain an LEI, along with their names to be reported to IIROC
  - DEA clients that are ineligible to obtain an LEI, along with their names to be reported to IIROC.
- Introduce the following designations:
  - DEA, RA and Order Execution Only (**OEO**) designations
  - Multiple Client (**MC**) designation
  - unique identifiers for clients of a foreign dealer equivalent that automatically generate an order on a predetermined basis.
- Corrections for missing or erroneous client identifiers for trades only (not orders).

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<sup>1</sup> An “identified order execution only client” is defined under UMIR 1.1 to mean a client using an order execution only service:  
(a) whose trading activity on marketplaces for which the Market Regulator is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,  
(b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or  
(c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.



### **Phase 3 – Listed Securities: 24 months**

- LEIs for all other clients supervised as an institutional client at the Dealer Member.
- Corrections for missing or erroneous client identifiers for trades only (not orders).

To assist Dealer Members in filing trade corrections under Phase 2, we will be updating the Regulatory Marker Correction System (**RMCS**) to accommodate bulk uploads. We will coordinate the timing of the RMCS update so that it will be ready by the time Phase 2 is implemented.

### **Implementation Committee**

The Committee would be comprised of up to 15 members.

Committee membership draws from the expertise of Dealer Members, vendors, marketplaces and buy-side personnel with technical experience in the following areas in listed securities:

- FIX protocol and order messaging
- Encryption methods and techniques.

We encourage Dealer Members to reach out to their respective vendors regarding participation on the Committee in order to ensure smooth implementation of the Amendments.

### **Application and Appointment Process**

Committee members are appointed by the Vice President, Market Policy and Trading Conduct Compliance, on the advice of IIROC Staff.

Please forward your interest or inquiries by **May 20, 2019** to:

Theodora Lam  
Senior Policy Counsel, Market Regulation Policy, IIROC  
[tlam@iiroc.ca](mailto:tlam@iiroc.ca)



## **Attachments**

Appendix A – Text of Amendments to UMIR, DMR and proposed PLR

Appendix B – Blackline of Amendments to UMIR, DMR and proposed PLR

Appendix C – Summary of comments received and IIROC’s responses



## Appendix A

### **Text of Amendments to Universal Market Integrity Rules, Dealer Member Rules and the plain language rewrite of the Dealer Member Rules**

If the Amendments are implemented before the adoption of PLR, the Universal Market Integrity Rules are hereby amended as follows:

1. Section 1.1 is amended by:

a. adding the following definition of “identified order execution only client”:

**“identified order execution only client”** means a client using an order execution only service:

- (a) whose trading activity on marketplaces for which the Market Regulator is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,
- (b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or
- (c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.

b. adding the following definition of “Global Legal Entity Identifier System”:

**“Global Legal Entity Identifier System”** means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.

c. adding the following definition of “Legal Entity Identifier”:

**“Legal Entity Identifier”** means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.

d. adding the following definition of “Legal Entity Identifier System Regulatory Oversight Committee”:

**“Legal Entity Identifier System Regulatory Oversight Committee”** means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.

e. adding the following definition of “multiple client order”:



**“multiple client order”** means an order that includes orders from more than one client, but does not include a principal order or a non-client order.

2. Paragraph 6.2(1)(a) is amended by:

- a. deleting subparagraphs (iv), (v) and (vi)
- b. adding the following after subparagraph (iii):

“(iv) the client for or on behalf of whom the order is entered:

1. in the form of a Legal Entity Identifier for:

- A. orders entered using direct electronic access
- B. orders entered using a routing arrangement
- C. an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System
- D. orders originated from accounts that are supervised under Dealer Member Rule 2700

2. in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)

(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and”

3. Paragraph 6.2(1)(b) is amended by:

- a. deleting “or” at the end of subparagraph (xv)
- b. replacing the numbering of subparagraph (xvi) with “(xix)”
- c. adding the following after subparagraph (xv):

“(xvi) for the account of a client where the order is sent using direct electronic access, (xvii) for the account of a client where the order is sent under a routing arrangement, (xviii) for the account of an order execution only client,”

- d. deleting “or” at the end of subparagraph (xix)
- e. replacing the numbering of subparagraph (xvii) with “(xx)”





- f. deleting “.” at the end of subparagraph (xx)
  - g. adding “, or” at the end of subparagraph (xx)
  - h. adding the following after subparagraph (xx):  
“(xx) a multiple client order.”
4. Paragraph 6.2(6)(b) is amended by:
- a. replacing “(xvii)” with “(xxi)”
5. Adding the following paragraph (c) after Paragraph 6.2(1)(b):
- “(c) Where a designation is required under 6.2(1)(b)(xx) or (xxi), the Participant does not need to include a client identifier on the order under 6.2(1)(a)(iv).”
6. Paragraph 7.13(6)(a) is amended by:
- a. deleting “or a routing arrangement”
  - b. deleting “,” after “the name of the client”
  - c. adding “that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System” after “name of the client”
  - d. deleting “investment dealer or foreign dealer equivalent”.
7. Section 10.15(1) is amended by:
- a. replacing “;” at the end of paragraph (a) with “.”
  - b. deleting paragraphs (b) and (c).



The Dealer Member Rules are hereby amended as follows:

1. Section 1.5 of Rule 2800C is amended by:

- a. replacing “counterparty” with “person”
- b. deleting the following:

“If the Global Legal Entity Identifier System is unavailable to a reporting counterparty when a reporting obligation under this Rule arises, a substitute legal identifier must be used as identified by the Corporation.”

2. Row 14 in subsection 2.4(c) of Rule 2800C is amended by:

- a. replacing “assigned to” with “of”
- b. replacing “institutional client/customer, where available. Optional field” with “Institutional Customer.”

3. Row 15 in subsection 2.4(c) of Rule 2800C is amended by:

- a. replacing “Identifier assigned by a reporting Dealer Member to uniquely identify the client/customer where the counterparty is ‘Client’ and no Customer LEI is available. Optional field” with “The account number of the Retail Customer.”

4. Rule 2800C is amended by:

- a. adding the following paragraph after section 2.5:

**“2.6 LEI renewal**

The reporting Dealer Member must ensure that the registration status of its LEI has not lapsed.”



5. Rule 3200 is amended by:
  - a. adding the following paragraphs after “In this Rule “automated order system” has the same meaning as defined in National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces.*”:

“In this Rule, a “bundled order” has the same meaning as set out in the Universal Market Integrity Rules.”

“In this Rule, a “Legal Entity Identifier” means a unique identification code assigned to a person in accordance with standards set by the *Global Legal Entity Identifier System.*”

“In this Rule, “Global Legal Entity Identifier System” has the same meaning as set out in the Universal Market Integrity Rules.”

“In this Rule, “Legal Entity Identifier System Regulatory Oversight Committee” has the same meaning as set out in the Universal Market Integrity Rules.”

“In this Rule, “multiple client order” has the same meaning as set out in the Universal Market Integrity Rules.”

“In this Rule, “Participant” has the same meaning as set out in the Universal Market Integrity Rules.”
6. Rule A.5(a) of 3200 is amended by:
  - a. adding “order-execution only service” before “client that trades”
  - b. replacing “(a)” with “(i)”
  - c. replacing “(b)” with “(ii)”
  - d. replacing “(c)” with “(iii)”
7. Rule A.5(b) of 3200 is amended by:
  - a. replacing “(b)” with “(c)”
8. Rule A.5(c) of 3200 is amended by:
  - a. replacing “(c)” with “(e)”
9. Rule A.5 of 3200 is amended by:



- a. adding the following paragraph after (a):

“(b) The client identifier required in Rule A.5(a) must be in the form of:

- (i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System
- (ii) an account number for all other client orders not included under Rule A.5(b)(i).”

10. Rule A.5(c) of 3200 is amended by:

- a. adding “If an account number is used as the client identifier under Rule A.5(b)(ii),” before “The Dealer Member must provide”
- b. replacing “The” with “the”
- c. replacing “each client identifier assigned pursuant to Rule A.5(a)” with “the account number”.

11. Rule A.5 of 3200 is amended by:

- a. adding the following paragraph after paragraph A.5(c):

“(d) For an order-execution only service client that is not referred to under Rule A.5(a)(i)-(iii), the Dealer Member must use an account number as the client identifier.”

12. Rule A.5(e) of 3200 is amended by:

- a. replacing “must be assigned pursuant to Rule A.5(a) contain the client identifier assigned to that client” with “contains:”
- b. adding the following paragraphs after “contains:”

“(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,

and

(ii) a designation to indicate the order is for an order-execution only account.”

13. Rule A.5 of 3200 is amended by:

- a. Adding the following paragraph after paragraph A.5(e):



“(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:

(i) the client identifier required under Rule A.5(b) or Rule A.5(d),

or

(ii) a designation to indicate the order is a bundled order or a multiple client order.”

14. Rule B.6(a) of 3200 is amended by:

- a. replacing “(a)” with “(i)”
- b. replacing “(b)” with “(ii)”
- c. replacing “(c)” with “(iii)”

15. Rule B.6(b) of 3200 is amended by:

- a. replacing “(b)” with “(c)”

16. Rule B.6(c) of 3200 is amended by:

- a. replacing “(c)” with “(e)”

17. Rule B.6 of 3200 is amended by:

- a. adding the following paragraph after (a):

“(b) The client identifier required in Rule B.6(a) must be in the form of:

(i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System,

or

(ii) an account number for all other client orders not included under Rule B.6(b)(i).”

18. Rule B.6(c) of 3200 is amended by:



- a. adding “If an account number is used as the client identifier under Rule B.6(b)(ii),” before “The Dealer Member must provide”
- b. replacing “The” with “the”
- c. replacing “each client identifier assigned pursuant to Rule B.6(a)” with “the account number”.

19. Rule B.6 of 3200 is amended by:

- a. adding the following paragraph after paragraph B.6(c):

“(d) For an order-execution only service client that is not referred to under Rule B.6(a)(i)-(iii), the Dealer Member must use an account number as the client identifier..”

20. Rule B.6(e) of 3200 is amended by:

- a. replacing “by or on behalf of a client for whom a client identifier must be assigned pursuant to Rule B.6(a) contain the client identifier assigned to that client.” with “contains:”
- b. adding the following paragraphs after “contains:”

“(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,

and

(ii) a designation to indicate the order is for an order-execution only account.”

21. Rule B.6 of 3200 is amended by:

- a. Adding the following paragraph (f) after paragraph B.6(e):

“(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:

(i) the client identifier required under Rule B.6(b) or Rule B.6(d),

or

(ii) a designation to indicate the order is a bundled order or a multiple client order.”



22. Adding the following after Rule 3500:

**“RULE 3600 Identifying clients of a Non-Executing Dealer Member**

(1) Definitions

For purpose of Rule 3600, the terms below have the following meaning:

“Bundled order” has the same meaning as set out in the Universal Market Integrity Rules.

“Global Legal Entity Identifier System” has the same meaning as set out in the Universal Market Integrity Rules.

“Legal Entity Identifier” means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.

“Legal Entity Identifier System Regulatory Oversight Committee” has the same meaning as set out in the Universal Market Integrity Rules.

“Listed security” has the same meaning as set out in the Universal Market Integrity Rules.

“Multiple client order” has the same meaning as set out in the Universal Market Integrity Rules.

“Participant” has the same meaning as set out in the Universal Market Integrity Rules.

(2) Where a non-executing Dealer Member is not acting for an order-execution only service account and sends an order in a listed security to an executing Dealer Member for execution on a Marketplace for which the Corporation is the regulation services provider, the non-executing Dealer Member must include:

(a) an identifier for the client for or on behalf of whom the order is entered, in the form of:

(i) a Legal Entity Identifier for an order for an account that is supervised under Rule 2700

(ii) an account number for all other client orders not included under 3600(2)(a)(i)

(b) the Legal Entity Identifier of the non-executing Dealer Member that is not a Participant.

(3) Where a non-executing Dealer Member is not acting for an order-execution only service account and groups together orders in a listed security from more than one client or account type for execution on a Marketplace for which the Corporation is the regulation services provider:



(a) 3600(2)(a) does not apply,

and

(b) the non-executing Dealer Member must provide to the executing Dealer Member that the client order is part of:

(i) a bundled order, or

(ii) a multiple client order.

(4) A non-executing Dealer Member that is not acting for an order-execution only service account and is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.”





The PLR sections are hereby amended as follows:

1. Rule 1201(2) is amended by:

- a. adding the following definition of “bundled order”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

- b. adding the following definition of “Global Legal Entity Identifier System”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

- c. adding the following definition of “Legal Entity Identifier”:

“A unique identification code assigned to a person in accordance with standards set by the *Global Legal Entity Identifier System*.”

- d. adding the following definition of “Legal Entity Identifier System Regulatory Oversight Committee”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

- e. adding the following definition of “listed security”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

- f. adding the following definition of “multiple client order”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

- g. adding the following definition of “Participant”:

“Has the same meaning as set out in the Universal Market Integrity Rules.”

2. Rule 3119(1) is amended by:

- a. deleting paragraph (v)

- b. replacing “(vi)” with “(v)”

- c. replacing “(vii)” with “(vi)”



d. replacing “(viii)” with “(vii)”.

3. Adding the following Rule 3140:

**“Part D: Client Identifiers**

**3140. Identifying clients of a Non-Executing *Dealer Member***

(1) Where a non-executing *Dealer Member* is not acting for an *order execution only account* and sends an order in a *listed security* to an executing *Dealer Member* for execution on a *Marketplace* for which *IIROC* is the regulation services provider, the non-executing *Dealer Member* must include:

(a) an identifier for the client for or on behalf of whom the order is entered, in the form of:

(i) a *Legal Entity Identifier* for an order for an account supervised under Part D of Rule 3900

(ii) an account number for all other client orders not included under 3140(1)(a)(i).

(b) the *Legal Entity Identifier* of the non-executing *Dealer Member* that is not a *Participant*.

(2) Where a non-executing *Dealer Member* is not acting for an *order execution only account* and groups together orders from more than one client or account type for execution on a *Marketplace* for which *IIROC* is the regulation services provider:

(a) 3140(1)(a) does not apply,  
and

(b) the non-executing *Dealer Member* must provide to the executing *Dealer Member* that the order is part of:

(i) a *bundled order*,

or

(ii) a *multiple client order*.

(3) The non-executing *Dealer Member* that is not acting for an *order execution only account* and is not a *Participant* must ensure that the registration status of its *Legal Entity Identifier* has not lapsed.”



4. Rule 3241 is amended as follows:

- a. changing the numbering of subsection (5) to (6)
- b. changing the numbering of subsection (6) to (8)
- c. adding a new paragraph (5) after subsection (4):

“(5) The client identifier required in 3241(4) must be in the form of:

(i) a *Legal Entity Identifier* for clients eligible to receive a *Legal Entity Identifier* under the standards set by the *Global Legal Entity Identifier System*

or

(ii) an account number for all other client orders not included under 3241(5)(i).”

5. Replacing subsection (6) of Rule 3241 with:

“(6) If an account number is used as the client identifier under 3241(5)(ii), the *Dealer Member* must provide the account number and the name of the corresponding client to *IIROC*.”

6. Adding a new subsection (7) after subsection (6) of Rule 3241 as follows:

“(7) For clients using an *order execution only account* that are not referred to under 3241(4), the *Dealer Member* must use an account number as the client identifier.”

7. Replacing subsection (8) of Rule 3241 with:

“(8) The *Dealer Member* must ensure that each order in a *listed security* entered on a *Marketplace* for which *IIROC* is the regulation services provider contains:

(i) the *Legal Entity Identifier* of the *Dealer Member* if it is a non-executing *Dealer Member* that is not a *Participant*,

and

(ii) a designation to indicate the order is for an *order execution only account*.”

8. Adding the following subsections (9) and (10) after subsection 3241(8):



“(9) The *Dealer Member* must ensure that each order in a *listed security* entered on a *Marketplace* for which *IIROC* is the regulation services provider contains either:

(i) the client identifier required under 3241(5) or 3241(7),

or

(ii) a designation to indicate the order is a *bundled order* or a *multiple client order*.

(10) The non-executing *Dealer Member* that is not a *Participant* must ensure that the registration status of its *Legal Entity Identifier* has not lapsed.”

9. Subsection 7202(1) is amended by:

- a. deleting the definition of “Global Legal Entity Identifier System” in paragraph (iv)
- b. replacing the numbering of paragraph (v) with (iv)
- c. replacing the number of paragraph (vi) with (v)
- d. deleting the definition of “Legal Entity Identifier” in paragraph (vii)
- e. deleting the definition of “Legal Entity Identifier System Regulatory Oversight Committee” in paragraph (viii)
- f. replacing the numbering of paragraph (ix) with (vi)
- g. replacing the numbering of paragraph (x) with (vii)
- h. replacing the numbering of paragraph (xi) with (viii)
- i. replacing the numbering of paragraph (xii) with (ix)

10. Row 14 of subsection 7203(6) is amended by:

- a. replacing “*LEI*” with “*Legal Entity Identifier*”
- b. replacing “assigned to” with “of”
- c. replacing “.” with “, where available. Optional field”

11. Row 15 of subsection 7203(6) is amended by:



- a. replacing “Identifier assigned by a reporting *Dealer Member* to uniquely identify the client where the counterparty is ‘client’ and no client *LEI* is available. Optional field” with “The account number of the *retail client*.”

12. Adding the following subsection (7) after subsection 7203(6):

“(7) The reporting *Dealer Member* must ensure that the registration status of its *Legal Entity Identifier* has not lapsed.”



If the Amendments are implemented after the adoption of PLR, the Universal Market Integrity Rules are hereby amended as follows:

1. Section 1.1 is amended by:

a. adding the following definition of “identified order execution only client”:

**“identified order execution only client”** means a client using an order execution only service:

- (a) whose trading activity on marketplaces for which the Market Regulator is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,
- (b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or
- (c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.

b. adding the following definition of “Global Legal Entity Identifier System”:

**“Global Legal Entity Identifier System”** means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.

c. adding the following definition of “Legal Entity Identifier”:

**“Legal Entity Identifier”** means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.

d. adding the following definition of “Legal Entity Identifier System Regulatory Oversight Committee”:

**“Legal Entity Identifier System Regulatory Oversight Committee”** means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.

e. adding the following definition of “multiple client order”:

**“multiple client order”** means an order that includes orders from more than one client, but does not include a principal order or a non-client order.

2. Paragraph 6.2(1)(a) is amended by:



- a. deleting subparagraphs (iv), (v) and (vi)
- b. adding the following after subparagraph (iii):
  - “(iv) the client for or on behalf of whom the order is entered:
    1. in the form of a Legal Entity Identifier for:
      - A. orders entered using direct electronic access
      - B. orders entered using a routing arrangement
      - C. an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System
      - D. orders originated from accounts that are supervised under Part D of IROC Rule 3900 *Supervision of Institutional Client Accounts*
    2. in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)

(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and”

3. Paragraph 6.2(1)(b) is amended by:
  - a. deleting “or” at the end of subparagraph (xv)
  - b. replacing the numbering of subparagraph (xvi) with “(xix)”
  - c. adding the following after subparagraph (xv):

“(xvi) for the account of a client where the order is sent using direct electronic access, (xvii) for the account of a client where the order is sent under a routing arrangement, (xviii) for the account of an order execution only client,”
  - d. deleting “or” at the end of subparagraph (xix)
  - e. replacing the numbering of subparagraph (xvii) with “(xx)”
  - f. deleting “.” at the end of subparagraph (xx)
  - g. adding “, or” at the end of subparagraph (xx)



h. adding the following after subparagraph (xx):

“(xxi) a multiple client order.”

4. Paragraph 6.2(6)(b) is amended by:

a. replacing “(xvii)” with “(xxi)”

5. Adding the following paragraph (c) after Paragraph 6.2(1)(b):

“(c) Where a designation is required under 6.2(1)(b)(xx) or (xxi), the Participant does not need to include a client identifier on the order under 6.2(1)(a)(iv).”

6. Paragraph 7.13(6)(a) is amended by:

a. deleting “or a routing arrangement”

b. deleting “,” after “the name of the client”

c. adding “that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System” after “name of the client”

d. deleting “investment dealer or foreign dealer equivalent”.

7. Section 10.15(1) is amended by:

a. replacing “;” at the end of paragraph (a) with “.”

b. deleting paragraphs (b) and (c).





**Appendix B – Blackline of Amendments to UMIR, DMR and PLR**

**Text of UMIR to Reflect the Amendments Respecting Client Identifiers**

Text of UMIR Marked to Reflect Adoption of the Amendments	Text of UMIR Following Adoption of the Amendments
<p><b>1.1 Definitions</b></p> <p>...</p> <p><u>“identified order execution only client” means a client using an order execution only service:</u></p> <p><u>(a) whose trading activity on marketplaces for which the Market Regulator is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</u></p> <p><u>(b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</u></p> <p><u>(c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</u></p> <p>...</p>	<p><b>1.1 Definitions</b></p> <p>...</p> <p><b>“identified order execution only client”</b> means a client using an order execution only service:</p> <p>(a) whose trading activity on marketplaces for which the Market Regulator is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</p> <p>(b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</p> <p>(c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</p> <p>...</p>
<p>...</p> <p><u>“Global Legal Entity Identifier System” means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.</u></p> <p>...</p>	<p>...</p> <p><b>“Global Legal Entity Identifier System”</b> means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.</p> <p>...</p>
<p>...</p> <p><u>“Legal Entity Identifier” means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u></p> <p>...</p>	<p>...</p> <p><b>“Legal Entity Identifier”</b> means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</p> <p>...</p>
<p>...</p> <p><u>“Legal Entity Identifier System Regulatory Oversight Committee” means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.</u></p> <p>...</p>	<p>...</p> <p><b>“Legal Entity Identifier System Regulatory Oversight Committee”</b> means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.</p> <p>...</p>
<p>...</p> <p><u>“multiple client order” means an order that includes orders from more than one client, but does not include a principal order or a non-client order.</u></p> <p>...</p>	<p>...</p> <p><b>“multiple client order”</b> means an order that includes orders from more than one client, but does not include a principal order or a non-client order.</p> <p>...</p>
<p>...</p>	<p>...</p>



Text of UMIR Marked to Reflect Adoption of the Amendments	Text of UMIR Following Adoption of the Amendments
<p><b>6.2 Designations and Identifiers</b></p> <p>(1) Each order entered on a marketplace shall contain:</p> <p>(a) the identifier of:</p> <p>(i) the Participant or Access Person entering the order as assigned to the Participant or Access Person in accordance with Rule 10.15,</p> <p>(ii) the marketplace on which the order is entered as assigned to the marketplace in accordance with Rule 10.15,</p> <p>(iii) the Participant for or on behalf of whom the order is entered, if the order is a jitney order,</p> <p><del>(iv) the client for or on behalf of whom the order is entered where the order originates from a Dealer Member that provides order execution services and the order requires a client identifier pursuant to Dealer Member Rule 3200;</del></p> <p><del>(v) the client for or on behalf of whom the order is entered under direct electronic access, and</del></p> <p><del>(vi) the investment dealer or foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement; and</del></p> <p><del>(iv) the client for or on behalf of whom the order is entered:</del></p> <p>1. <del>in the form of a Legal Entity Identifier for:</del></p> <p>A. <del>orders entered using direct electronic access</del></p> <p>B. <del>orders entered using a routing arrangement</del></p> <p>C. <del>an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</del></p> <p>D. <del>orders for accounts that are supervised under Dealer Member Rule 2700</del></p> <p>2. <del>in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)</del></p> <p><del>(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and</del></p>	<p><b>6.2 Designations and Identifiers</b></p> <p>(1) Each order entered on a marketplace shall contain:</p> <p>(a) the identifier of:</p> <p>(i) the Participant or Access Person entering the order as assigned to the Participant or Access Person in accordance with Rule 10.15,</p> <p>(ii) the marketplace on which the order is entered as assigned to the marketplace in accordance with Rule 10.15,</p> <p>(iii) the Participant for or on behalf of whom the order is entered, if the order is a jitney order,</p> <p>(iv) the client for or on behalf of whom the order is entered:</p> <p>1. in the form of a Legal Entity Identifier for:</p> <p>A. orders entered using direct electronic access</p> <p>B. orders entered using a routing arrangement</p> <p>C. an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</p> <p>D. orders for accounts that are supervised under Dealer Member Rule 2700</p> <p>2. in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)</p> <p>(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and</p>



Text of UMIR Marked to Reflect Adoption of the Amendments	Text of UMIR Following Adoption of the Amendments
<p>(b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is:</p> <p>...</p> <p>(xv) for the account of a person who is a significant shareholder of the issuer of the security which is the subject of the order, <del>or</del> <u>(xvi) for the account of a client where the order is sent using direct electronic access,</u> <u>(xvii) for the account of a client where the order is sent under a routing arrangement,</u> <u>(xviii) for the account of an order execution only client,</u> <del>(xvi)</del> <u>(xix)</u> of a type for which the Market Regulator may from time to time require a specific or particular designation, <del>or</del> <del>(xviii)</del> <u>(xx)</u> a bundled order, <del>or</del> <u>(xxi)</u> a multiple client order.</p>	<p>(b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is:</p> <p>...</p> <p>(xv) for the account of a person who is a significant shareholder of the issuer of the security which is the subject of the order, (xvi) for the account of a client where the order is sent using direct electronic access, (xvii) for the account of a client where the order is sent under a routing arrangement, (xviii) for the account of an order execution only client, (xix) of a type for which the Market Regulator may from time to time require a specific or particular designation, (xx) a bundled order, or (xxi) a multiple client order.</p>
<p>(c) <del>Where a designation is required under 6.2(1)(b)(xx) or (xxi), the Participant does not need to include a client identifier on the order under 6.2(1)(a)(iv).</del></p>	<p>(c) Where a designation is required under 6.2(1)(b)(xx) or (xxi), the Participant does not need to include a client identifier on the order under 6.2(1)(a)(iv).</p>
<p>...</p> <p>(6) Unless otherwise permitted or directed by the Market Regulator, a marketplace shall:</p> <p>(a) disclose for display in a consolidated market display any designation attached to an order that is required by sub-clause (i) to (vii.1) inclusive of clause (1)(b), but for a bypass order that is not part of a designated trade, and</p> <p>(b) not disclose for display in a consolidated market display any designation attached to an order that is required by sub-clause (viii) to <del>(xviii)</del> <u>(xxi)</u> inclusive of clause (1)(b).</p>	<p>...</p> <p>(6) Unless otherwise permitted or directed by the Market Regulator, a marketplace shall:</p> <p>(a) disclose for display in a consolidated market display any designation attached to an order that is required by sub-clause (i) to (vii.1) inclusive of clause (1)(b), but for a bypass order that is not part of a designated trade, and</p> <p>(b) not disclose for display in a consolidated market display any designation attached to an order that is required by sub-clause (viii) to (xxi) inclusive of clause (1)(b).</p>
<p>...</p>	<p>...</p>
<p><b>7.13 Direct Electronic Access and Routing Arrangements</b></p> <p>...</p> <p>(6) A Participant shall forthwith notify the Market Regulator:</p> <p>(a) upon entering into a written agreement respecting direct electronic access <del>or a routing arrangement,</del></p>	<p><b>7.13 Direct Electronic Access and Routing Arrangements</b></p> <p>...</p> <p>(6) A Participant shall forthwith notify the Market Regulator:</p> <p>(a) upon entering into a written agreement respecting direct electronic access, of the name of the client</p>



Text of UMIR Marked to Reflect Adoption of the Amendments	Text of UMIR Following Adoption of the Amendments
<p>of the name of the client; <del>that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System investment dealer or foreign dealer equivalent</del>; and</p> <p>(b) of any change in the information described in clause (a).</p>	<p>that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System; and</p> <p>(b) of any change in the information described in clause (a).</p>
<p>...</p>	<p>...</p>
<p><b>10.15 Assignment of Identifiers and Symbols</b></p> <p>(1) The Market Regulator shall assign a unique identifier to:</p> <p>(a) a marketplace for trading purposes upon the Market Regulator being retained as the regulation services provider for the marketplace;</p> <p><del>(b) an investment dealer, other than a Participant, or a foreign dealer equivalent upon the Market Regulator being notified that a Participant has entered into a written agreement with the investment dealer or foreign dealer equivalent respecting a routing arrangement; and</del></p> <p><del>(c) a client upon the Market Regulator being notified that a Participant has entered into a written agreement with the client respecting direct electronic access.</del></p>	<p><b>10.15 Assignment of Identifiers and Symbols</b></p> <p>(1) The Market Regulator shall assign a unique identifier to:</p> <p>(a) a marketplace for trading purposes upon the Market Regulator being retained as the regulation services provider for the marketplace.</p>



**Text of DMR to Reflect Amendments Respecting Client Identifiers**

Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments																								
<p><b>RULE 2800C</b>  <b>TRANSACTION REPORTING FOR DEBT SECURITIES</b>            ...  <b>1. Definitions</b>            For purposes of Rule 2800C, the terms below have the meanings noted.            ...            1.5 “Legal Entity Identifier” or “LEI” means a unique identification code assigned to a <u>counterparty person</u> in accordance with standards set by the Global Legal Entity Identifier System. <del>If the Global Legal Entity Identifier System is unavailable to a reporting counterparty when a reporting obligation under this Rule arises, a substitute legal identifier must be used as identified by the Corporation.</del>            ...</p>	<p><b>RULE 2800C</b>  <b>TRANSACTION REPORTING FOR DEBT SECURITIES</b>            ...  <b>1. Definitions</b>            For purposes of Rule 2800C, the terms below have the meanings noted.            ...            1.5 “Legal Entity Identifier” or “LEI” means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.            ...</p>																								
<p><b>2.4 Information Required on Transaction Reports</b>            ...            (c) Each transaction report must contain the following data elements relevant to a bond or Repo transaction as applicable:</p> <table border="1" data-bbox="181 1108 748 1598"> <thead> <tr> <th>No.</th> <th>Data</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>14.</td> <td>CUSTOMER LEI</td> <td>The LEI <del>assigned to of the Institutional client/cCustomer, where available. Optional field</del></td> </tr> <tr> <td>15.</td> <td>CUSTOMER ACCOUNT IDENTIFIER</td> <td><del>Identifier assigned by a reporting Dealer Member to uniquely identify the client/customer The account number of the Retail Customer where the counterparty is ‘Client’ and no Customer LEI is available. Optional field</del></td> </tr> </tbody> </table> <p>...</p>	No.	Data	Description	...	...	...	14.	CUSTOMER LEI	The LEI <del>assigned to of the Institutional client/cCustomer, where available. Optional field</del>	15.	CUSTOMER ACCOUNT IDENTIFIER	<del>Identifier assigned by a reporting Dealer Member to uniquely identify the client/customer The account number of the Retail Customer where the counterparty is ‘Client’ and no Customer LEI is available. Optional field</del>	<p><b>2.4 Information Required on Transaction Reports</b>            ...            (c) Each transaction report must contain the following data elements relevant to a bond or Repo transaction as applicable:</p> <table border="1" data-bbox="852 1108 1419 1339"> <thead> <tr> <th>No.</th> <th>Data</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>14.</td> <td>CUSTOMER LEI</td> <td>The LEI of the Institutional Customer.</td> </tr> <tr> <td>15.</td> <td>CUSTOMER ACCOUNT IDENTIFIER</td> <td>The account number of the Retail Customer.</td> </tr> </tbody> </table> <p>...</p>	No.	Data	Description	...	...	...	14.	CUSTOMER LEI	The LEI of the Institutional Customer.	15.	CUSTOMER ACCOUNT IDENTIFIER	The account number of the Retail Customer.
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<p><b>2.6 LEI renewal</b>  <del>The reporting Dealer Member must ensure that the registration status of its LEI has not lapsed.</del></p>	<p><b>2.6 LEI renewal</b>            The reporting Dealer Member must ensure that the registration status of its LEI has not lapsed.</p>																								



Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments
<p><b>RULE 3200</b>  <b>MINIMUM REQUIREMENTS FOR DEALER MEMBERS SEEKING APPROVAL UNDER RULE 1300.1(T) TO OFFER AN ORDER-EXECUTION ONLY SERVICE</b></p> <p>The following Rule sets forth the documentary, procedural and systems requirements for Dealer Members to receive approval to accept orders from a customer without a suitability determination where no recommendation was provided by the Dealer Member.</p> <p>In this Rule, “order-execution only service” means the acceptance and execution of orders from customers for trades that the Dealer Member has not recommended and for which the Dealer Member takes no responsibility as to the appropriateness or suitability of orders accepted or account positions held.</p> <p>In this Rule “automated order system” has the same meaning as defined in National Instrument 23-103 <i>Electronic Trading and Direct Electronic Access to Marketplaces</i>.</p> <p><u>In this Rule, “bundled order” has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>In this Rule, “Legal Entity Identifier” means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u></p> <p><u>In this Rule, “Global Legal Entity Identifier System” has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>In this Rule, “Legal Entity Identifier System Regulatory Oversight Committee” has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>In this Rule, “multiple client order” has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>In this Rule, “Participant” has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><b>A. Minimum requirements for Dealer Members offering solely an order-execution only service, either as the Dealer Member’s only business or through a separate business unit of the Dealer Member</b></p> <p>...</p> <p><b>4. Supervision</b></p> <p>...</p> <p><b>5. Identification of Certain Clients</b></p> <p>(a) The Dealer Member must ensure that a client identifier is assigned to each <u>order-execution only</u></p>	<p><b>RULE 3200</b>  <b>MINIMUM REQUIREMENTS FOR DEALER MEMBERS SEEKING APPROVAL UNDER RULE 1300.1(T) TO OFFER AN ORDER-EXECUTION ONLY SERVICE</b></p> <p>The following Rule sets forth the documentary, procedural and systems requirements for Dealer Members to receive approval to accept orders from a customer without a suitability determination where no recommendation was provided by the Dealer Member.</p> <p>In this Rule, “order-execution only service” means the acceptance and execution of orders from customers for trades that the Dealer Member has not recommended and for which the Dealer Member takes no responsibility as to the appropriateness or suitability of orders accepted or account positions held.</p> <p>In this Rule “automated order system” has the same meaning as defined in National Instrument 23-103 <i>Electronic Trading and Direct Electronic Access to Marketplaces</i>.</p> <p>In this Rule, “bundled order” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p>In this Rule, “Legal Entity Identifier” means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</p> <p>In this Rule, “Global Legal Entity Identifier System” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p>In this Rule, “Legal Entity Identifier System Regulatory Oversight Committee” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p>In this Rule, “multiple client order” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p>In this Rule, “Participant” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p><b>A. Minimum requirements for Dealer Members offering solely an order-execution only service, either as the Dealer Member’s only business or through a separate business unit of the Dealer Member</b></p> <p>...</p> <p><b>4. Supervision</b></p> <p>...</p> <p><b>5. Identification of Certain Clients</b></p> <p>(a) The Dealer Member must ensure that a client identifier is assigned to each order-execution only</p>



Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments
<p><u>service</u> client that trades on a Marketplace for which the Corporation is the regulation services provider:</p> <p><del>(a)</del> (i) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</p> <p><del>(b)</del> (ii) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</p> <p><del>(c)</del> (iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</p> <p><u>(b) The client identifier required in Rule A.5(a) must be in the form of:</u></p> <p><u>(i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</u></p> <p><u>(ii) an account number for all other client orders not included under Rule A.5(b)(i).</u></p> <p><del>(b)</del> (c) If an account number is used as the client identifier under Rule A.5(b)(ii), <del>the Dealer Member must provide each client identifier assigned the account number pursuant to Rule A.5(a)</del> and the name of the corresponding client to the Corporation.</p> <p><u>(d) For an order-execution only service client that is not referred to under Rule A.5(a)(i)-(iii), the Dealer Member must use an account number as the client identifier.</u></p> <p><del>(c)</del> (e) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider <u>must be assigned pursuant to Rule A.5(a) contain the client identifier assigned to that client contains:</u></p> <p><u>(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,</u> and <u>(ii) a designation to indicate the order is for an order-execution only account.</u></p> <p><u>(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:</u></p> <p><u>(i) the client identifier required under Rule A.5(b) or Rule A.5(d),</u> or <u>(ii) a designation to indicate the order is a bundled order or a multiple client order.</u></p>	<p>service client that trades on a Marketplace for which the Corporation is the regulation services provider:</p> <p>(i) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</p> <p>(ii) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</p> <p>(iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</p> <p>(b) The client identifier required in Rule A.5(a) must be in the form of:</p> <p>(i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</p> <p>(ii) an account number for all other client orders not included under Rule A.5(b)(i).</p> <p>(c) If an account number is used as the client identifier under Rule A.5(b)(ii), the Dealer Member must provide the account number and the name of the corresponding client to the Corporation.</p> <p>(d) For an order-execution only service client that is not referred to under Rule A.5(a)(i)-(iii), the Dealer Member must use an account number as the client identifier.</p> <p>(e) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains:</p> <p>(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant, and (ii) a designation to indicate the order is for an order-execution only account.</p> <p>(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:</p> <p>(i) the client identifier required under Rule A.5(b) or Rule A.5(d), or (ii) a designation to indicate the order is a bundled order or a multiple client order.</p>



Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments
<p><b>B. Minimum requirements for Dealer Members offering both an advisory and an order-execution only service</b></p> <p>...</p> <p><b>5. Supervision</b></p> <p>...</p> <p><b>6. Identification of Certain Clients</b></p> <p>(a) The Dealer Member must ensure that a client identifier is assigned to each order-execution only service client that trades on a Marketplace for which the Corporation is the regulation services provider:</p> <p><del>(a)</del> (i) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</p> <p><del>(b)</del> (ii) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</p> <p><del>(c)</del> (iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</p> <p><u>(b) The client identifier required in Rule B.6(a) must be in the form of:</u></p> <p><u>(i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System,</u></p> <p><u>or</u></p> <p><u>(ii) an account number for all other client orders not included under Rule B.6(b)(i).</u></p> <p><del>(b)</del> (c) If an account number is used as the client identifier under Rule B.6(b)(ii), <del>the Dealer Member must provide each client identifier assigned the account number pursuant to Rule B.6(a) and the name of the corresponding client to the Corporation.</del></p> <p><u>(d) For an order-execution only service client that is not referred to under Rule B.6(a)(i)-(iii), the Dealer Member must use an account number as the client identifier.</u></p> <p><del>(e)</del> (e) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider <del>by or on behalf of a client for whom a client identifier must be assigned pursuant to Rule B.6(a) contain the client identifier assigned to that client. contains:</del></p> <p><u>(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,</u></p> <p><u>and</u></p>	<p><b>B. Minimum requirements for Dealer Members offering both an advisory and an order-execution only service</b></p> <p>...</p> <p><b>5. Supervision</b></p> <p>...</p> <p><b>6. Identification of Certain Clients</b></p> <p>(a) The Dealer Member must ensure that a client identifier is assigned to each order-execution only service client that trades on a Marketplace for which the Corporation is the regulation services provider:</p> <p>(i) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</p> <p>(ii) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or</p> <p>(iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</p> <p>(b) The client identifier required in Rule B.6(a) must be in the form of:</p> <p>(i) a Legal Entity Identifier for a client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System,</p> <p>or</p> <p>(ii) an account number for all other client orders not included under Rule B.6(b)(i).</p> <p>(c) If an account number is used as the client identifier under Rule B.6(b)(ii), the Dealer Member must provide the account number and the name of the corresponding client to the Corporation.</p> <p>(d) For an order-execution only service client that is not referred to under Rule B.6(a)(i)-(iii), the Dealer Member must use an account number as the client identifier.</p> <p>(e) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains:</p> <p>(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,</p> <p>and</p> <p>(ii) a designation to indicate the order is for an order-execution only account.</p>





Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments
<p><u>(ii) a designation to indicate the order is for an order-execution only account.</u></p> <p><u>(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:</u></p> <p><u>(i) the client identifier required under Rule B.6(b) or Rule B.6(d),</u></p> <p><u>or</u></p> <p><u>(ii) a designation to indicate the order is a bundled order or a multiple client order.</u></p>	<p>(f) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider contains either:</p> <p>(i) the client identifier required under Rule B.6(b) or Rule B.6(d),</p> <p>or</p> <p>(ii) a designation to indicate the order is a bundled order or a multiple client order.</p>
<p><b><u>RULE 3600 Identifying clients of a Non-Executing Dealer Member</u></b></p> <p><u>(1) Definitions</u></p> <p><u>For purpose of Rule 3600, the terms below have the following meaning:</u></p> <p><u>"Bundled order" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Global Legal Entity Identifier System" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Legal Entity Identifier" means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u></p> <p><u>"Legal Entity Identifier System Regulatory Oversight Committee" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Listed security" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Multiple client order" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Participant" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>(2) Where a non-executing Dealer Member is not acting for an order-execution only service account and sends an order in a listed security to an executing Dealer Member for execution on a Marketplace for which the Corporation is the regulation services provider, the non-executing Dealer Member must include:</u></p> <p><u>(a) an identifier for the client for or on behalf of whom the order is entered, in the form of:</u></p> <p><u>(i) a Legal Entity Identifier for an order for an account that is supervised under Rule 2700</u></p> <p><u>(ii) an account number for all other client orders not included under 3600(2)(a)(i)</u></p> <p><u>(b) the Legal Entity Identifier of the non-executing Dealer Member that is not a Participant.</u></p>	<p><b><u>RULE 3600 Identifying clients of a Non-Executing Dealer Member</u></b></p> <p><u>(1) Definitions</u></p> <p><u>For purpose of Rule 3600, the terms below have the following meaning:</u></p> <p><u>"Bundled order" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Global Legal Entity Identifier System" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Legal Entity Identifier" means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u></p> <p><u>"Legal Entity Identifier System Regulatory Oversight Committee" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Listed security" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Multiple client order" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>"Participant" has the same meaning as set out in the Universal Market Integrity Rules.</u></p> <p><u>(2) Where a non-executing Dealer Member is not acting for an order-execution only service account and sends an order in a listed security to an executing Dealer Member for execution on a Marketplace for which the Corporation is the regulation services provider, the non-executing Dealer Member must include:</u></p> <p><u>(a) an identifier for the client for or on behalf of whom the order is entered, in the form of:</u></p> <p><u>(i) a Legal Entity Identifier for an order for an account that is supervised under Rule 2700</u></p> <p><u>(ii) an account number for all other client orders not included under 3600(2)(a)(i)</u></p> <p><u>(b) the Legal Entity Identifier of the non-executing</u></p>



Text of DMR Marked to Reflect Adoption of the Amendments	Text of DMR Following Adoption of the Amendments
<p><u>(3) Where a non-executing Dealer Member is not acting for an order-execution only service account and groups together orders in a listed security from more than one client or account type for execution on a Marketplace for which the Corporation is the regulation services provider:</u></p> <p><u>(a) 3600(2)(a) does not apply,</u> <u>and</u> <u>(b) the non-executing Dealer Member must provide to the executing Dealer Member that the client order is part of:</u></p> <p><u>(i) a bundled order, or</u> <u>(ii) a multiple client order.</u></p> <p><u>(4) A non-executing Dealer Member that is not acting for an order-execution only service account and is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.</u></p>	<p>Dealer Member that is not a Participant.</p> <p>(3) Where a non-executing Dealer Member is not acting for an order-execution only service account and groups together orders in a listed security from more than one client or account type for execution on a Marketplace for which the Corporation is the regulation services provider:</p> <p>(a) 3600(2)(a) does not apply, and (b) the non-executing Dealer Member must provide to the executing Dealer Member that the client order is part of:</p> <p>(i) a bundled order, or (ii) a multiple client order.</p> <p>(4) A non-executing Dealer Member that is not acting for an order-execution only service account and is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.</p>



**Text of PLR to Reflect the Amendments Respecting Client Identifiers**

Text of PLR Marked to Reflect Adoption of the Amendments	Text of PLR Following Adoption of the Amendments																																																				
<p><b>1201. Definitions</b></p> <p>...</p> <p>(2) The following terms have the meanings set out when used in the <i>IIROC requirements</i>:</p> <p>...</p> <table border="1" data-bbox="159 541 747 1612"> <tr> <td><u>"bundled order"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"Global Legal Entity Identifier System"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"Legal Entity Identifier"</u></td> <td><u>A unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"Legal Entity Identifier System Regulatory Oversight Committee"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"listed security"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"multiple client order"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td><u>"Participant"</u></td> <td><u>Has the same meaning as set out in the Universal Market Integrity Rules.</u></td> </tr> </table>	<u>"bundled order"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	...	...	<u>"Global Legal Entity Identifier System"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	...	...	<u>"Legal Entity Identifier"</u>	<u>A unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.</u>	...	...	<u>"Legal Entity Identifier System Regulatory Oversight Committee"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	...	...	<u>"listed security"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	...	...	<u>"multiple client order"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	...	...	<u>"Participant"</u>	<u>Has the same meaning as set out in the Universal Market Integrity Rules.</u>	<p><b>1201. Definitions</b></p> <p>...</p> <p>(2) The following terms have the meanings set out when used in the <i>IIROC requirements</i>:</p> <p>...</p> <table border="1" data-bbox="824 541 1412 1612"> <tr> <td>"bundled order"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"Global Legal Entity Identifier System"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"Legal Entity Identifier"</td> <td>A unique identification code assigned to a person in accordance with standards set by the <i>Global Legal Entity Identifier System</i>.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"Legal Entity Identifier System Regulatory Oversight Committee"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"listed security"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"multiple client order"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> <tr> <td>...</td> <td>...</td> </tr> <tr> <td>"Participant"</td> <td>Has the same meaning as set out in the Universal Market Integrity Rules.</td> </tr> </table>	"bundled order"	Has the same meaning as set out in the Universal Market Integrity Rules.	...	...	"Global Legal Entity Identifier System"	Has the same meaning as set out in the Universal Market Integrity Rules.	...	...	"Legal Entity Identifier"	A unique identification code assigned to a person in accordance with standards set by the <i>Global Legal Entity Identifier System</i> .	...	...	"Legal Entity Identifier System Regulatory Oversight Committee"	Has the same meaning as set out in the Universal Market Integrity Rules.	...	...	"listed security"	Has the same meaning as set out in the Universal Market Integrity Rules.	...	...	"multiple client order"	Has the same meaning as set out in the Universal Market Integrity Rules.	...	...	"Participant"	Has the same meaning as set out in the Universal Market Integrity Rules.
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<p>...</p> <p><b>3119. Best Execution of client orders</b></p> <p>(1) The following terms have the meaning set out below when used in sections 3119 through 3129:</p> <p>...</p> <p><del>(v) "listed security" means a security listed on an exchange, other than an option.</del></p>	<p>...</p> <p><b>3119. Best Execution of client orders</b></p> <p>(1) The following terms have the meaning set out below when used in sections 3119 through 3129:</p> <p>...</p> <p>(v) "Opening Order" has the same meaning as set out in the Universal Market Integrity Rules.</p>																																																				



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<p><del>(vi)</del> (v) “Opening Order” has the same meaning as set out in the Universal Market Integrity Rules.</p> <p><del>(vii)</del> (vi) “over-the-counter securities” means <i>debt securities</i>, contracts for difference and foreign exchange contracts, but does not include:</p> <ul style="list-style-type: none"> <li>(a) <i>listed securities</i>,</li> <li>(b) primary market transactions in securities, and</li> <li>(c) over-the-counter <i>derivatives</i> with non-standardized contract terms that are customized to the needs of a particular client and for which there is no secondary market.</li> </ul> <p><del>(viii)</del> (vii) “Trading Rules” has the same meaning as set out in the Universal Market Integrity Rules.</p>	<p>(vi) “over-the-counter securities” means <i>debt securities</i>, contracts for difference and foreign exchange contracts, but does not include:</p> <ul style="list-style-type: none"> <li>(a) <i>listed securities</i>,</li> <li>(b) primary market transactions in securities, and</li> <li>(c) over-the-counter <i>derivatives</i> with non-standardized contract terms that are customized to the needs of a particular client and for which there is no secondary market.</li> </ul> <p>(vii) “Trading Rules” has the same meaning as set out in the Universal Market Integrity Rules.</p>
...	...
<p><b><u>Part D: Client Identifiers</u></b></p> <p><b><u>3140. Identifying clients of a Non-Executing Dealer Member</u></b></p> <p><u>(1) Where a non-executing Dealer Member is not acting for an order execution only account and sends an order in a listed security to an executing Dealer Member for execution on a Marketplace for which IIROC is the regulation services provider, the non-executing Dealer Member must include:</u></p> <ul style="list-style-type: none"> <li><u>(a) an identifier for the client for or on behalf of whom the order is entered, in the form of:</u> <ul style="list-style-type: none"> <li><u>(i) a Legal Entity Identifier for an order for an account supervised under Part D of Rule 3900</u></li> <li><u>(ii) an account number for all other client orders not included under 3140(1)(a)(i).</u></li> </ul> </li> <li><u>(b) the Legal Entity Identifier of the non-executing Dealer Member that is not a Participant.</u></li> </ul> <p><u>(2) Where a non-executing Dealer Member is not acting for an order execution only account and groups together orders from more than one client or account type for execution on a Marketplace for which IIROC is the regulation services provider:</u></p> <ul style="list-style-type: none"> <li><u>(a) 3140(1)(a) does not apply,</u></li> <li><u>and</u></li> <li><u>(b) the non-executing Dealer Member must provide to the executing Dealer Member that the order is part of:</u> <ul style="list-style-type: none"> <li><u>(i) a bundled order,</u></li> <li><u>or</u></li> </ul> </li> </ul>	<p><b>Part D: Client Identifiers</b></p> <p><b>3140. Identifying clients of a Non-Executing Dealer Member</b></p> <p>(1) Where a non-executing Dealer Member is not acting for an order execution only account and sends an order in a listed security to an executing Dealer Member for execution on a Marketplace for which IIROC is the regulation services provider, the non-executing Dealer Member must include:</p> <ul style="list-style-type: none"> <li>(a) an identifier for the client for or on behalf of whom the order is entered, in the form of: <ul style="list-style-type: none"> <li>(i) a Legal Entity Identifier for an order for an account supervised under Part D of Rule 3900</li> <li>(ii) an account number for all other client orders not included under 3140(1)(a)(i).</li> </ul> </li> <li>(b) the Legal Entity Identifier of the non-executing Dealer Member that is not a Participant.</li> </ul> <p>(2) Where a non-executing Dealer Member is not acting for an order execution only account and groups together orders from more than one client or account type for execution on a Marketplace for which IIROC is the regulation services provider:</p> <ul style="list-style-type: none"> <li>(a) 3140(1)(a) does not apply,</li> <li>and</li> <li>(b) the non-executing Dealer Member must provide to the executing Dealer Member that the order is part of: <ul style="list-style-type: none"> <li>(i) a bundled order,</li> <li>or</li> </ul> </li> </ul>



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<p><u>(ii) a multiple client order.</u></p> <p><u>(3) The non-executing Dealer Member that is not acting for an order execution only account and is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.</u></p>	<p>(ii) a multiple client order.</p> <p>(3) The non-executing Dealer Member that is not acting for an order execution only account and is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.</p>
<p>...</p>	<p>...</p>
<p><b>3241. Order execution only account services</b></p> <p>...</p> <p>(4) The Dealer Member must ensure that a client identifier is assigned to each client that trades on a Marketplace for which IIROC is the regulation services provider:</p> <ul style="list-style-type: none"> <li>(i) whose trading activity on Marketplaces for which IIROC is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</li> <li>(ii) that is not an individual and is registered as a dealer or adviser in accordance with securities laws, or</li> <li>(iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</li> </ul> <p><u>(5) The client identifier required in 3241(4) must be in the form of:</u></p> <ul style="list-style-type: none"> <li><u>(i) a Legal Entity Identifier for clients eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</u></li> <li><u>or</u></li> <li><u>(ii) an account number for all other client orders not included under 3241(5)(i).</u></li> </ul> <p><u>(5) (6) If an account number is used as the client identifier under 3241(5)(ii), the Dealer Member must provide each client identifier assigned pursuant to subsection 3241(4) the account number and the name of the corresponding client to IIROC.</u></p> <p><u>(7) For clients using an order execution only account that are not referred to under 3241(4), the Dealer Member must use an account number as the client identifier.</u></p> <p><u>(6)-(8) The Dealer Member must ensure that each order in a listed security entered on a Marketplace for which IIROC</u></p>	<p><b>3241. Order execution only account services</b></p> <p>...</p> <p>(4) The Dealer Member must ensure that a client identifier is assigned to each client that trades on a Marketplace for which IIROC is the regulation services provider:</p> <ul style="list-style-type: none"> <li>(i) whose trading activity on Marketplaces for which IIROC is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,</li> <li>(ii) that is not an individual and is registered as a dealer or adviser in accordance with securities laws, or</li> <li>(iii) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.</li> </ul> <p>(5) The client identifier required in 3241(4) must be in the form of:</p> <ul style="list-style-type: none"> <li>(i) a Legal Entity Identifier for clients eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System</li> <li>or</li> <li>(ii) an account number for all other client orders not included under 3241(5)(i).</li> </ul> <p>(6) If an account number is used as the client identifier under 3241(5)(ii), the Dealer Member must provide the account number and the name of the corresponding client to IIROC.</p> <p>(7) For clients using an order execution only account that are not referred to under 3241(4), the Dealer Member must use an account number as the client identifier.</p> <p>(8) The Dealer Member must ensure that each order in a listed security entered on a Marketplace for which IIROC is the regulation services provider contains:</p>



Text of PLR Marked to Reflect Adoption of the Amendments	Text of PLR Following Adoption of the Amendments
<p>is the regulation services provider <del>by or on behalf of a client for whom a client identifier must be assigned pursuant to subsection 3241(4)</del> contains <del>the client identifier assigned to that client:</del></p> <p><del>(i) the Legal Entity Identifier of the Dealer Member if it is a non-executing Dealer Member that is not a Participant,</del>  <del>and</del>  <del>(ii) a designation to indicate the order is for an order execution only account.</del></p> <p><del>(9) The Dealer Member must ensure that each order in a listed security entered on a Marketplace for which IIROC is the regulation services provider contains either:</del></p> <p><del>(i) the client identifier required under 3241(5) or 3241(7),</del>  <del>or</del>  <del>(ii) a designation to indicate the order is a bundled order or a multiple client order.</del></p> <p><del>(10) The non-executing Dealer Member that is not a Participant must ensure that the registration status of its Legal Entity Identifier has not lapsed.</del></p>	<p>(i) the <i>Legal Entity Identifier</i> of the <i>Dealer Member</i> if it is a non-executing <i>Dealer Member</i> that is not a <i>Participant</i>,  and  (ii) a designation to indicate the order is for an <i>order execution only account</i>.</p> <p>(9) The <i>Dealer Member</i> must ensure that each order in a <i>listed security</i> entered on a <i>Marketplace</i> for which <i>IIROC</i> is the regulation services provider contains either:</p> <p>(i) the client identifier required under 3241(5) or 3241(7),  or  (ii) a designation to indicate the order is a <i>bundled order</i> or a <i>multiple client order</i>.</p> <p>(10) The non-executing <i>Dealer Member</i> that is not a <i>Participant</i> must ensure that the registration status of its <i>Legal Entity Identifier</i> has not lapsed.</p>
<p>...</p>	<p>...</p>
<p><b>RULE 7200</b>  <b>TRANSACTION REPORTING FOR DEBT SECURITIES</b></p> <p>...</p> <p><b>7202. Definitions</b></p> <p>(1) The following items have the meaning set out below when used in Rule 7200:</p> <p>...</p> <p>(iii) “file receipt” means an electronic acknowledgement that confirms the transaction reporting data file has been successfully transmitted.</p> <p><del>(iv) “Global Legal Entity Identifier System” means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.</del></p> <p><del>(v)-(iv)</del> (iv) “Government Securities Distributor” means an entity that has been given notice of its status as such by the Bank of Canada and has access to bid at Government of Canada auctions.</p> <p><del>(vi)</del> (v) “ISIN” means International Securities Identification Number.</p> <p><del>(vii) “Legal Entity Identifier” or “LEI” means a unique identification code assigned to a counterparty in accordance with standards set by the Global Legal Entity Identifier System. If the Global Legal Entity</del></p>	<p><b>RULE 7200</b>  <b>TRANSACTION REPORTING FOR DEBT SECURITIES</b></p> <p>...</p> <p><b>7202. Definitions</b></p> <p>(1) The following items have the meaning set out below when used in Rule 7200:</p> <p>...</p> <p>(iii) “file receipt” means an electronic acknowledgement that confirms the transaction reporting data file has been successfully transmitted.</p> <p>(iv) “Government Securities Distributor” means an entity that has been given notice of its status as such by the Bank of Canada and has access to bid at Government of Canada auctions.</p> <p>(v) “ISIN” means International Securities Identification Number.</p> <p>(vi) “MTRS 2.0” means the Market Trade Reporting System operated by <i>IIROC</i> for reporting <i>debt securities</i> transactions.</p> <p>(vii) “MTRS 2.0 Enrollment Form” means the form filed by a <i>Dealer Member</i> with <i>IIROC</i> to supply contact and other information that may be needed by <i>IIROC</i> in connection with the <i>Dealer Member’s</i> reporting of <i>debt securities</i> transactions. An MTRS 2.0 Enrollment</p>



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<p><del>Identifier System is unavailable to a reporting counterparty when a reporting obligation under Rule 7200 arises, a substitute legal identifier must be used as identified by IIROC.</del></p> <p><del>(viii) “Legal Entity Identifier System Regulatory Oversight Committee” means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.</del></p> <p><del>(ix) (vi)</del> “MTRS 2.0” means the Market Trade Reporting System operated by IIROC for reporting <i>debt securities</i> transactions.</p> <p><del>(x) (vii)</del> “MTRS 2.0 Enrollment Form” means the form filed by a <i>Dealer Member</i> with IIROC to supply contact and other information that may be needed by IIROC in connection with the <i>Dealer Member’s</i> reporting of <i>debt securities</i> transactions. An MTRS 2.0 Enrollment Form must also be filed by any party seeking to act as an <i>authorized agent</i> for a <i>Dealer Member</i> in reporting transaction data to MTRS 2.0.</p> <p><del>(xi) (viii)</del> “riskless principal trade” means a trade in a <i>debt security</i> that involves two offsetting orders (buy and sell) that are filled through transactions executed against a <i>Dealer Member’s</i> trading or other proprietary account, with the execution of one of the orders dependent upon the receipt or execution of the other. A riskless principal trade results in two offsetting principal transactions on the <i>Dealer Member’s</i> books, rather than one agency transaction. A <i>Dealer Member</i> typically performs a riskless principal trade to fill a client order with an offsetting transaction in the market or with another client.</p> <p><del>(xii) (ix)</del> “special condition indicator” means a code used on a transaction report to indicate that the transaction has certain attributes. Among other uses, the special condition indicator helps to identify transactions that may be priced differently than other transactions in the same issue (for instance, a primary market transaction subject to a fixed price offering agreement). Special condition indicators are also used to identify <i>repurchase agreement</i> transactions, transactions that involve parties related to the <i>Dealer Member</i> executing the transaction, and certain other conditions that may apply to a transaction and that are relevant to the regulatory and market surveillance</p>	<p>Form must also be filed by any party seeking to act as an <i>authorized agent</i> for a <i>Dealer Member</i> in reporting transaction data to MTRS 2.0.</p> <p>(viii) “riskless principal trade” means a trade in a <i>debt security</i> that involves two offsetting orders (buy and sell) that are filled through transactions executed against a <i>Dealer Member’s</i> trading or other proprietary account, with the execution of one of the orders dependent upon the receipt or execution of the other. A riskless principal trade results in two offsetting principal transactions on the <i>Dealer Member’s</i> books, rather than one agency transaction. A <i>Dealer Member</i> typically performs a riskless principal trade to fill a client order with an offsetting transaction in the market or with another client.</p> <p>(ix) “special condition indicator” means a code used on a transaction report to indicate that the transaction has certain attributes. Among other uses, the special condition indicator helps to identify transactions that may be priced differently than other transactions in the same issue (for instance, a primary market transaction subject to a fixed price offering agreement). Special condition indicators are also used to identify <i>repurchase agreement</i> transactions, transactions that involve parties related to the <i>Dealer Member</i> executing the transaction, and certain other conditions that may apply to a transaction and that are relevant to the regulatory and market surveillance purposes of Rule 7200.</p>



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<p><b>7203. Reporting requirements</b></p> <p>...</p> <p>(6) Transaction reports made under subsection 7203(1) must accurately and completely reflect the reported transaction and must contain the following data elements relevant to a bond or <i>repurchase agreement</i> transaction, as applicable:</p> <table border="1" data-bbox="183 674 748 1241"> <thead> <tr> <th>No.</th> <th>Data</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>14.</td> <td>CLIENT LEI</td> <td>The <del>LEI assigned to Legal Entity Identifier of the institutional client, where available. Optional field</del></td> </tr> <tr> <td>15.</td> <td>CLIENT ACCOUNT IDENTIFIER</td> <td><del>Identifier assigned by a reporting Dealer Member to uniquely identify the client where the counterparty is 'client' and no client LEI is available. Optional field</del> The account number of the <i>retail client</i>.</td> </tr> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> </tbody> </table>	No.	Data	Description	...	...	...	14.	CLIENT LEI	The <del>LEI assigned to Legal Entity Identifier of the institutional client, where available. Optional field</del>	15.	CLIENT ACCOUNT IDENTIFIER	<del>Identifier assigned by a reporting Dealer Member to uniquely identify the client where the counterparty is 'client' and no client LEI is available. Optional field</del> The account number of the <i>retail client</i> .	...	...	...	<p><b>7203. Reporting requirements</b></p> <p>...</p> <p>(6) Transaction reports made under subsection 7203(1) must accurately and completely reflect the reported transaction and must contain the following data elements relevant to a bond or <i>repurchase agreement</i> transaction, as applicable:</p> <table border="1" data-bbox="849 674 1414 947"> <thead> <tr> <th>No.</th> <th>Data</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> <tr> <td>14.</td> <td>CLIENT LEI</td> <td>The <i>Legal Entity Identifier</i> of the <i>institutional client</i>.</td> </tr> <tr> <td>15.</td> <td>CLIENT ACCOUNT IDENTIFIER</td> <td>The account number of the <i>retail client</i>.</td> </tr> <tr> <td>...</td> <td>...</td> <td>...</td> </tr> </tbody> </table>	No.	Data	Description	...	...	...	14.	CLIENT LEI	The <i>Legal Entity Identifier</i> of the <i>institutional client</i> .	15.	CLIENT ACCOUNT IDENTIFIER	The account number of the <i>retail client</i> .	...	...	...
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<p><u>(7) The reporting Dealer Member must ensure that the registration status of its <i>Legal Entity Identifier</i> has not lapsed.</u></p>	<p>(7) The reporting Dealer Member must ensure that the registration status of its <i>Legal Entity Identifier</i> has not lapsed.</p>																														





**Appendix C**

**Comments Received in Response to**

**IIROC Notice 18-0122 – Rules Notice - Request For Comments – UMIR and DMR**

***Proposed Provisions Respecting Client Identifiers***

On June 28, 2018, IIROC issued Notice [18-0122](#) requesting comments on Proposed Provisions Respecting Client Identifiers (**June 2018 Proposal**). IIROC received comments on the June 2018 Proposal from:

BlackRock Asset Management Canada Limited (**BlackRock**)

Canadian Advocacy Council for Canadian CFA Institute Societies (**CAC**)

Casgrain & Company Limited (**Casgrain**)

Investment Industry Association of Canada (**IIAC**)

Global Legal Entity Identifier Foundation (**GLEIF**)

National Bank Financial Inc. (**NBF**)

RBC Global Asset Management (**RBC GAM**)

State Street Corporation (**State Street**)

Copies of these comments are publicly available on IIROC’s website ([www.iroc.ca](http://www.iroc.ca)). The following table summarizes these comments and our responses:

Summary of Comments	IIROC Response and Additional IIROC Commentary
Supports initiative and/or proposal	
Three commenters generally supported this proposal. (BlackRock, Casgrain, RBC GAM)	We acknowledge the comments.
State Street strongly supports the global adoption of LEIs.	



Who should be required to use an LEI	
<p>State Street recommends mandating the use of LEIs by all institutional customers for orders and trades in equity securities, because this would:</p> <ul style="list-style-type: none"> <li>(i) be easier to aggregate entities</li> <li>(ii) prevent institutions from maintaining multiple directories for identifiers and reconciling them for each client</li> <li>(iii) prevent data quality issues from difficulties in identifying entities when exceptions and non-standard identifiers are used</li> <li>(iv) continue to bring down the costs of obtaining and renewing LEIs.</li> </ul>	<p>While we initially proposed requiring all eligible clients obtain LEIs in IIROC Notice No. <a href="#">17-0109 (May 2017 Proposal)</a>, we reduced the scope of this requirement in the June 2018 Proposal to lessen impacts on Dealer Members, because we heard that for equities:</p> <ul style="list-style-type: none"> <li>• some Dealer Members carry institutional customers on their retail platforms</li> <li>• it would be difficult for Dealer Members to comb through their retail networks to locate institutional customers.</li> </ul> <p>As a result, for equities, we are focusing the LEI requirement on:</p> <ul style="list-style-type: none"> <li>• clients supervised under DMR 2700</li> <li>• DEA and RA clients</li> <li>• certain order-execution only clients as currently defined under DMR 3200(A)(5) and DMR 3200(B)(6) (<b>identified order execution only clients</b>).</li> </ul>
<p>Casgrain recommends only non-individuals with total securities under administration or management exceeding \$100 million be required to use an LEI, because:</p> <ul style="list-style-type: none"> <li>• certain accounts held by institutional customers and are supervised as institutional customers (e.g. testamentary trusts, family trusts, holding companies or partnerships) should not be required to use an LEI as the client identifier, because these accounts: <ul style="list-style-type: none"> <li>○ behave like retail accounts</li> <li>○ would not be inclined to obtain an LEI.</li> </ul> </li> </ul>	<p>We based the LEI requirement for equities on how the account was supervised because we heard that:</p> <ul style="list-style-type: none"> <li>• some Dealer Members carry institutional customers on their retail platforms</li> <li>• it would be difficult to comb through those retail platforms to locate institutional customers.</li> </ul> <p>However, if all clients are carried on one platform (or if the firm only carries institutional customers), there would be no issues identifying clients that would need to use an LEI.</p> <p>In debt securities, we would require institutional customers to use an LEI and retail customers to use an account number as the client identifier.</p> <p>We would not use a threshold approach (e.g. assets exceeding \$100 million) for the LEI requirement because we received comments from the May 2017 Proposal, the Client Identifiers Working Group, and the Market Rules Advisory Committee that:</p>



	<ul style="list-style-type: none"> <li>• a threshold approach would be:             <ul style="list-style-type: none"> <li>○ difficult for Dealer Members to implement</li> <li>○ challenging for IROC to monitor</li> </ul> </li> <li>• a \$100M threshold would be too high and not capture many institutional customers with a smaller amount of capital.</li> </ul>
<p>IIAC agrees that basing the LEI requirement for equity securities on how the account is supervised is a pragmatic approach that prevents Dealer Members from identifying institutional customers on their retail networks, such as family trusts.</p>	<p>We acknowledge the comment.</p>
<p>Clients required to use an LEI but have not yet obtained one</p>	
<p>Some commenters asked for clarification on handling clients who are required to be identified with an LEI but have not yet obtained one:</p> <ul style="list-style-type: none"> <li>• how long would Dealer Members be able to trade and maintain accounts for clients before they obtain an LEI? (NBF, Casgrain)</li> <li>• what reasonable steps should Dealer Members take to ensure their clients obtain an LEI?             <ul style="list-style-type: none"> <li>○ Recommends that reasonable steps:                 <ul style="list-style-type: none"> <li>▪ include forwarding information to clients on registering an LEI, reminding clients to register for an LEI, documenting steps taken within the client file. (Casgrain)</li> <li>▪ not include Dealer Members applying for an LEI on the client’s behalf because:                     <ul style="list-style-type: none"> <li>• this would entail client outreach by the Dealer Member. (IIAC)</li> <li>• clients may not provide permission to Dealer Members to undertake, or reimburse fees to Dealer Members for, the LEI application or renewal. (Casgrain, IIAC)</li> <li>• Dealer Members may be subject to liability from using inaccurate/incomplete data and should not be</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<p>We would not prescribe the specific steps that Dealer Members may take to help their clients obtain LEIs. However, to clarify what would be a reasonable timeframe we are adding that Dealer Members can continue to trade for a client using the account number as the interim identifier as long as the client obtains an LEI by:</p> <ul style="list-style-type: none"> <li>• debt securities             <ul style="list-style-type: none"> <li>○ Phase 1 of the Implementation Period for an existing client</li> <li>○ six months for a new client onboarded after the end of Phase 1</li> </ul> </li> <li>• equity securities             <ul style="list-style-type: none"> <li>○ RA client, eligible DEA client or identified OEO client                 <ul style="list-style-type: none"> <li>▪ Phase 2 of the Implementation Period for an existing client, or</li> <li>▪ six months for a new client onboarded by the Dealer Member after Phase 2.</li> </ul> </li> <li>○ all other clients supervised as an institutional client                 <ul style="list-style-type: none"> <li>▪ Phase 3 of the Implementation Period for an existing client, or</li> <li>▪ six months for a new client onboarded by the Dealer Member after Phase 3.</li> </ul> </li> </ul> </li> </ul> <p>If a client has not obtained an LEI as required above, the Dealer Member must stop trading for the client.</p>



<p>required to verify Level 2 information provided by clients in LEI applications. (IIAC, Casgrain)</p> <ul style="list-style-type: none"> <li>• there could be multiple Dealer Members applying for LEIs for the same client, causing confusion and a duplication of efforts. (IIAC)</li> </ul>	
<p>Casgrain asks for clarification where a client has an LEI, but refuses to provide it to the Dealer Member. Believes that Dealer Members should not be responsible for searching for an LEI within the public database and using it without the client’s consent.</p>	<p>The requirement to provide LEIs or other form of client identifier is not unique given many institutional clients are already providing LEIs to the Dealer Member.</p>
<p>Casgrain suggests using the client name as the interim identifier, rather than the account number.</p>	<p>We would use the account number (not the client name) as the interim identifier because client names would:</p> <ul style="list-style-type: none"> <li>• harm client confidentiality for orders in equities, as the client name would be visible to the marketplace and/or third party service provider unless it is encrypted by the Dealer Member</li> <li>• entail the creation of a new FIX field (equities) and a new data field in MTRS 2.0 (debt securities) to accommodate client names, which would only be used on a temporary basis.</li> </ul>
<p>Missing or incorrect client identifiers</p>	
<p>IIAC recommends enhancing the Regulatory Marker Correction System (<b>RMCS</b>) to facilitate a larger number of corrections in equity securities by executing and non-executing Dealer Members as a result of the proposed amendments.</p>	<p>We agree and are working towards enhancing RMCS to accept bulk uploads by Dealer Members. We would align our implementation period for Phase 2 with the target date for the update of RMCS.</p>
<p>Casgrain recommends that IIROC not implement validation processing on LEIs in MTRS 2.0, because:</p> <ul style="list-style-type: none"> <li>• it would be nearly impossible for IIROC to maintain an accurate Reference Data File for LEIs</li> </ul> <p>invalid LEIs would result in rejection of the Dealer Member’s entire file.</p>	<p>The validation processing on LEIs in MTRS 2.0 would only ensure that the Dealer Member reports a 20-digit alphanumeric code. It would be the Dealer Member’s responsibility to ensure they are reporting the correct LEI.</p>



LEI Renewals	
<p>Two commenters recommend requiring Dealer Members to renew LEIs, because:</p> <p>(a) this ensures the accuracy of data associated with the LEI and Level 2 information. (GLEIF, State Street)</p> <p style="padding-left: 20px;">a. Level 2 information may be useful for:</p> <p style="padding-left: 40px;">i. IIROC’s regulatory purposes. (GLEIF, State Street)</p> <p style="padding-left: 40px;">ii. firms’ ability to gain an aggregate view of their securities exposure within a given issuer and its related entities, especially in light of the new initiative to link International Securities Identification Numbers (<b>ISINs</b>) with LEIs. (GLEIF)</p> <p>(b) it is less expensive to annually renew LEIs compared to costs associated with a lapsed LEI. (State Street)</p>	<p><u>Client LEIs</u></p> <p>We would not require Dealer Members to ensure client LEIs are annually renewed because:</p> <ul style="list-style-type: none"> <li>• our main purpose in requiring LEIs is to identify the client. Once an LEI is assigned to a legal entity, it can never be re-assigned to another entity.</li> <li>• we are trying to lessen the impact on Dealer Members and we heard that requiring LEI renewals would: <ul style="list-style-type: none"> <li>○ entail substantial client outreach by Dealer Members for a large number of clients</li> <li>○ be difficult for Dealer Members to track the expiry of LEIs for individual clients.</li> </ul> </li> </ul> <p><u>Dealer LEIs</u></p> <ul style="list-style-type: none"> <li>• For debt transaction reporting, reporting Dealer Members would continue to use an LEI under Item 14 of subsection 2.4(c) of DMR 2800C. Reporting Dealer Members would need to annually renew their LEIs to ensure that their registration status does not lapse.</li> <li>• For orders in equities, originating dealers would use an LEI as the client identifier if they are: <ul style="list-style-type: none"> <li>○ an IIROC Dealer Member that is not a Participant, or</li> <li>○ a RA client that is an investment dealer, including a foreign dealer equivalent.</li> </ul> </li> </ul> <p>(Jitney Participants would continue to use the Participant number as the identifier.)</p> <p>Originating dealers that are IIROC Dealer Members that are not Participants) would be required to annually renew their LEIs.</p>
<p>Casgrain agrees that Dealer Member should not be required to ensure annual renewal of client LEIs. Asks IIROC to clarify whether Dealer Members need to verify the status of the client’s LEI at the time of every transaction.</p>	<p>As long as the Dealer Member has conducted an initial check to ensure that the client is reporting the correct LEI, there is no need to check the status of the LEI at the time of every transaction.</p>



<p>Casgrain asks IIROC to indicate whether Level 2 information would be required in the near future. This would require system modifications that Dealer Members can incorporate within the proposed amendments regarding transaction reporting for debt securities, rather than as a separate project.</p>	<p>Level 2 information is required by GLEIF (not IIROC). Dealer Members would not need to modify their systems to incorporate Level 2 information.</p>
<p>Responsibilities of the Carrying Broker</p>	
<p>NBF asks for clarification on whether a carrying broker is required to:</p> <ul style="list-style-type: none"> <li>• maintain records of client identifiers for clients of the non-executing broker</li> <li>• and if so, how long is the retention period.</li> </ul>	<p>Obligations of the carrying broker depend on the type of introducing broker / carrying broker arrangement under Dealer Member Rule 35. If the carrying broker is currently required to maintain records for the introducing broker pursuant to that arrangement, then client LEIs would be part of those records. The retention period for records is seven years.<sup>2</sup></p>
<p>How to report client identifiers for clients that are foreign dealers and related to the Dealer Member</p>	
<p>NBF asks for clarification regarding clients that are foreign dealers and related to the Dealer Member – whether the Dealer Member would need to:</p> <ul style="list-style-type: none"> <li>(a) look through the related foreign dealer client to report the end client, or</li> <li>(b) report the LEI of the related foreign dealer client (not the client identifier of the end client)             <ul style="list-style-type: none"> <li>a. This approach would be consistent with the scenario where the client is an unrelated foreign dealer, as the Dealer Members only have to report the LEI of the unrelated foreign dealer and not look through to the end client.</li> </ul> </li> </ul>	<p>Dealer Members only need to report the client identifier of their direct and immediate client, regardless of whether the reported entity is the ultimate end-client.</p> <p>If the Dealer Member has a client that is a foreign dealer, the Dealer Member would report the LEI of the foreign dealer, regardless of whether the foreign dealer may be related to the Dealer Member. The Dealer Member would not be required to look through the foreign dealer to report the LEI of the end-client.</p>
<p>Unique identifiers for clients of a foreign dealer equivalent that automatically generate orders on a predetermined basis</p>	
<p>IIAC recommends Dealer Members not be required to provide a unique identifier for clients of a foreign dealer equivalent (<b>FDE</b>) that use an algo to generate orders, because:</p> <ul style="list-style-type: none"> <li>• IIROC could use alternative regulatory channels to obtain this information.</li> </ul>	<p>We believe unique identifiers will enhance our surveillance capabilities.</p> <ul style="list-style-type: none"> <li>• Using alternative regulatory channels (e.g. requests to other regulators) would:</li> </ul>

<sup>2</sup> Section 11.6(1) of NI 31-103 provides in part:  
 A registered firm must keep a record that it is required to keep under securities legislation  
 (a) for seven years from the date the record is created,  
 (b) in a safe location and in a durable form.



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| <ul style="list-style-type: none"><li>• Dealer Members currently do not know the identity of the client of the foreign dealer equivalent, because possession of this information may create regulatory obligations on the Dealer Member to treat the FDE’s client as the Dealer Member’s own client, e.g. AML or suitability obligations.</li><li>• FDEs may choose to leave the Canadian marketplace instead of providing the end-client’s unique identifier to Dealer Members</li><li>• there may be laws or regulations in the FDE’s jurisdiction that prevent the provision of unique identifiers of end-clients</li><li>• Dealer Members would need to configure their systems to receive this information.</li></ul> | <ul style="list-style-type: none"><li>○ impede our ability to monitor this activity in real-time</li><li>○ increase the time needed to conduct investigations.</li><li>• We are not asking Dealer Members to identify the end-client of the FDE that uses an algorithm to generate orders. Dealer Members only need to segregate order flow from those clients using a unique identifier, which does not need to be in the form of an account number, LEI or client name. The unique identifier only needs to be an alphanumeric code that is unique to the client of the FDE. The exact data requirements will be considered as part of the consultation with the Implementation Committee.</li><li>• As a general rule with order markers, the Dealer Member would be entitled to rely on the information provided by the FDE.<sup>3</sup></li><li>• We are not clear on why FDEs would choose to leave the Canadian marketplace rather than provide unique identifiers to Dealer Members. Unique identifiers would be part of the private regulatory data that is not publicly disclosed.</li><li>• We are not aware of laws or regulations in other jurisdictions that prevent FDEs from providing unique identifiers to Dealer Members when trading on a marketplace in Canada. FDEs may be required to disclose client identity due to laws in their own jurisdictions. For example, the Consolidated Audit Trail in the United States requires dealers to disclose the identity of their clients to regulators, even if the trade occurred on a foreign marketplace.<sup>4</sup></li></ul> |
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<sup>3</sup> This is analogous to the situation between the Executing Dealer and the Originating Dealer when marking jitney orders, where we have indicated: “The Executing Dealer has an obligation to make reasonable inquiries of the Originating Dealer regarding appropriate designations and identifiers. However, the Executing Dealer will be entitled to rely on the information provided by the Originating Dealer and the Executing Dealer will not be expected to make independent inquiries.” (MIN Notice No. [2005-003](#) – Marking Jitney Orders (March 4, 2005))

<sup>4</sup> [CAT NMS Plan Interpretive FAQ’s](#) provides at Q7:  
*The origination or receipt of an order involving any security that meets the definition of an NMS security pursuant to SEC Rule 600 must be reported to the CAT, **regardless of where the order is ultimately executed**. If the order is sent to a foreign market for execution, the CAT Reporter is required to report the relevant Reportable Events for the order (e.g., origination or receipt of the order and the routing of the order to the foreign market).* [emphasis added]



	<ul style="list-style-type: none"> <li>We understand that Dealer Members would need to make systems changes to accommodate the Amendments. We will work with the Implementation Committee to minimize the impact and burden on Dealer Members.</li> </ul>
Bulk trades	
<p>IIAC supports using “multiple client” (<b>MC</b>) or “bundled order” (<b>BU</b>) markers for orders grouped together for unrelated clients in equity securities, where there is no need to provide a client identifier on the order.</p>	<p>We acknowledge the comment.</p>
<p>Two commenters recommend aligning the approach to debt securities with equity securities, where allocations are not required (IIAC, BlackRock):</p> <ul style="list-style-type: none"> <li>bulk debt transactions in debt securities should be reported on a trade basis (not allocation basis). This means reporting the LEI of the common ultimate parent company as the client identifier (and not the allocations to individual funds). (BlackRock)</li> </ul>	<p>We would remove the rule requirement for Dealer Members to report allocations in debt securities that occur before the transaction reporting deadline and rely on the MTRS 2.0 UserGuide because:</p> <ul style="list-style-type: none"> <li>We acknowledge that some Dealer Members currently may not be reporting allocations that occur before the transaction reporting deadline, even though this is set out under the MTRS 2.0 UserGuide.</li> </ul>
<p>IIAC and Casgrain recommend Dealer Members not be required to report allocations for debt securities (and IIROC to amend MTRS 2.0 UserGuide accordingly), because:</p> <ul style="list-style-type: none"> <li>Contrary to the MTRS 2.0 UserGuide, Dealer Members currently only report parent trades (not client allocations), even if the allocations occur before the transaction reporting deadline. (Casgrain)</li> <li>Where a Dealer Member’s client is the portfolio manager, and not the individual sub-accounts. Dealer Members usually do not know the sub-account allocations. (Casgrain)</li> <li>Investment decisions are made by the portfolio manager. It would be more relevant for IIROC Surveillance to know who is making the investment decision than the subaccount allocations. (Casgrain)</li> <li>Dealer Members would need to incur significant costs to:             <ul style="list-style-type: none"> <li>obtain and maintain LEIs for potentially several hundred sub-accounts held by each portfolio manager (Casgrain)</li> <li>modify systems and/or incur license fees to generate MTRS 2.0 reports to reflect allocations (IIAC, Casgrain)</li> </ul> </li> </ul>	<p>Prior to the Amendments, the data fields for Customer LEIs and Customer Account Identifiers under DMR 2800C were optional, therefore allocation reporting would not have identified the clients that received the allocations. As a result, we have not enforced this portion of the MTRS 2.0 UserGuide to date.</p> <p>However, once the data fields for Customer LEIs and Customer Account Identifiers become mandatory, we would expect Dealer Members to follow the MTRS 2.0 UserGuide and report allocations that occur before the transaction reporting deadline.</p> <ul style="list-style-type: none"> <li>Dealer Members only need to include allocations if that information is available to them at the time of reporting transactions to IIROC.</li> <li>The allocations would provide more clarity and granularity to IIROC Surveillance, as compared to the LEI of the parent entity.</li> <li>Dealer Members may not incur significant costs because:</li> </ul>





<ul style="list-style-type: none"> <li>○ pay a higher Debt Transaction Regulation Fee, due to the increased number of trades reported to IIROC. (IIAC, Casgrain)</li> <li>● Allocation reporting would create a perception of greater liquidity, where allocations could be seen as multiple trades, which could be misleading for investors. (Casgrain, IIAC)</li> <li>● IIROC's price inquiries may be skewed by the additional volume resulting from allocations (e.g. IIROC Surveillance may interpret there are 20 trades at "x" price when there is only one bulk trade). (IIAC)</li> <li>● Reporting at the allocation level would defeat the purpose of existing volume caps on the transparency system. (IIAC)</li> </ul>	<ul style="list-style-type: none"> <li>○ Only institutional customers would be required to use an LEI, and each institutional customer would use one LEI for all of their accounts. Institutional customers do not need to obtain separate LEIs for each subaccount. The purpose of the Amendments is to enhance IIROC's surveillance capabilities. With respect to IIROC's role as the Debt Information Processor, we would publish information pursuant to the manner and timelines mandated by the CSA.<sup>5</sup></li> <li>● IIROC Surveillance would adjust its alerts and inquiries accordingly to take into account the reported allocations.</li> <li>● With respect to IIROC's role as the Debt Information Processor, we would aggregate reported allocations at the same price so that published trades would adhere to the volume caps mandated by the CSA.</li> </ul>
<p>Privacy Concerns</p>	
<p>IIAC asks IIROC to share analysis, if any, undertaken to ensure that the proposed amendments do not contravene Dealer Members' handling of personal information under the <i>Personal Information Protection and Electronic Documents Act</i> or similar legislation.</p>	<p>With respect to the client identifiers under the Amendments:</p> <ul style="list-style-type: none"> <li>● LEIs are assigned to a legal entity (not a natural person), and would not constitute personal information.</li> <li>● Account numbers are assigned by the Dealer Member to a client account, and does not disclose client identity.</li> <li>● Unique identifiers would not identify the client, and are only intended to segregate order flow automatically generated by clients of FDEs on a predetermined basis.</li> </ul> <p>It is our view that the client identifiers under the Amendments would not be subject to greater privacy protection than the personal information that Dealer Members currently handle for clients (e.g. names, dates of birth, addresses, social security numbers etc.), and therefore would not contravene Dealer Members' handling of personal information under privacy legislation.</p>

<sup>5</sup> [CSA Staff Notice and Request for Comment 21-323](#) – Proposal for Mandatory Post-Trade Transparency of Trades in Government Debt Securities, Expanded Transparency of Trades in Corporate Debt Securities and Proposed Amendments to National Instrument 21-101 Marketplace Operation and Related Companion Policy.



Information Security – Data in Transit	
<p>Three commenters recommend mandating encryption for LEIs on all orders in equity securities for the following reasons: (RBC GAM, CAC, NBF)</p> <ul style="list-style-type: none"> <li>(a) Using a key that will be shared only with IIROC. (RBC GAM, CAC)</li> <li>(b) To ensure that all Dealer Members are subject to the same information security regulations when transmitting client information. (RBC GAM)</li> <li>(c) To ensure that all client information is protected, not just the clients that request LEI encryption. (RBC GAM)</li> <li>(d) To assist Dealer Members in prioritizing the proposed amendments in vendor development queues. (NBF)</li> </ul>	<p>We would consult with the Implementation Committee on the encryption of client LEIs, taking into consideration:</p> <ul style="list-style-type: none"> <li>• whether encryption of client LEIs would place an undue burden on Dealer Members who may have a limited number of clients supervised as institutional clients, but would then need to undergo substantial systems changes and incur significant costs to encrypt LEIs for a few clients.</li> <li>• unencrypted LEIs would not be publicly disclosed but would be visible to marketplaces.</li> </ul> <p>Regardless of the outcome, we would:</p> <ul style="list-style-type: none"> <li>• ensure that decryption keys are shared only with IIROC</li> <li>• specify the encryption method and level as part of the implementation plan, so that all Dealer Members choosing to encrypt would be subject to the same security standards</li> <li>• work with the Implementation Committee during the implementation period to facilitate LEI encryption.</li> </ul>
<p>IIAC recommends that IIROC accommodate the encryption of account numbers.</p>	<p>We will consult with the Implementation Committee on supporting the encryption of account numbers, taking into consideration:</p> <ul style="list-style-type: none"> <li>• account numbers would be part of the private regulatory data that is not disclosed publicly.</li> <li>• there may not be the same level of harm to client confidentiality with account numbers as compared to LEIs because: <ul style="list-style-type: none"> <li>○ There is no ability to look up the identity of an account holder using a public database.</li> <li>○ Account numbers for the same client may be different across: <ul style="list-style-type: none"> <li>▪ Dealer Members</li> <li>▪ different platforms at the same Dealer Member.</li> </ul> </li> </ul> </li> </ul>
<p>While IIAC does not object to making LEI encryption optional, asks IIROC to revisit periodically whether there are incidents of unencrypted LEIs being compromised.</p>	<p>If we become aware of a data breach at IIROC in our normal course of business, we would follow our incident response policy.</p>



<p>CAC recommends a penalty for events such as:</p> <ol style="list-style-type: none"> <li>(1) encryption failing</li> <li>(2) not encrypting data</li> <li>(3) disclosing encryption keys to unauthorized parties.</li> </ol>	<p>We would only be able to enforce rule requirements (e.g. obligation to provide an LEI), and not the method of LEI provision (including whether an LEI is encrypted for data in transit), which would be part of the technical specifications.</p> <p>However, we note that Dealer Members must act in good faith and not engage in any business conduct that is unbecoming or detrimental to the public interest.</p>
<p>CAC recommends treating client information that are not LEIs (including account numbers) as private data that is secured.</p>	<p>Client information that is not encrypted would still be part of the private regulatory data that is not publicly disclosed, but visible to marketplaces.</p>
<p>Information Security – Data at Rest</p>	
<p>Two commenters recommend that access to the decrypted data be restricted to designated staff at IIROC, CSA and Bank of Canada. These organizations must be responsible for maintaining data security and ensure that information is not misused. (RBC GAM, CAC)</p>	<p>Access to decrypted data would be restricted to designated staff at IIROC, CSA and the Bank of Canada.</p>
<p>NBF asks for clarity around plans for encryption, especially for data at rest. Recommends shortening retention period to a minimum amount of time, such as one year.</p>	<ul style="list-style-type: none"> <li>• IIROC employs layered protective controls to secure data at rest.</li> <li>• IIROC assigns data owners for accountability and they authorize access to staff where a business reason has been identified.</li> <li>• IIROC has an incident response policy in place which we would follow in the event of an incident. IIROC also has performed a number of preparation activities including agreements with external legal counsel, forensics experts, and a cyber security insurer. IIROC will also follow its business continuity plans as necessary.</li> <li>• Data relating to surveillance and equity are stored for seven years. Specific data required for violation investigations or legal holds would be subject to longer retention periods.</li> </ul>



Information Security – Data Sharing with non-regulatory participants	
<p>When sharing data with non-regulatory participants, commenters recommend:</p> <ul style="list-style-type: none"> <li>• Masking or removing client identifiers               <ul style="list-style-type: none"> <li>○ IIROC to have policies to ensure the removal or masking of client identifiers. (RBC GAM, CAC)</li> <li>○ Supports masking of client identifier and other markers to protect client confidentiality. (IIAC)</li> </ul> </li> <li>• Informing market participants of the data sharing and the purpose of the initiative. (IIAC)</li> </ul>	<p>We would not share any LEI information with non-regulatory participants unless required by law.</p>
Implementation costs	
<p>RBC GAM already has an LEI for trading in other markets (e.g. OTC derivatives) and does not anticipate incurring additional costs to obtain or maintain an LEI.</p>	<p>We acknowledge the comments.</p>
<p>Costs of obtaining and maintaining an LEI would be minimal. (CAC)</p>	<p>In the June 2018 Proposal, we asked for cost estimates for the reduced requirements so that we would have a greater understanding of the impacts of the revised proposal. We have not received any cost estimates for the June 2018 Proposal.</p>
<p>Dealers will bear the majority of the costs of implementing the proposed amendments. (CAC)</p>	
Implementation Timeline	
<p>IIAC and NBF recommend the following timelines:</p> <ul style="list-style-type: none"> <li>(a) Phase 1 – at least 180 days, because of:               <ul style="list-style-type: none"> <li>a. client outreach to collect LEI information, build the LEI database, and input this information into downstream systems (IIAC)</li> </ul> </li> <li>(b) Phase 2 – at least 1 year, because of:               <ul style="list-style-type: none"> <li>a. significant systems changes for Dealer Members and third-party service providers, including: (IIAC)                   <ul style="list-style-type: none"> <li>i. development of new code for trading systems, that would need to be tested</li> <li>ii. reconfiguration of downstream systems.</li> </ul> </li> </ul> </li> </ul> <p>IIROC would need to finalize the requirements before Dealer Members can:</p>	<p>We acknowledge the comments and amend the implementation schedule as follows from the date of the publication of the Notice of Approval:</p> <ul style="list-style-type: none"> <li>(a) Phase 1 – 6 months</li> <li>(b) Phase 2 – 18 months</li> <li>(c) Phase 3 – 24 months.</li> </ul>



<ul style="list-style-type: none"> <li>• size the extent of this development effort</li> <li>• budget and slot this into their development schedules. (IIAC)</li> </ul> <p>IIAC asks that Phase 2 implementation not occur before 2021, because:</p> <p>(c) Dealer Members’ 2019 budgets have already been allocated to other initiatives, and Dealer Members may also not have the resources for 2020.</p>	
<p>Casgrain recommends:</p> <ul style="list-style-type: none"> <li>• implementation for Phase 1 (debt securities) and Phase 2 (equity securities) should occur together, so as not to disadvantage debt securities by using an earlier timeline. The implementation period should be the same for both phases, as the time period for debt securities should not be shorter than equity securities.</li> <li>• aligning implementation for this proposal with the <i>Proposed Amendments to Transaction Reporting for Debt Securities</i>, which would require at least 9-12 months.</li> </ul>	<p>We are focusing on debt securities in Phase 1 because we already have the infrastructure in place to accommodate client LEIs and account numbers in MTRS 2.0. These are existing data fields that are currently optional, but would become mandatory under the Amendments.</p> <p>We separated implementation in three phases to ease impacts on Dealer Members, which would not be achieved by asking them to implement both Phases 1 and 2 simultaneously, especially for Dealer Members that trade in both equities and debt securities.</p> <p>We have significantly reduced the proposed requirements for <i>Proposed Amendments to Transaction Reporting for Debt Securities</i>, for which we would have a seven-month implementation period. Please see IIROC Notice 19-0052 for further details.</p>
Other	
<p>IIAC asks IIROC to elaborate on reference to “orders” in debt securities on page 28 of the proposed amendments.</p>	<p>The only reference to “orders” on page 28 of IIROC Notice 18-0122 is to clarify that for debt securities in Phase 1 of the Implementation Plan, corrections would be required “for missing or erroneous client identifiers for trades only (<b>not orders</b>)”. [Emphasis added]</p>