

# IIROC NOTICE

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

**Effective July 1, 2020**

*Please distribute internally to:*

Institutional  
Legal and Compliance  
Operations  
Regulatory Accounting  
Senior Management  
Trading Desk  
Internal Audit

*Contact:*

Catherine Drennan  
Manager, Financial Information, Member  
Regulation Policy  
Telephone: 416-943-6977  
e-mail: [cdrennan@iiroc.ca](mailto:cdrennan@iiroc.ca)

**20-0129**

**June 18, 2020**

## **Trade confirmation suppression housekeeping amendments to align with CSA jurisdictions' relief from reporting under National Instrument 24-101 *Institutional Trade Matching and Settlements***

### **Executive Summary**

On May 27, 2020, the Board of Directors of the Investment Industry Regulatory Organization of Canada (IIROC) approved the housekeeping amendments to Dealer Member Rule (**DMR**) 200.2(l)(x)(B)(VII) [sub-clause 3816(2)(x)(b) of IIROC Rules]<sup>1</sup> on trade-confirmation suppression requirements (the **Amendments**).

The purpose of the Amendments is to align with the recent relief provided by CSA jurisdictions from reporting under National Instrument 24-101, *Institutional Trade Matching and Settlement (NI 24-101)*

---

<sup>1</sup> To assist readers, we reference applicable IIROC Rules provisions (see Notice [19-0144](#) – IIROC Dealer Member Plain Language Rule Book Implementation). Since the IIROC Rules are not yet effective, we shared these references in grey. The shading will be removed when the IIROC Rules are effective.



while ensuring IIROC rules continue to allow Dealer Members to suppress trade confirmations for institutional trades if the quarterly compliant trade threshold is met.

## **1. Summary and nature of the amendments**

### **1.1 Relevant Background**

Current DMR 200.2(l)(x)(B) allows a Dealer Member to suppress the sending of a trade confirmation to a client for a trade under DMR 800.49 (for broker-to-broker trades) or NI 24-101 (for institutional client trades) when specific criteria are met. The criteria is based on the Dealer Member meeting minimum trade matching percentages for a minimum number of quarters which is evidenced by the Dealer Member ‘not’ filing an exception report.

### **1.2 Relief from National Instrument 24-101**

On March 26, 2020, the Ontario Securities Commission (OSC) and the Canadian Securities Administrators (CSA) published notices<sup>2</sup> regarding relief for registrants from filing an exception report under NI 24-101. The relief will be effective on July 1, 2020.

### **1.3 Summary of Amendments**

IIROC has revised the language in DMR 200.2(l)(x)(B)(VII) for institutional client trade confirmation suppression by removing the references to filing an exception report under NI 24-101. There are no changes to the substance of the rule because Dealer Members must still maintain the minimum trade matching percentage for the minimum number of quarters, to meet the trade confirmation suppression requirements.

We are not amending the broker-to-broker trade confirmation suppression in DMR 200.2(l)(x)(B)(VI) because exception reports are still required to be filed with IIROC under DMR 800.49.

In 2017,<sup>3</sup> IIROC staff amended the minimum number of quarters in DMR 200.2(l)(x)(B) and the quarterly compliant percentage by reducing it from 90% to 85% for the purposes of trade confirmation suppression. Also, the rules were separated into two clauses to clarify there are two types of trade confirmation suppressions: broker-to-broker and institutional client. These amendments were inadvertently omitted in the most recent publication of the IIROC Rules.

---

<sup>2</sup> The OSC released a notice of amendment to NI 24-101 which would provide a three-year moratorium on the filing of exception reports for institutional trade matching. The CSA also released a notice (CSA Multilateral Notice 24-317 *Notice of relief from certain filing provisions*) with the same relief through a blanket order.

<sup>3</sup> IIROC Notice [17-0188](#) – *Amendments to trade confirmation suppression requirements*



This is addressed by aligning the IIROC Rules to the current Dealer Member Rule 200.2(I)(x)(B) through this proposal<sup>4</sup>. These amendments are included in this blackline comparison of the amendments to the IIROC Rules, enclosed as Appendix 2.

## 2. Classification as “Housekeeping Rules”

We have classified the amendments to DMR 200.2(I)(x)(B)(VII) as “housekeeping” because:

- they are reasonably necessary to conform with IIROC’s Rules to applicable securities legislation, statutory or legal requirements; and
- they have no material impact on investors, issuers, Dealer Members or the capital markets in any province or territory of Canada.

## 3. Implementation

The Amendments to DMR 200.2(I)(x)(B)(VII) are effective July 1, 2020.

The Amendments to sub-clause 3816(2)(x)(b) of IIROC Rules are effective December 31, 2021<sup>5</sup>.

## 4. Appendices

[Appendix 1](#) - Blackline comparison of the amendments to current Dealer Member Rules

[Appendix 2](#) - Blackline comparison of the amendments to IIROC Rules

[Appendix 3](#) - Clean copy of the amendments to current Dealer Member Rules

[Appendix 4](#) - Clean copy of the amendments to IIROC Rules

---

<sup>4</sup> IIROC Notice [19-0144](#) – *IIROC Dealer Member Plain Language Rule Book Implementation*

<sup>5</sup> IIROC Notice [20-0079](#) – *Revised Implementation Date of IIROC Dealer Member Plain Language Rule Book and Update on the Client Focused Reforms*