IIROC OCRCVM
Investment Industry Regulatory Organization of Canada
Organisme canadien de réglementation du commerce des valeurs mobilières

IIROC NOTICE

Rules Notice
Request for Comments
Dealer Member Rules and UMIR

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Republication of Proposed Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules

On March 23, 2012, staff of the Investment Industry Regulatory Organization of Canada ("IIROC") published for comment a rule proposal to consolidate and rationalize certain enforcement and related rules currently contained within the Universal Market Integrity Rules ("UMIR") and the Dealer Member Rules into a set of new rules (the "Consolidated Rules"). See IIROC Rules Notice 12-0104, *Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules* (Mar. 23, 2012), online: http://www.iiroc.ca/Documents/2012/98f7935f-aa2a-44c8-a028-95b9da92c2ef_en.pdf (the "Original Notice"). The Original Notice identified all of the amendments being proposed at that time

in connection with the Consolidated Rules and provided detailed explanations of the most important amendments.

Following an extensive review of the public comments received in response to the Original Notice, and with input from the Canadian Securities Administrators (the "CSA"), IIROC staff has made certain material revisions to the Consolidated Rules. The purpose of this Notice is to republish the Consolidated Rules, as revised (the "Revised Consolidated Rules"), for public comment and to provide an explanation of the material revisions made. The Revised Consolidated Rules are attached, in blackline and clean versions, as Attachments A and B. We have also made minor amendments to the Consequential Amendments to Dealer Member Rules, UMIR, and Transition Rule No. 1 Rule, which are attached, in a blackline and clean version, as Attachments C and D.

In addition, IIROC staff has prepared consolidated responses to the public comments received in response to the Original Notice; these responses are attached as Attachment E.

Analysis & Discussion

The detailed explanations provided in the Original Notice concerning each of the material amendments proposed in the Consolidated Rules will not be repeated here; instead, this Notice will focus on the material revisions made to those proposed amendments.

The following are the material revisions being proposed as part of the Revised Consolidated Rules.

Definitions [*Revised Consolidated Rule 1200*]

One public commenter raised a question about possible discrepancies between the defined terms set forth in Consolidated Rule 1200 and equivalent defined terms set forth in the Plain Language Rewrite ("PLR") version of Rule 1200, which was published for comment in January 2012.

The definitions in both the Consolidated Rules and PLR versions of Rule 1200 were reviewed, and appropriate changes have been made to both the Consolidated Rules and PLR proposals to ensure that the definitions common to both proposals are identical. In addition, for ease of reference, we have added five defined terms to subsection 1201(2) of Consolidated Rule 1200 (which have been taken from the PLR version of this rule, namely: "applicable", "associate", "beneficial ownership", "business location", and "carrying broker"), as these terms are used elsewhere in the Consolidated Rules. We have also added language to subsection 1201(1) to clarify that many other terms that do not appear in Consolidated Rule 1200 will continue to be defined as set forth in the Dealer Member Rules and UMIR (as well as General By-Law No. 1), which will remain in force until the PLR rules have been implemented.

In addition, we have made certain technical revisions to existing terms of Consolidated Rule 1200. We have also made non-material changes to Consolidated Rule subsection 1201(1) and to certain defined

terms in subsection 1201(2), including "control", "laws", "public member", "securities legislation", and "securities regulatory authority". All of these changes are highlighted (in blackline format) in Attachment A.

We have also modified the definition of "employee" to make it clear that the term (when italicized) refers only to employees of a Dealer Member, rather than employees of any Regulated Person.[1] The reason for the change was to prevent the inadvertent imposition of Dealer Member Rule-based obligations on employees of non-Dealer Member Regulated Persons, i.e. firms referred to as "Access Persons" under UMIR or as "non-*Dealer Member* users and subscribers of a *Marketplace* for which [IIROC] is the regulation services provider" under the Consolidated Rules. Employees of Access Persons will continue to be bound by the relevant provisions of UMIR. At a future date, we intend to insert the UMIR rulebook into a placeholder that has been reserved for it in connection with the PLR project (referred to as the "6000 Series", see Original Notice at 3-4); at that time, additional changes may be made to further rationalize certain defined terms that are common to both UMIR and the Dealer Member Rules still in effect, including the terms "employee", "director" and "officer".

Confidentiality of Investigations *[Revised Consolidated Rule Section 8106]*

Section 8106 is being adopted for the reasons set out in the Original Notice, namely, to protect the integrity of IIROC investigations and the reputation of persons who are subject to them. It is thus intended to ensure that persons contacted in connection with an impending or ongoing IIROC investigation will not disclose any information relating to the investigation, except where authorized to do so. Public commenters raised a number of concerns with respect to section 8106, as initially published, including its compliance with *Charter* values and operational difficulties that may have flowed from the initial version.

IIROC staff considered the concerns raised and has made material revisions to the rule to address these concerns, taking into account the *Charter,* relevant case law and similar confidentiality provisions in the various provincial securities laws, including legislative amendments made to them to address the relevant case law.

As revised, section 8106, will operate as follows:

- The rule applies to any person who receives an investigation request, is present at or informed of an entry by Enforcement Staff conducting an investigation, or is informed by Enforcement or other Corporation staff of an investigation.

- In general, any person subject to the rule is prohibited from disclosing, except to the person's counsel or another individual who represents the person or as required by law, the following types of information ("Confidential Information"):

[1] The defined term "*employee*" will also continue to include agents of a Dealer Member that have entered into a principal/agent relationship contemplated under IIROC Rules. This element of the definition has not changed.

- the nature or content of the investigation or request;
- the fact of an entry by staff;
- the fact that any report, record, other document or thing was requested, produced, provided, inspected, copied or taken;
- the name of any person required to attend and answer questions; or
- any questions asked by or any answers given to staff.

- New subsection (2) sets out three blanket exemptions to the confidentiality obligation, namely:

  (1) where the person became aware of the Confidential Information otherwise than as a result of the conduct of the investigation;

  (2) where Enforcement Staff consents to disclosure of the Confidential Information (which consent may be on terms and conditions); or

  (3) where a hearing panel, on motion, determines that disclosure of the Confidential Information would not impede the conduct of the investigation and is otherwise justifiable (subject to any terms and conditions that the hearing panel considers appropriate).

- New subsection (3) provides for further discrete exemptions, allowing a person to disclose some types of Confidential Information (namely, any of the types of information listed above *except* questions asked by or answers given to staff) if at least one of the following conditions is met:

  (1) The disclosure is required to fulfill an obligation of the person under a Corporation requirement;

  (2) The disclosure is in connection with the imposition by a firm of restrictions on a person who is a subject of the investigation (but only to the extent necessary to implement the restrictions); or

  (3) Unless otherwise requested by Enforcement Staff:

    - the disclosure of the information is required to fulfill a fiduciary or contractual obligation of the person to his or her firm (e.g. pursuant to an internal firm policy);
    - a person is disclosing the information to his or her employer by informing another firm employee with supervisory authority over the person; or
    - a person is disclosing the information to a fellow employee of the firm who is senior to the person.

In summary, as revised, section 8106 imposes a relatively narrow confidentiality obligation because:

1. It applies only to persons who are informed of an investigation by Enforcement Staff, whether through the conduct of the investigation or by delivery of written notice from Enforcement Staff concerning the investigation, and to others whom these persons are allowed to inform.

2. It has been amended to apply to a narrower universe of Confidential Information as a result of

the deletion of the basket clause ("or any other information relating to the investigation") that subsection 8106(1) previously contained.

3. It builds in several blanket exemptions, as well as certain discrete exemptions, in recognition of the various routine circumstances in which disclosure of what would otherwise be Confidential Information is legitimate and necessary. In particular, the rule now expressly enables Enforcement Staff to consent to the disclosure of any information that would otherwise be confidential; and where Enforcement Staff does not consent, the rule expressly allows a person to request, on motion to a hearing panel, an exemption from the confidentiality obligation.

IIROC staff believes that Revised Consolidated Rule section 8106 satisfies *Charter* values, and adequately addresses the practical difficulties raised by commenters. It generally follows the approach taken in sections 16 and 17 of the Ontario *Securities Act*, which were amended in 1994 to meet *Charter* requirements. It also takes into account the holding in *Shapray v. British Columbia (Securities Commission)*, 2009 BCCA 322 (CanLII) and securities act provisions adopted in response to that decision (see e.g. B.C. *Securities Act*, s. 148), achieving an appropriate balancing between the needs of individuals and firms to communicate about an ongoing investigation that affects them and Enforcement Staff's need to protect the integrity of ongoing investigations by maintaining confidentiality.

Standards of Conduct *[Revised Consolidated Rule 1400]*

A) <u>The proposed negligence standard remains the same as in the Original Notice</u>

As explained in greater detail in the Original Notice, the purpose of Consolidated Rule 1400 is to consolidate Dealer Member Rule 29.1 and UMIR 2.1 by prohibiting conduct that is

- unbecoming,
- detrimental to the public interest, and/or
- inconsistent with just and equitable principles of trade

in the same provision, thereby making the various existing standards of conduct applicable to all Regulated Persons. Additionally, the rule was intended to clarify that negligence may be a basis for a determination that IIROC's general standard of conduct has been violated. The rule, however, was not intended to create new obligations, nor was it intended to expand the jurisdictional scope of existing Dealer Member Rule 29.1 and UMIR 2.1.

Public commenters raised a number of concerns regarding the negligence standard codified in proposed clause 1402(2)(i). We believe that this provision is consistent with, and clarifies the intent of, the current Dealer Member Rule and UMIR requirements. As with other professional regulatory bodies, IIROC's existing and proposed standards-of-conduct rules are principle-based standards, the scope of which, for any particular case, is ultimately determined by a hearing panel comprised of industry experts, both active and retired, as well as a legally trained panel chair. Like existing Dealer

Member Rule 29.1 and UMIR 2.1, Consolidated Rule 1400 is not meant to be a prescriptive rule because it is impossible to anticipate, all types of conduct that may fall below the accepted standard.

As noted in our response to public comments, in a number of cases over the past decade, with increasing frequency, hearing panels have interpreted "conduct unbecoming" to require unethical, dishonest, intentional or reckless conduct or aggravated or gross negligence.[2] The decisions based on this interpretation of "conduct unbecoming" are inconsistent with numerous other hearing panel decisions finding violations of Rule 29.1 based on negligence, rather than gross negligence. Examples include successful disciplinary actions in the context of undisclosed or otherwise improper outside business activities, failures to prevent manipulative trading by a client, failures to properly handle client complaints, negligent misrepresentation, and improper off-book distributions.[3]

In one recent decision, the hearing panel attempted to further clarify the various interpretations of conduct unbecoming, noting that: "[F]or conduct to be 'conduct unbecoming' under Rule 29.1, there must be some element of wrongdoing or falling below the standard of conduct reasonably accepted in the securities industry in order to maintain the public trust in the members who handle the public's money."[4]

It is Staff's view that certain negligent conduct may, depending upon all of the circumstances, fall below such a standard "reasonably accepted in the securities industry" and therefore constitute a breach of our existing and proposed general standards-of-conduct rules.

Proposed clause 1402(2)(i) is an express recognition that negligent conduct may constitute a breach of the proposed standard of conduct rule. This rule reflects our understanding that conduct unbecoming, within the context of IIROC's rules, is not—and has never been—a penal standard,[5] but is a self-regulatory standard, consistent with the obligations of Regulated Persons to comply with IIROC's rules and maintain high standards of conduct. This approach is similar to that of other securities

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[2] See e.g. *Re Zosiak*, 2012 IIROC 59 at paras. 59-60, discussing earlier decisions.

[3] See e.g. *Re Lotz*, 2008 IIROC 2 at paras. 12-13 (implicitly applying a negligence standard to charge, under Dealer Member Rule 29.1, of failing to disclose outside business activities to IIROC); *Re Faiello*, [2007] I.D.A.C.D. No. 4 at paras. 36-37 (finding respondent liable under Dealer Member Rule 29.1 where he "ought to have recognized that [the] account was being used by his client to further [a] [m]anipulation"); *Re Leduc & Associés Valeurs Mobilières (Canada) Ltée*, [2004] I.D.A.C.D. No. 66 (finding UDP liable under Dealer Member Rule 29.1 for failing to deal effectively and diligently with a client complaint); *Re Morrison*, [2002] I.D.A.C.D. No. 5 (in uncontested matter, finding a breach of Dealer Member Rule 29.1 where respondent recommended an investment product and "provided his client... with erroneous and misleading information" regarding that product); *Re Beaty*, [2000] I.D.A.C.D. No. 46 (finding violation of Dealer Member Rule 29.1 where respondent placed off-book trades in violation of provincial securities law, industry standards, and his firm's internal policies).

[4] *Re Deeb*, 2013 IIROC 08, at para. 99.

[5] See *Re Dennis*, (2012) 35 O.S.C.B. 7374 (August 9), at paras. 38-39. For a more detailed discussion of this issue, please see Attachment E at pages 21-24.

regulators, including FINRA (under its equivalent standards-of-conduct rule, FINRA Rule 2110) and Canadian provincial securities regulatory authorities (under similarly broad provisions of their respective securities acts).[6] It would be anomalous and improper if negligent misconduct by IIROC's Regulated Persons could be sanctioned under provincial securities law, but not under IIROC's own self-regulatory standards-of-conduct rule. Codifying the standard of simple negligence in the rule itself, as clause 1402(2)(i) does, brings clarity to the standard to be applied.

IIROC accepts that not all inadvertent acts or errors will constitute a contravention of the proposed rule, but we believe that our basic standards-of-conduct rule should continue to permit Enforcement Staff, in appropriate circumstances, to prosecute misconduct that, while not expressly prohibited by a specific IIROC rule, nonetheless represents a departure from a standard that is reasonably expected of a Regulated Person. This ability to proceed against such negligent conduct will not be unfettered: it will be subject to a respondent's right to bring forth evidence that his or her conduct was reasonable under the circumstances. In addition, under the Consolidated Rules, hearing panels would continue to have discretion to make a determination in the circumstances of each case, taking into account all of the evidence and making a determination as to the reasonableness of the alleged negligent conduct within the securities regulatory context. Where a hearing panel finds a divergence from conduct reasonably expected of a member of the securities industry, the Consolidated Rules will expressly empower the hearing panel to conclude that the conduct in question is unbecoming, detrimental to the public interest, or inconsistent with just and equitable principles of trade and to determine the sanction to be imposed. This approach is both fair and flexible because it leaves discretion with hearing panels and is the only approach that ensures consistency with provincial securities legislation.

B) Material changes made to Consolidated Rule 1400

Public commenters raised numerous other concerns regarding Consolidated Rule 1400. To address these concerns, IIROC staff has amended sections 1402 and 1403 in several respects, as follows.

1. *Section 1402 generally applies to business conduct only*

IIROC disciplinary proceedings typically involve misconduct that arose in the context of the securities business. Proposed clause 1402(1)(ii) would permit a finding of misconduct outside of a business context in appropriate circumstances where a hearing panel concludes that the misconduct is related to a person's integrity. See e.g. *Heath v. SEC*, 586 F.3d 122, 134 (2d Cir. 2009) (holding that former NYSE Rule 476(a)(6), which referred to "just and equitable principles of trade", was "broad enough to encompass conduct that does not involve a security if the conduct reflects on a person's ability to comply with the regulatory requirements of the securities industry" (quoting *Paul K. Grassi, Jr.*, 86 S.E.C. Docket 1954, 2005 SEC LEXIS 3072, 2005 WL 3199274, at *3, *4 n.8) (Nov. 30, 2005)). This is

[6] See e.g. *Re Biovail Corporation*, (2010) 33 O.S.C.B. 8914 (October 8), at paras. 389, 400, 406; *Re Walker*, 2010 BCSECCOM 401 (July 12), at para. 189; *Re Cartaway Resources Corp.*, 9 A.S.C.S. 3092 (August 11).

consistent with IIROC's practice of requiring each individual who applies for or maintains securities registration and IIROC approval to disclose, among other things, any refusal of "registration or a licence under any legislation relating to [the individual's] professional activities unrelated to securities or derivatives," any criminal conviction (whether or not related to the securities business), any pending civil action against the individual "alleging fraud, theft, deceit, misrepresentation or similar misconduct" (whether or not related to the securities business or to any other business), and whether the individual has ever had any petition in bankruptcy. See Form 33-109F4, *Registration of Individuals and Review of Permitted Individuals* at 7-10.

The non-exhaustive list of standards in subsection 1402(2), however, which may be seen as a subset of the more general standards set forth in subsection 1402(1), was not intended to apply to conduct that is not related to business. Subsection 1402(2) has therefore been amended to specify that its scope is limited to business conduct.

2. *Clarifying the nature and scope of the individual standards of conduct in section 1402*

In preparing the Consolidated Rules, IIROC staff analyzed UMIR 2.1 and jurisprudence applying that rule and its predecessor rules. This analysis led us to conclude that the ethical standard at the heart of the duty imposed on Access Persons by UMIR 2.1(2) to "transact business openly and fairly" was completely subsumed within the broader duty to "transact business ... in accordance with just and equitable principles of trade," which is set forth in UMIR 2.1(1) and is expressly made applicable only to Participants under that rule.[7] For this reason, Consolidated Rule section 1402(1) omitted the phrase "transact business openly and fairly".

However, to allay any concern that Consolidated Rule section 1402 has expanded the obligations of Access Persons, we have decided to retain the phrase "transact business openly and fairly" by adding it to clause 1402(1)(i) and to clarify that the duty owed under section 1402 by Regulated Persons who are Access Persons (i.e. "non-*Dealer Member* users or subscribers of a *Marketplace* for which [IIROC] is the regulation services provider") is limited to the "obligation to transact business openly and fairly when trading on a *Marketplace* or otherwise dealing in securities that are eligible to be traded on a *Marketplace*", as set forth in current UMIR 2.1(2). To accomplish this, we have added a new subsection 1403(3) to that effect and thereby carried forward the text of current UMIR 2.1(2) *verbatim*.

In the public comments, concerns were also raised that Consolidated Rule 1403 was substantially broader than Rule 29.1 in that (1) it purported to apply to all Regulated Persons, and (2) unlike Rule

[7] The only practical difference identified by staff between the "openly and fairly" standard and the "just and equitable principles of trade" standard in the UMIR context is that the duty owed by Participants and Access Persons under subsection (2) (to "transact business openly and fairly" when trading) is owed to the market, whereas the duty owed by Participants under subsection (1) (to transact business "openly and fairly and in accordance with just and equitable principles of trade") is owed more broadly to the market *and* to individual client investors of the Participant. (Since Access Persons do not have "clients"—at least not in the same way that Participants under UMIR do—no such client-facing obligations are owed under UMIR by Access Persons.)

29.1, it did not explicitly provide that the requirement was in place "for the purposes of disciplinary proceedings pursuant to the Rules." These commenters also felt that the new provision was broader than UMIR 10.3, which provides that a Participant or Access Person "may be found liable ... for the conduct of any director, officer, partner, employee or individual holding a similar position with the Participant or Access Person...." IIROC acknowledges that we cannot hold an individual who is not subject to our jurisdiction liable for a violation of an IIROC Rule and that, as originally drafted, subsection 1403(2) suggested that non-approved individuals employed by a Dealer Member could be held liable for causing their employer to violate an IIROC Rule. To resolve this ambiguity, Revised Consolidated Rule subsection 1403(2) has been split into two clauses:

- clause (i), which applies only to "Approved Persons" of a Dealer Member (i.e. individuals associated with a Dealer Member over whom IIROC clearly exercises contract-based jurisdiction); and

- clause (ii), which applies to the employees, partners, directors and officers (all non-defined terms) of a non-Dealer Member user or subscriber of a Marketplace for which IIROC is the regulation services provider (i.e. the same individuals who are currently the subject of existing UMIR 10.3(1)).[8]

In addition, we have added the introductory phrase, "For purposes of *Corporation requirements*" to Revised Consolidated Rule subsection 1403(1). This phrase is a simplified version of similar language in existing Dealer Member Rule 29.1 and makes clear that the standards in subsection 1403(1) are also relevant to compliance.

3. Addressing concerns regarding the "due diligence" aspect of clause 1402(2)(ii)

Public commenters raised the possibility that, by failing to exercise due diligence, someone might be found to have violated clause 1402(2)(ii), even if the conduct did not result in the actual breach of another substantive rule (whether an IIROC Rule or any "legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a *Regulated Person*"). The provision, however, was not intended to create a new "failure to exercise due diligence" charge that could stand in the absence of a violation of any other rule or law.

In addition, we note that clause 1402(2)(ii) was not intended to enable Enforcement Staff to prosecute someone for both a violation of a given substantive IIROC Rule (a "*Corporation requirement*" as set forth in clause 1402(2)(ii)), as well as for a breach of clause 1402(2)(ii) itself, all on the basis of the same conduct. In fact, double-charging (i.e. issuing two counts for a single act of misconduct) would

[8] Similar revisions to expressly distinguish between Approved Persons and employees, partners, directors, and officers of non-Dealer Member users or subscribers of a Marketplace for which IIROC is the regulation services provider were made to section 8210 (Sanctions for Regulated Persons other than Dealer Members) to make clear that only individuals subject to IIROC's jurisdiction may actually be sanctioned by an IIROC hearing panel.

be at odds with existing internal Enforcement Staff policy.

The purpose of clause 1402(2)(ii) is to make clear that business conduct that results in a violation of any obligation of a Regulated Person, including an obligation arising under provincial law, a contract, or a firm's policy, may in some circumstances be viewed as a breach of the new consolidated basic standard of conduct set forth in subsection 1402(1). As a result, we have deleted the reference to due diligence so that clause 1402(2)(ii) plainly achieves this result. The provision now reads:

> (2) Without limiting the generality of the foregoing, any business conduct that:
> ...
> (ii) fails to comply with a legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a *Regulated Person*;
> ...
> may contravene one or more of the standards set forth in subsection 1402(1).

Finally, we have made certain additional, non-material revisions to subsections 1402(1) and (2) and 1403(2) to simplify and clarify these provisions. All of these changes are identified in blackline format in Attachment A.

Sanctions for Dealer Members *[Revised Consolidated Rule Section 8209]*

Some inadvertent omissions appear to have occurred in the consolidation into subsection 8209(1) of UMIR 10.5 and Dealer Member Rule 20.34. Consequently, section 8209 has been amended to:

- state expressly in clause 8209(1)(v) that terms or conditions may include limits on access to a Marketplace;
- add a new clause 8209(1)(vi) to provide for expulsion from membership and termination of the rights and privileges of membership, including access to a Marketplace; and
- include a new subsection 8209(3) that clarifies that a sanction imposed under 8209(1) relating to a Marketplace applies to all Marketplaces.

Removal of Duplicative Extension of Responsibility (aka "Vicarious Liability") Provisions *[Revised Consolidated Rule Section 8210]*

After considering certain public comments, and upon further review, staff determined that subsections (2) and (4) of section 8210 were unnecessary. These subsections were originally intended to support IIROC's vicarious liability jurisdiction (i.e. the liability of a firm for an associated individual's conduct and vice-versa); however, they are rendered unnecessary as a result of the proposed amendments to section 1403, a rule of general applicability that consolidates elements of UMIR 10.3 and Dealer Member Rule 29.1 relating to the extension of responsibility. In particular, subsection 1403(1) makes clear that Dealer Members and non-Dealer Member users or subscribers of a Marketplace for which IIROC is the regulation services provider are responsible for the acts and omissions of their employees,

partners, directors, and officers; this obviates the need for subsection 8210(2). Similarly, if an individual is found to have caused his or her firm to have violated an IIROC Rule that applies to the firm, then that individual will be found liable for a breach of new subsection 1403(2) (which is itself a "Corporation requirement") and, therefore, he or she may be sanctioned under subsection 8210(1); this obviates the need for subsection 8210(4). We have therefore deleted subsections (2) and (4) of section 8210.

Protective Orders *[Revised Consolidated Rule Section 8212]*

Section 8212, formerly known as the "Expedited Hearings" rule, has been revised and relabeled the "Protective Orders" rule to more accurately reflect this provision's function in the Revised Consolidated Rules. Section 8212 is derived from Dealer Member Rules 20.42 and 20.43 concerning expedited hearings, and was so entitled in the initial proposals, but it no longer performs exactly the same function as the existing rules. The current expedited hearings rule is an emergency disciplinary provision that permits hearings without notice in order to protect investors, Dealer Members and IIROC in circumstances in which a Dealer Member or Approved Person should not be allowed to continue in business. Under the Revised Consolidated Rules, emergency disciplinary situations are addressed in proposed section 8211, which, following similar provisions in securities legislation, authorizes a hearing panel to issue a temporary order in circumstances in which the time required for a hearing could be prejudicial to the public interest. Such orders may be issued without notice, and section 8211 provides a procedure for their continuation after notice is given.

In light of the authority under section 8211, a hearing under section 8212 must be on notice to the respondent. As a result, section 8212 no longer performs the disciplinary function of Dealer Member Rules 20.42 and 20.43. Rather, it permits the imposition of regulatory requirements, including terms and conditions, that address circumstances in which a Dealer Member or other Regulated Person cannot continue to carry on its business or cannot carry on its business without protective measures to prevent harm to investors, other Regulated Persons or IIROC. Section 8212 has been retitled and revised to reflect this regulatory function.

Amendments have also been made to the complementary procedural rule, section 8426; moreover, throughout the Revised Consolidated Rules, any reference to "expedited hearings" has been deleted and replaced with a reference to "protective orders", in accordance with the revisions to section 8212.

Public Member Nominating Committee *[Revised Consolidated Rule 8300]*

Consolidated Rule 8300 has been amended to create a more effective process for nominating public members of hearing committees. These amendments are the result of a benchmarking analysis undertaken by staff to compare the hearing committee nomination process in use by several other regulatory organizations comparable to IIROC (namely, the Mutual Fund Dealers Association, the National Futures Association, the Chicago Board Options Exchange, and the Financial Industry

Regulatory Authority), and of discussions with IIROC's Corporate Governance Committee and National Advisory Committee, both of which have endorsed the proposed amendments.

Under the existing rules, District Councils and Marketplace Members are responsible for nominating individuals to be members of the hearing committee in a given District. Nominated individuals are reviewed and formally appointed to the hearing committees in each District by the Corporate Governance Committee. While members of District Councils and Marketplace Members generally have personal knowledge of candidates nominated as industry members, including knowledge of their qualifications, suitability and reputation in the industry and, appropriately, bring that knowledge to bear in the nomination process for industry members, the same level of industry involvement is not required for the nomination of public members, who must be qualified to practise law and are often former judges.

Consolidated Rule 8300, therefore, has been amended to provide that District Councils and Marketplace Members will continue to nominate individuals as industry members of hearing committees; however, public members will now be nominated by a new "public member nominating committee" composed of the chair of IIROC's Corporate Governance Committee, the chair of the applicable District Council and IIROC's president and CEO. The nomination process for public members will continue to include industry participation through the applicable District Council chair. All appointments to hearing committees will continue to be made by IIROC's Corporate Governance Committee.

Other Revisions to the Consolidated Rules

1. *Privilege*

One public commenter expressed the view that any form of privilege[9], rather than just solicitor-client privilege, should entitle a person to refuse to disclose a document under clauses 8103(3)(ii) and 9104(3)(ii). After considering this comment, we have used the new term "legal privilege" in both provisions as the applicable basis for declining to disclose a document. We believe that this term is broad enough to encompass solicitor-client and litigation privilege, as well as any other form of privilege recognized by law.

2. *Individuals affected by IIROC Rules*

In instances where a Consolidated Rule referred only to "employees", for consistency and completeness, we have amended the rule to refer to "employees, partners, directors and officers" (or, in the context of individuals associated with a Dealer Member, "*employees*, partners, *Directors* and

[9] In common law jurisdictions, the law of privilege encompasses a body of rules that protect communications between a professional legal adviser and his or her clients from being disclosed without the permission of the client. The privilege is that of the client and not that of the lawyer.

officers," three of which are defined terms, as indicated by the italicization). We determined that this enumeration of terms will cover all individuals who may be associated with a Regulated Person and who are bound or impacted by our rules. See e.g. Consolidated Rule ss. 8103(1), 8104(3), 8107(1)(iii), 8206(1)(iii), 8208(1), 8208(3), 8421(3), 9105(2).

3. *Minor revisions to Rules 9100, 9200, 9300, and 9400*

Several revisions have been made to the Rule concerning compliance examinations (Consolidated Rule 9100) and to various provisions of the rules concerning IIROC approvals, regulatory review of such approvals, and the procedures applicable to opportunities to be heard prior to decisions concerning approval or compliance matters (Consolidated Rules 9200, 9300, and 9400, respectively), primarily to clarify or correct drafting deficiencies found in these rules. While the changes to proposed subsections 9203(5) and 9209(1) and (5) (to make clear that an approval decision is effective as of the date on which notice of the decision has been provided to both parties, as well as to provide a 30-day period for a request for review, rather than only 10 business days) may be seen as a substantive modification to the original rule proposal, these changes have been made to make IIROC Rules consistent with equivalent provisions governing registration decisions under provincial law. The other revisions to the rule proposal generally do not alter the intent or overall operation of these rules as originally published.

Deletion of Proposed UMIR 2.1(2)(d) and (e)

Among the consequential amendments set forth in the Original Notice was the relabeling of certain provisions of existing UMIR Policy 2.1as a new UMIR 2.1; this included paragraphs (c) and (d) of Part 1 of existing UMIR Policy 2.1, which were to be relabeled paragraphs (d) and (e) of subsection (2) of the proposed new UMIR 2.1. The specific activities prohibited by these two paragraphs were originally addressed in the Toronto Stock Exchange ("TSE") rulebook, which proscribed them at the material time as impermissible activities by traders. The relevant provisions of the TSE rulebook were carried forward into current UMIR Policy 2.1 and made applicable to all Participants when the UMIR rules were implemented.

Following further review undertaken subsequent to the Original Notice, however, IIROC staff has found no evidence that the prohibited activities have ever been undertaken. In any event, these activities would also be in contravention of Consolidated Rule section 1402, which incorporates much of existing UMIR 2.1. Accordingly, staff is now proposing to repeal the provisions put forward with the Consolidated Rules as proposed UMIR 2.1(2)(d) and (e), as reflected in the revised consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1, set forth in Attachments C (blackline) and D (clean).

Revisions to the Transitional Rule

The Original Notice included a rule amendment to enact a new Schedule C.1 to existing Transitional

Rule No. 1. After further review, IIROC staff came to the conclusion that this new transitional rule, as originally drafted, raised certain concerns.

First, staff now believes it will be preferable to apply the new investigation-related rules (Consolidated Rule 8100) to all investigations as of the date of implementation, including to investigations already in progress, rather than to have both the old and new investigation-related rules applying concurrently. Consequently, we have removed subsection 1.2(1) of the proposed transitional rule.

Second, we have concluded that section 1.3 of the transitional rule was over-inclusive because it required the application of existing rules to all proceedings that began prior to the implementation date. We now believe that it is preferable to limit the application of existing rules to *hearings* that have already begun, rather than all *proceedings* (a broader concept) that have begun. This will prevent the possibility of two sets of procedural rules applying to the conduct of proceedings prior to the convening of a hearing. As revised, the transitional rule will ensure that the procedure for bringing a motion, for example, will be the same whether the proceeding was initiated before or after the implementation date. Moreover, staff believes that case management should be available for an ongoing proceeding that was initiated before the implementation date. As a result, we have made certain amendments to section 1.3 (and conforming changes to section 1.4) of the transitional rule.

The aforementioned amendments, as well as certain drafting-related edits to the transitional rule, are reflected in the consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1, attached as Attachments C (blackline) and D (clean).

Request for public comment

Comments are sought on the proposed amendments. Comments should be made in writing. Two copies of each comment letter should be delivered by February 12, 2014 (90 days from the publication date of this Notice).

One copy should be addressed to the attention of:

Robert Keller
Policy Counsel, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600, 121 King Street West
Toronto, ON M5H 3T9
rkeller@iiroc.ca

The second copy should be addressed to the attention of:

Manager of Market Regulation
Ontario Securities Commission
19th Floor, Box 55
20 Queen Street West

Toronto, ON M5H 3S8
marketregulation@osc.gov.on.ca

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IIROC website (**www.iiroc.ca** under the headings "IIROC Rulebook – Dealer Member Rules – Proposed Policy" and "Rules Notices – Marketplace Rules - All – Request for Comments").

Questions may be referred to:

Richard J. Corner
Vice President, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
416.943.6908
rcorner@iiroc.ca

Deanna Dobrowsky
Vice President, Market Regulation Policy
Investment Industry Regulatory Organization of Canada
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Attachments

Attachment A –	Proposed Consolidated Rules, as revised (blackline copy), and concordance to existing blacklined provisions
Attachment B –	Proposed Consolidated Rules, as revised (clean copy), and concordance to existing blacklined provisions
Attachment C –	Consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1 (blackline copy)
Attachment D –	Consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1 (clean copy)
Attachment E –	Summary of public comments received and IIROC staff responses to comments

Consolidated Rules and UMIR, Dealer Member Rule, Transitional Rule and General By-law Equivalents

1. The following consolidated Rules are introduced, and the equivalent UMIR, Dealer Member Rule, Transitional Rule and General By-law sections are repealed or amended as indicated:

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
Rule 1200 **Definitions**		
1201. Definitions		
(1) ~~Terms~~Some terms used ~~in more than one Consolidated~~throughout the Rule Book are defined in subsection 1201(2). Additional terms are set out in the *Corporation*'s Dealer Member Rules (including Form 1), the Universal Market Integrity Rules (or "UMIR") and General By-Law No. 1. Terms that are used only in a single Rule are defined in that Rule. Any term not defined in subsection 1201(2) or in a specific Rule, which is defined in *securities legislation*, has the same meaning as the defined term in the relevant Securities Act, Rule, ~~and~~ Regulation, National Instrument or similar document.	New	New
(2) The following terms have the meanings set out when used in ~~the Consolidated Rules~~*Corporation requirements*:		
"affiliate" Where used to indicate a relationship between two corporations, means: (i) one corporation is a *subsidiary* of the other corporation; (ii) both corporations are *subsidiaries* of the same corporation; or (iii) both corporations are *controlled* by the same *person*.	Not defined in UMIR. However, there is a definition of "related entity" which includes "an affiliated entity". Related entity will remain as a separately defined term in UMIR.	"Affiliate" or "Affiliated Corporation" ~~means in respect of~~, where used to indicate a relationship between two corporations, ~~either~~means: (i) one corporation ~~if one of them~~ is ~~the~~a subsidiary of the other ~~or if~~ corporation; (ii) both corporations are subsidiaries of the same corporation; or ~~if each of them is~~ (iii) both corporations are controlled by the same person; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"applicable" In relation to a *District Council* means the	Not defined in UMIR	"Applicable" in relation to a District Council means the

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
District Council for the *District*: (i) in which an applicant for *Membership* or a *Dealer Member* (or its holding company, where applicable), has its head office; (ii) in which the *business location* of a *Dealer Member* is located; (iii) in which an individual resides.		District Council for the District: (i) in which an applicant for membership or a Dealer Member (or its holding company, where applicable), has its head office; (ii) in which the business location of a Dealer Member is located; (iii) in which an individual resides; ~~(1) In which the applicant for Membership or the Dealer Member has its principal office and, in the case of a holding company of a Dealer Member corporation, in which the Dealer Member corporation has its principal office;~~ ~~(2) In which the business location will be located or in which the applicant for approval as a Supervisor resides;~~ ~~(3) In which the applicant for approval as a new Executive of a Dealer Member or investor resides provided that if such Executive or investor has changed his or her place of residence to another District within 3 months prior to the change for which approval is being sought then the applicable District Council shall be the District Council for the District where the applicant formerly resided;~~ ~~(4) In which the applicant for approval as a Registered Representative or Investment Representative resides;~~ ~~(5) In which the applicant for approval as a futures contract principal, futures contract options principal or a person who deals with customers with respect to futures contracts or futures contract options resides;~~ ~~(6) In which the applicant for approval as a portfolio manager, securities option portfolio manager, futures contract options portfolio manager or futures contracts portfolio manager resides;~~ ~~(7) In which the respondent, if an individual, in a disciplinary action pursuant to Rule 20 was approved at~~

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~the time the activities which are the subject of the disciplinary action primarily occurred, provided that,~~ ~~(a) If the individual was approved in more than one District at the relevant time, and the matter which is the subject of the disciplinary action involves a client in a District where the respondent was approved other than that in which the respondent resides, in which such client resided at the time such activities occurred; or~~ ~~(b) If the applicable District Council cannot otherwise be determined, in which the respondent resided at the relevant time; or~~ ~~(8) In which the activities which are the subject of a disciplinary action against a respondent Dealer Member pursuant to Rule 20 primarily occurred, or, if such activities are not referable to any specific District, in which the principal office of the respondent Dealer Member is located, provided that, if a disciplinary action involves both an individual and a Dealer Member, the District Council having jurisdiction pursuant to clause (7) herein;~~ ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Approved Person" An *individual* approved by the *Corporation* under *Corporation requirements* to carry out a function for a *Dealer Member*~~.~~ including the following *individuals*: (i) *Chief Compliance Officer* (ii) *Chief Financial Officer* (iii) *Director* (iv) *Executive* (v) *Investment Representative*	Not defined in UMIR.	"Approved Person" means~~, in respect of a Dealer Member,~~ an individual ~~who is a partner, Director, Officer, employee or agent of a Dealer Member who is~~ approved by the Corporation ~~or another Canadian Self-Regulatory Organization to perform any function required under any Rule~~under Corporation Rules to carry out a function for a Dealer Member including the following *individuals*: (i) *Chief Compliance Officer* (ii) *Chief Financial Officer* (iii) *Director*

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	(vi) *Registered Representative* (vii) *Supervisor* (viii) *Trader* (ix) *Ultimate Designated Person*		(iv) *Executive* (v) *Investment Representative* (vi) *Registered Representative* (vii) *Supervisor* (viii) *Trader* (ix) *Ultimate Designated Person*; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"associate"	The same meaning as set out in General By-law No. 1, Section 1.1.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"beneficial ownership"	Beneficial ownership of securities includes ownership : (i) by an *individual* of securities beneficially owned by: (a) a corporation, or (b) *affiliates* of a corporation, that is controlled by the *individual*; or (ii) by a corporation of securities beneficially owned by the *affiliates* of the corporation.	Not defined in UMIR.	"Beneficial Ownership" ~~in respect~~ of ~~any~~ securities includes ownership ~~by~~: (i) ~~—~~ by ~~A~~a person other than a corporation, of securities beneficially owned by a corporation ~~controlled by him or her or by an affiliate of such~~, or affiliates of the corporation~~; and~~, controlled the person (ii) ~~—~~ by ~~A~~a corporation of securities beneficially owned by ~~its affiliates;~~ the affiliates of the corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"business day"	A day other than Saturday, Sunday and any statutory holiday in the relevant *District*.	Not defined in UMIR.	~~"Business days" means: a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded.~~ ***[Note: The existing Dealer Member Rule 20.1 definition will be repealed.]***

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	"business location"	A physical location where, on a regular and ongoing basis, at least one of a *Dealer Member*'s *employees* or agents conducts business that requires *Corporation* approval or registration under securities legislation.	Not defined in UMIR.	"Business Location" means a physical location ~~at which any employee or agent~~where, on a regular and ongoing basis, at least one of a Dealer Member's employees or agents conducts ~~on a regular and ongoing basis~~ business ~~requiring approval of the~~that requires Corporation approval or registration under ~~Provincial~~ securities legislation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
	"carrying broker"	A *Dealer Member* that carries client accounts for another *Dealer Member*, which includes the clearing and settlement of trades, the maintenance of records of client transactions and accounts, and the custody of client cash and securities, in accordance with the requirements set out in Dealer Member Rule 35.	Not defined in UMIR.	Carrying Broker" means ~~the~~a Dealer Member ~~or member of a self-regulatory organization that is a participating institution in the Canadian Investor Protection Fund~~ that carries client accounts for another Dealer Member, which ~~at a minimum~~ includes the clearing and settlement of trades, the maintenance of ~~books and~~ records of client transactions and accounts and the custody of ~~some or all~~ client ~~funds~~cash and securities, in accordance with the requirements set out in this Rule; ***[Note: This Dealer Member Rule 35.1(a)(i) definition will be amended to conform to the Consolidated Rule 1200 definition.]***
	"Chief Compliance Officer" or "CCO"	An *individual* approved by the *Corporation* to act as ~~chief compliance officer~~Chief Compliance Officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
	"Chief Financial Officer" or "CFO"	An *individual* approved by the *Corporation* to act as ~~chief financial officer~~Chief Financial Officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
	"control" or "controlled"	Where used to indicate control of a corporation, means a *person* who has beneficial ownership of voting securities in the corporation that carry more than 50% of the votes for election of directors of the corporation and such votes allow the *person* to	Not defined in UMIR.	"Control" or "Controlled", ~~in respect~~where used to indicate control of a corporation ~~by another person or by two or more corporations, means the circumstances where:(i) Voting~~, means a person who has beneficial ownership of voting securities ~~of~~in the ~~first-mentioned~~ corporation ~~carrying~~that carry more than 50% of the votes

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	elect a majority of the directors; but if a *hearing panel* or *District Council* orders that a *person* does or does not control the corporation under *Corporation requirements*, that order defines their relationship under *Corporation requirements*.		for ~~the~~ election of directors ~~are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and(ii) The votes carried by such securities are entitled, if exercised,~~of the corporation and such votes allow the person to elect a majority of the ~~board of directors of the first-mentioned corporation,And where the applicable District Council in respect of a particular Dealer Member or its holding company orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the Rules and Rulings with respect to that Dealer Member or holding company;~~directors; but if a hearing panel or District Council orders that a person does or does not control the corporation under Corporation Requirements, that order defines their relationship under Corporation requirements; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Corporation"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Corporation" means Investment Industry Regulatory Organization of Canada / Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Corporation" means Investment Industry Regulatory Organization of Canada / Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Corporation requirements"	Requirements set out within the *Corporation's* letters patent, by-laws and rules, along with all other instruments prescribed or adopted ~~under~~within the *Corporation's* by-laws and rules, and rulings of the *Corporation* and the *District Councils*.	Not defined in UMIR.	Not defined in Dealer Member Rules. There is a definition for the term "Rules" which will be retained.

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
"Dealer Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Director"	A member of a *Dealer Member's* board of directors or an *individual* performing similar functions at a *Dealer Member* that is not a corporation.	Not defined in UMIR.	"Director" means a member of ~~the~~a Dealer Member's board of directors ~~of, as the context dictates, a Dealer Member or the Corporation or a person~~or an individual performing ~~a~~ similar ~~function in~~functions at a Dealer Member that is not a corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"disciplinary hearing"	A hearing under Rule 8200 (Enforcement Proceedings), except for a *settlement hearing*.	Not defined in UMIR.	~~"Disciplinary Hearing" means: A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1).~~ ***[Note: The current Dealer Member Rule 20.1 definition will be repealed.]***
"District"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"District Council"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows:	This is defined in General By-law No. 1, Section 1.1, as follows:

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		"District Council" means each of those Councils created in accordance with Article 10. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	"District Council" means each of those Councils created in accordance with Article 10. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"employee"	An employee of a ~~*Regulated Person*~~*Dealer Member* or an agent of a Dealer Member that has entered into a principal / agent relationship contemplated under *Corporation requirements*.	"employee" includes any person who has entered into principal/agent relationship with a Participant in accordance with the terms and conditions established for such a relationship by any self-regulatory entity of which the Participant is a member. ***[Note: This UMIR 1.1 definition will not be repealed.]***	Not defined in Dealer Member Rules.
"Enforcement Staff"	*Corporation* staff who are authorized to conduct enforcement activities on behalf of the *Corporation*, including conducting investigations and initiating and conducting disciplinary proceedings.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Executive"	A *Dealer Member's* partner, *Director* or *officer* who is involved in the *Dealer Member's* senior management, including anyone fulfilling the role of chair or vice-chair of the board of directors, chief executive officer, president, chief administrative officer, *Chief Financial Officer*, *Chief Compliance Officer*, member of an executive management committee, any *individual* in a managerial position who has significant authority over daily operations, or any position that the *Dealer Member* designates as an executive position.	Rule 11.3 of UMIR references "executive" in terms of IIROC's executive, but does not define it: **11.3 Review or Appeal of Market Regulator Decisions** Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal. The term "executive" in Rule 11.3 of UMIR will not be amended .	"Executive" means a Dealer Member's partner, Director or ~~Officer of a Dealer Member~~officer who is involved in the Dealer Member's senior management ~~of the Dealer Member~~, including anyone fulfilling the role of chair or ~~a~~ vice-chair of the board of directors, chief executive officer, president, chief administrative officer, ~~chief financial officer, chief compliance officer~~Chief Compliance Officer, Chief Financial Officer, member of an executive management committee, any ~~person~~individual in a managerial position who has significant authority over daily operations, or any position ~~designated by a~~that the Dealer Member designates as ~~being~~ an ~~Executive~~executive position.; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
~~"expedited hearing"~~	~~A hearing under section 8212 (Expedited Hearings).~~	~~Not defined in UMIR.~~	~~Not defined in Dealer Member Rules.~~

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
"hearing"	A hearing in connection with a proceeding, proposed proceeding, or other matter under *Corporation ~~Requirements~~requirements*, other than a prehearing conference.	~~"hearing" means a disciplinary and enforcement proceeding commenced by a Market Regulator to determine whether a person has contravened a Requirement or is liable for the contravention of a Requirement and includes any procedural applications or motions in relation to those proceedings.~~ ***[Note: This UMIR 1.1 definition will be repealed.]***	~~"Hearing" means any hearing conducted pursuant to Dealer Member Rule 20.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"hearing committee"	A hearing committee of a *District* appointed under Rule 8300 (Hearing Committees).	~~"Hearing Committee" means a standing committee of a Market Regulator comprised of persons selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 – Hearing Committees and Hearing Panels Rule.~~ ***[Note: This UMIR 1.1 definition will be repealed***	~~"Hearing Committee" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"hearing panel"	A panel selected by the *National Hearing Coordinator* to conduct a hearing or prehearing conference.	~~"Hearing Panel" means the particular members of the Hearing Committee selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 – Hearing Committees and Hearing Panels Rule to hear a particular disciplinary and enforcement proceeding.~~ ***[Note: This UMIR 1.1 definition will be repealed.]***	~~"Hearing Panel" means a Panel presiding over individual approval review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"individual"	A natural person.	Not defined in UMIR.	"Individual" means a natural person~~, other than an individual who is a Dealer Member~~; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"industry member"	A current or former ~~*Director*~~director, officer, partner, or employee of a *Member* or *Regulated Person*, or an *individual* who is otherwise suitable and qualified for appointment to a *hearing committee*.	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Industry Member" means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Industry Member" means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ***[Note: This Definition will be repealed.]***	~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ***[Note: This Definition will be repealed.]***
"Investment Representative" or "IR"	An *individual*, approved by the *Corporation*, to trade in, but not advise on, ~~trades in~~ securities, *options*, *futures contracts* or *futures contract options*, on the *Dealer Member's* behalf, including an Investment Representative (mutual funds).	Not defined in UMIR.	"Investment Representative" means ~~any person who trades~~an individual, approved by the Corporation, to trade in, but ~~does~~ not advise on, ~~trades in~~ securities, options, futures contracts or futures contract options ~~with the public in Canada, other than a person who trades exclusively in securities of or guaranteed by the government of Canada or any province of Canada or any municipality in Canada, and shall include an investment representative (mutual funds) approved pursuant to Rule 18.7~~, on the Dealer Member's behalf, including an Investment Representative (mutual funds); ***[Note: This Dealer Member Rule 1.1 definition will not be repealed.]***
"investor of a Dealer Member"	A person who has beneficial ownership in a *Dealer Member*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"laws" or "applicable laws"	All laws, statutes, ordinances, regulations, rules, judgments, decrees or orders, applicable to a *Regulated Person* or its employees ~~and~~, partners, directors or officers, including *Approved Persons*, in the conduct of ~~its~~their business.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Marketplace"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace" means a recognized exchange, a recognized quotation and trade reporting	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace" means a recognized exchange, a recognized quotation and trade reporting

Consolidated Rule (blacklined to version published on March 23, 2012)		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		system or an alternative trading system, each as defined in National Instrument 21-101. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]*** This is in UMIR as follows: **"**marketplace**"** means: (a) an Exchange; (b) a QTRS; and (c) an ATS. ***[Note: This UMIR 1.1 definition will not be repealed.]***	system or an alternative trading system, each as defined in National Instrument 21-101. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Marketplace Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"monitor"	A *person* appointed under section 8209 or 8212 to monitor a *Regulated Person's* business and affairs and to exercise powers granted by a *hearing panel*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"National Hearing Coordinator"	A *person* appointed by the *Corporation* who is responsible for the administration of	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS

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	enforcement and other proceedings under *Corporation requirements* and other employees of the *Corporation* to whom the *person* delegates the performance of such functions.	RULE as follows: ~~"National Hearing Coordinator" means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***	RULE as follows: ~~"National Hearing Coordinator" means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***
"officer"	A *Dealer Member's* chair and vice-chair of the board of directors, chief executive officer, president, chief administrative officer, ~~*Chief Financial Officer,*~~ *Chief Compliance Officer*, *Chief Financial Officer*, chief operating officer, vice-president, secretary, any other person designated an officer of a *Dealer Member* by law or similar authority, or any person acting in a similar capacity on behalf of a *Dealer Member*.	Not defined in UMIR.	"Officer" means ~~the~~a Dealer Member's chair and vice-chair of the board of directors, ~~president, vice-president,~~ chief executive officer, president, chief ~~financial~~administrative officer, Chief Compliance Officer, Chief Financial Officer, chief operating officer, vice-president, secretary, any other person designated an officer of a Dealer Member by law or similar authority, or any person acting in a similar capacity on behalf of a Dealer Member; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"party"	A party to a proceeding under *Corporation Requirements*, including *Enforcement Staff* and *Corporation* staff.	Not defined in UMIR.	~~"Party" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant.~~ ***[Note: This Dealer Member Rules of Practice 1.3 definition will be repealed.]***
"person"	An *individual*, a partnership, a corporation, a government or any of its departments or agencies, a trustee, an incorporated or unincorporated organization, an incorporated or unincorporated syndicate or an *individual's* heirs, executors, administrators or other legal representatives.	In Rule 1.2 (2) of UMIR it indicates that the term "person" shall be as defined by applicable securities legislation except that: "person" includes any corporation, incorporated association, incorporated syndicate or other incorporated organization.	"Person" means an individual, a partnership, ~~or~~a corporation, a government or any ~~department or agency thereof~~of its departments or agencies, a trustee, ~~any~~an incorporated or unincorporated organization~~ and the~~, an incorporated or unincorporated syndicate or an individual's heirs, executors, administrators or other legal representatives~~ of an individual~~.;

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		[Note: This UMIR 1.2(2) definition will not be repealed.]	***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"public member"	public member in relation to a *hearing committee* means: (i) a current or retired member of the law society of a province, other than Quebec, who is in good standing at the law society, or (ii) in Quebec, a current or retired member of the ~~Law Society of Quebec (~~Barreau du ~~Quebec)~~Québec, who is in good standing at the Barreau.	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***
"records"	Books, records, client files and information and other documentation, including electronic documents, related to the *Regulated Person's* business.	Not defined in UMIR, however there is a definition of "document": includes a sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device. ***[Note: This UMIR 1.1 definition will not be repealed.]***	Not defined in Dealer Member Rules.
"Registered Representative" or "RR"	An *individual*, approved by the *Corporation*, to trade, or advise on trades, in securities, *options*, *futures contracts*, or *futures contract options* with the public in Canada, on ~~a~~the *Dealer Member's* behalf, including a Registered Representative (mutual funds) and a Registered Representative (non-retail).	Not defined in UMIR.	"Registered Representative" means ~~any person who trades or advises~~an individual, approved by the Corporation, to trade, or advise on trades, in securities, options, futures contracts, or futures contract options with the public in Canada~~ other than a person who trades or advises on trades exclusively in securities of or guaranteed by the government of Canada or any province of Canada or any municipality in Canada, and shall include a registered representative (mutual funds) approved pursuant to Rule 18.7 and a registered representative~~, on the Dealer Member's behalf, including a Registered Representative (mutual funds) and a Registered Representative (non-retail) ~~approved pursuant~~

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			~~to Rule 18.8~~; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Regulated Persons"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]*** In UMIR "Regulated Persons" is also defined. As the scope of the definition is different and in order to avoid confusion this UMIR term will be renamed "Subject Persons".	This is defined in General By-law No. 1, Section 1.1, as follows: "Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed*** ***]***
"respondent"	A *person* who is the subject of a proceeding or settlement under *Corporation* Rules.	Not defined in UMIR.	~~"Respondent" means: an Approved Person or Dealer Member who is the subject of a disciplinary hearing, settlement hearing, expedited hearing, or appeal hearing under Rule 20.~~ ***[Note: This Dealer Member Rule 20.1 definition will be repealed.]***
"Rules of Practice"	The rules of practice and procedure under Rule 8400.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"sanction"	A penalty imposed by a *hearing panel* or a penalty or other measure imposed under a *settlement agreement*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"securities	Any legislation about trading, distributing or	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National	Not defined in Dealer Member Rules.

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legislation" or "applicable securities legislation"	advising in securities, commodities contracts, or *derivatives* in Canada enacted by the government of Canada or any province or territory in Canada and includes all regulations, rules, orders and other regulatory directions made under that legislation by an authorized body, including a *securities regulatory authority*.	Instrument 14-101, namely, for the local jurisdiction, the statute and other instruments listed in Appendix B to National Instrument 14-101, opposite the name of the local jurisdiction. ***[Note: This UMIR 1.2 Interpretation will not be repealed.]***	
"securities regulatory authority"	The commission, *person* or other authority in Canada that is authorized to administer any legislation about (i) the offering or sale of securities, ~~commodity~~commodities contracts, or *derivatives* to the public~~;~~ or (ii) the registration or licensing of *persons* trading in securities, ~~commodity~~commodities contracts, or *derivatives*; or any tribunal empowered under such legislation to review decisions of a *hearing panel* or *District Council* panel.	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National Instrument 14-101, namely, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C to National Instrument 14-101, opposite the name of the local jurisdiction. ***[Note: This UMIR 1.2 Interpretation will not be repealed.]***	Not defined in Dealer Member Rules.
"settlement agreement"	A written agreement between *Corporation* staff and a *respondent* to settle a proceeding or proposed proceeding under Rule 8200.	Not separately defined in UMIR but referred to in Policy 10.8 – Practice and Procedure, which will be repealed.	~~"Settlement Agreement" means: an agreement reached by the Corporation and the Respondent whereby the parties agree to disciplinary charges, facts and penalty.~~ ***[Note: This Dealer Member Rule 20.1 definition will be repealed.]***
"settlement hearing"	A *hearing* relating to a *settlement agreement*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"subsidiary"	Subsidiary of an entity means: (i) an entity it *controls*; (ii) a corporation it *controls* and one or more corporations *controlled* by that corporation; or (iii) a corporation *controlled* by two or more corporations it *controls*. and includes a corporation that is a	Not defined in UMIR.	"Subsidiary"~~, in respect of a corporation and another corporation, means the first mentioned corporation if~~ of an entity means: (i) ~~It is controlled by:~~an entity it *controls*; ~~(a) That other; or~~ (~~b) That other~~ii) a corporation it *controls* and one or more corporations ~~each of which is~~ *controlled* by that ~~other~~corporation; or

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	subsidiary of another subsidiary of a corporation.		(~~c) Two~~iii) a corporation *controlled* by two or more corporations ~~each of which is controlled by that other; or~~it *controls*. ~~(ii) It is a subsidiary of~~and includes a corporation that is ~~that other's subsidiary~~a subsidiary of another subsidiary of a corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Supervisor"	An *individual* given responsibility and authority by a *Dealer Member*, and approved by the *Corporation*, to manage the activities of the *Dealer Member's* other ~~*Executives*~~*employees*, partners, *Directors*~~,~~ and *officers*, ~~*employees or agents*~~ to ensure they comply with *Corporation requirements* and *securities legislation* in conducting their and the *Dealer Member's* securities-related activities.	Not defined in UMIR.	"Supervisor" means ~~a person to whom a Dealer Member has~~an individual given responsibility and authority by a Dealer Member, and ~~who is~~ approved by the Corporation, to manage the activities of the Dealer Member's other employees, partners, Directors and officers, ~~Officers, employees or agents of the Dealer Member so as~~ to ensure ~~their compliance with laws and regulations governing~~they comply with Corporation requirements and securities legislation in conducting their and the Dealer Member's securities-related activities; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Trader"	An *individual*, approved by the *Corporation* as a ~~trader~~Trader, whose activity is restricted to trading through a *Marketplace Member*'s trading system who may not advise the public.	Not defined in UMIR.	Not defined in Dealer Member Rules
"Ultimate Designated Person" or "UDP"	An *individual* approved by the *Corporation* to ~~act as the~~be responsible for the conduct of a designated *Dealer Member* and the supervision of its employees and to perform the functions for an ultimate designated person described in *Corporation requirements*.	Not defined in UMIR.	Not defined in Dealer Member Rules.

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Rule 1400 **Standards of Conduct**		
1401. Introduction (1) This Rule sets out the general standards of conduct that apply to *Regulated Persons*.	New	New
1402. Standards of Conduct (1) A *Regulated Person* (i) must observe high standards of ethics and conduct ~~in the transaction of business~~and must transact business openly and fairly and in accordance with just and equitable principles of trade, and (ii) must not engage in any conduct that is unbecoming~~,~~ or detrimental to the public interest ~~or inconsistent with just and equitable principles of trade~~. (2) ~~Any~~Without limiting the generality of the foregoing, any business conduct that: (i) is negligent; (ii) ~~results from a failure to exercise due diligence~~fails to comply ~~or ensure compliance with *Corporation requirements* or~~with a legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a *Regulated Person*; (iii) displays an unreasonable departure from standards that are expected to be observed by a *Regulated Person*; or (iv) is likely to diminish investor confidence in the integrity of ~~the~~ securities, commodities or derivatives markets may be conduct that ~~is unbecoming, detrimental to the public interest, or inconsistent with just and equitable principles of trade~~contravenes one or more of the standards set forth in subsection 1402(1).	~~**2.1 Just and Equitable Principles**~~ ~~(1) A Participant shall transact business openly and fairly and in accordance with just and equitable principles of trade when:~~ ~~(a) trading on a marketplace; or~~ ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~ ~~(2) An Access Person shall transact business openly and fairly when:~~ ~~(a) trading on a marketplace; or~~ ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~	~~29.1. Dealer Members and each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member (i) shall observe high standards of ethics and conduct in the transaction of their business, (ii) shall not engage in any business conduct or practice which is unbecoming or detrimental to the public interest, and (iii) shall be of such character and business repute and have such experience and training as is consistent with the standards described in clauses (i) and (ii) or as may be prescribed by the Board.~~ ~~For the purposes of disciplinary proceedings pursuant to the Rules, each Dealer Member shall be responsible for all acts and omissions of each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member, and each of the foregoing individuals shall comply with all Rules required to be complied with by the Dealer Member.~~
1403. Applicability (1) ~~*Regulated Persons*~~For purposes of *Corporation requirements*: (i) *Dealer Members* are responsible for all acts and omissions of their *employees*~~.~~, partners, *Directors* and *officers*; (ii) non-*Dealer Member* users and subscribers to a *Marketplace*	~~**10.3 Extension of Responsibility**~~ ~~(1) A Participant or Access Person may be found liable by the Market Regulator for the conduct of any director, officer, partner, employee or individual holding a similar position with the~~	See Dealer Member Rule 29.1 above.

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for which the *Corporation* is the regulation services provider are responsible for all acts and omissions of their employees, partners, directors, and officers. (2) In addition to complying with all ~~Rules~~*Corporation requirements* that expressly apply to ~~*employees*, an *employee*~~him or her: (i) an *Approved Person* must avoid any act or omission that would cause his or her ~~employer to violate any other Rule.~~*Dealer Member* to violate any *Corporation requirement*; and (ii) an employee, partner, director or officer of a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider must avoid any act or omission that would cause the user or subscriber to violate any *Corporation requirement*. (3) For purposes of section 1402, the obligation of *Regulated Persons* that are non-*Dealer Member* users or subscribers of a *Marketplace* for which the *Corporation* is the regulation services provider is limited to the obligation to transact business openly and fairly when trading on a *Marketplace* or otherwise dealing in securities that are eligible to be traded on a *Marketplace*.	~~Participant or Access Person and be subject to any penalty or remedy as if the Participant or Access Person had engaged in that conduct.~~ ~~(2) Any partner or director of a Participant or Access Person may be found liable by the Market Regulator for the conduct of the Participant or Access Person and be subject to any penalty or remedy as if such person had engaged in that conduct.~~ ~~(3) Any officer or employee of a Participant or Access Person who has authority over, supervises or is responsible for an employee may be found liable by the Market Regulator for the conduct of the supervised employee and be subject to any penalty or remedy as if such person had engaged in that conduct.~~ ~~(4) Any officer or employee of a Participant or Access Person or any individual holding a similar position with a Participant or Access Person who engages in conduct that results in the Participant or Access Person contravening a Requirement may be found liable by the Market Regulator for the conduct and be subject to any penalty or remedy as if such person was the Participant or Access Person.~~ ~~(5) The imposition of any penalty or remedy against any person who engaged in conduct that contravened a Requirement or against any person to whom responsibility for the conduct has been extended by this section does not prevent or limit in any manner the imposition by the Market Regulator of any penalty or remedy against any other person who engaged in the conduct or to whom responsibility for the conduct has been extended by this section.~~	

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Rule 8100 **Enforcement Investigations**		
8101. Introduction (1) This Rule sets out the powers of the *Corporation* to initiate and conduct enforcement investigations ("investigations") and the rights and obligations of *Regulated Persons* with respect to such investigations.	New	New
8102. Conducting Investigations (1) *Enforcement Staff* may investigate the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements*, *applicable laws,* or trading or advising in respect of securities, commodities contracts or derivatives.	~~**10.2 Investigations**~~ ~~(1) The Market Regulator may, at any time, whether or not on the basis of a complaint or other communication in the nature of a complaint, investigate the conduct of a Regulated Person other than an Exchange or QTRS and upon the commencement of such investigation, the Market Regulator may provide written notice to the Regulated Person which outlines the subject matter of the investigation and the period or periods of time which are covered by the investigation.~~	~~19.1. The Corporation shall make such examinations of and investigations into the conduct, business or affairs of any Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director or officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules as he or she considers necessary or desirable in connection with any matter relating to compliance by such person with (i) the Rules or Rulings of the Corporation, (ii) any legislation applicable to such person concerning trading in securities or commodity contracts, including any rulings, policies, regulations or directives of any securities commission, or (iii) the by-laws, rules, regulations and policies of any self-regulatory organization. The Dealer Member shall require all employees to comply with Rule 19.~~ ~~19.2. Any examination or investigation made pursuant to Rule 19.1 may be instituted upon the basis of (i) a complaint received by or directed to the Corporation, (ii) the direction of the Board of Directors, (iii) the request of a securities commission having jurisdiction, or (iv) any information received or obtained relating to the conduct, business or affairs of the Dealer Member~~

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		~~or person involved.~~

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8103. Investigation Powers (1) In connection with an investigation, *Enforcement Staff* may, by written or electronic request, require a *Regulated Person*~~, an~~, an employee, ~~an~~partner, director or officer of a *Regulated Person*, an *investor* of a *Dealer Member*, or, where authorized by law, another *person* to: (i) provide a written report with respect to any matter, (ii) produce for inspection any *records* and documents in the *person's* possession or control that *Enforcement Staff* believe may be relevant to the investigation, whether written, electronically stored or recorded, (iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Enforcement Staff* requests, or (iv) attend and answer questions under oath or otherwise, and any such attendance may be transcribed, recorded electronically, audio-recorded or video-recorded, as *Enforcement Staff* determines. (2) If *Enforcement Staff* requires production of original documents in a request made under subsection 8103(1), they must provide a receipt for any original documents received. (3) In connection with an investigation, *Enforcement Staff* (i) may, with or without prior notice, enter the *business* ~~premises~~*location* of any *Regulated Person* during business hours, (ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer hard drives of the *Regulated Person*, that are not subject to ~~solicitor-client~~legal privilege, and (iii) may remove the original of any document or *record* obtained under clause 8103(3)(ii), and where an original document or *record* is removed from the premises, *Enforcement Staff* must provide a receipt for the removed	~~**10.2 Investigations**~~ ~~(2) Upon the written or electronic request of the Market Regulator, a Regulated Person shall, within such time period specified by the Market Regulator:~~ ~~(a) provide any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation and such information, document or records shall be provided in such manner and form, including electronically, as may be required by the Market Regulator;~~ ~~(b) allow the inspection of, and permit copies to be taken of, any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation; and~~ ~~(c) provide a statement, in such form and manner and at a time and place specified by the Market Regulator on such issues as the Market Regulator determines may be relevant to a matter under investigation provided that in the case of a person other than an individual, the statement shall be made by an appropriate officer, director, partner or employee or other individual associated with the person as is acceptable to the Market Regulator.~~ ~~(3) For the purposes of subsection (2), the Market Regulator may specify that a~~	~~19.5. For the purpose of any examination or investigation pursuant to this Rule 19, a Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director, officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules, may be required by the Corporation:~~ ~~(a) To submit a report in writing with regard to any matter involved in any such investigation;~~ ~~(b) To produce for inspection and provide copies of any books, records, accounts and documents, that are in the possession or control of the Dealer Member or the person, that the Corporation determines may be relevant to a matter under examination or investigation and such information, books, records and documents shall be provided in such manner and form, including electronically, as may be required by the Corporation; and~~ ~~(c) To attend and give information respecting any such matters;~~ ~~And the person shall be obliged to submit such report, to permit such inspection, provide such copies and to attend, accordingly. Any person subject to an investigation conducted pursuant to this Rule 19 shall be advised in writing of the matters under investigation and may be invited to make submission by statement in writing, by producing for inspection books, records and accounts and by attending before the persons~~

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document or *record*.	~~statement be given in writing or by an electronic recorded means and that any statement be given under oath.~~ ~~(4) If a Market Regulator has provided notice to a Regulated Person pursuant to subsection (1), the Regulated Person shall, notwithstanding any policy or procedure of the Regulated Person with respect to the retention of information, documents or records, retain any document or record in the possession or control of the Regulated Person that is relevant to the investigation by the Market Regulator until the later of:~~ ~~(a) the first date the document could be destroyed in accordance with the policies of the Participant or Access Person;~~ ~~(b) the date on which an order of a Hearing Panel in respect of a hearing for which the document is relevant becomes final and may not be subject to any further review or appeal by any person, body or court; and~~ ~~(c) 7 years following the date on which the document or record was created unless the Market Regulator notifies the Regulated Person in writing that no proceeding pursuant to Rule 10.5 shall be commenced by the Market Regulator.~~ **10.12 Retention ~~and Inspection~~ of Records and Instructions** (1) A Participant shall retain: (a) the record of each order as required by Rule 10.11; and	~~conducting the investigation. The person conducting the investigation may, in his or her discretion, require that any statement given by any person in the course of an investigation be recorded by means of an electronic recording device or otherwise and may require that any statement be given under oath.~~ ~~19.6. For the purpose of any examination or investigation pursuant to this Rule 19, the Corporation shall be entitled to free access to, and to make and retain copies of, all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the person concerned, and no such person shall withhold, destroy or conceal any information, documents or thing reasonably required for the purpose of such examination or investigation.~~

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	(b) sufficient information to identify the beneficial owner of each account for which a record of an order is retained, for a period of not less than seven years from the creation of the record of the order, and for the first two years, such record and information shall be kept in a readily accessible location. (2~~) A Participant shall allow the Market Regulator of~~) An Access Person shall keep information respecting an order on the marketplace: ~~(a) of which the Participant is a member, user or subscriber;~~ ~~(b) on which the Participant entered the order; or~~ ~~(c) on which the order of the Participant was executed,~~ ~~to inspect and make copies of the record of an order, any record related to the order required to be maintained by the Participant in accordance with applicable securities legislation or the requirements of any self-regulatory organization of which the Participant is a member and information on the beneficial owner of the account at any time during ordinary business hours during the period that such record and information is required to be retained by the Participant.~~ ~~(3) An Access Person shallallow the Market Regulator of the marketplace:~~ (a) of which the Access Person is a subscriber; or	

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	(b) on which the order of the Access Person was executed, ~~to inspect and make copies of any information respecting an order at any time during ordinary business hours~~ during the period of not less than seven years from the date of the origination of the order, and for the first two years, such information shall be kept in a readily accessible location.	
8104. Obligations of Regulated Persons and Other Persons (1) A *person* who receives a request made under section 8103 must comply with the request within the time specified in it. (2) If *Enforcement Staff* make a request under clause 8103(1)(i) or 8103(1)(iv) to a corporation, partnership or other organization, compliance with the request may be fulfilled by an *employee* of the corporation, partnership or organization who is acceptable to *Enforcement Staff,* taking into account the employee's position and knowledge. (3) A *person* must cooperate with *Enforcement Staff* who are conducting an investigation, and a *Regulated Person* must require its employees, partners, directors and officers to cooperate with *Enforcement Staff* conducting an investigation and to comply with a request made under section 8103. (4) A *person* who is aware that *Enforcement Staff* are conducting an investigation must not conceal or destroy any *record*, document or thing that contains information that may be relevant to the investigation or to any subsequent proceeding relating to the subject matter of the investigation or ask or encourage another *person* to do so.	See UMIR 10.2(2)(c) above.	See Dealer Member Rules 19.1, 19.5, and 19.6 above.
8105. Right to Counsel (1) A *person* who attends in response to a request under clause 8103(1)(iv) may be represented by counsel. (2) A *person* who receives a request under clause 8103(1)(iv) is not entitled to refuse to attend and answer questions because his or	New	New

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her counsel is not available to attend with the *person* on any of the dates specified in the request.		
8106. Confidentiality of Investigations (1) A *person* who (i) receives a request under subsection 8103(1), ~~who~~ (ii) is present at or informed of an entry by *Enforcement Staff* under subsection 8103(3), or (iii) who is informed by (a) *Enforcement Staff* or other *Corporation staff*, or (b) a *person* permitted to do so under subsection (2) or (3) of an investigation being conducted must not disclose, except to the *person's* counsel or another individual who represents the person~~,~~ or ~~where~~as required by law, (~~i~~iv) the nature or content of the investigation or request, (~~ii~~v) the fact of the entry, (~~iii~~vi) the fact that any report, *record*, other document or thing was requested, produced, provided, inspected, copied or taken, (~~iv~~vii) the name of any *person* required to attend and answer questions, or (~~v~~viii) any questions asked or any answers given on an attendance~~, or~~. ~~(vi) any other information relating to the investigation,~~ (2) Subsection 8106(1) does not prohibit disclosure of information relating to an investigation (i) by any *person* of any fact that the person became aware of otherwise than as a result of the conduct of the investigation, (ii) to which *Enforcement Staff* consents, which consent may be on terms and conditions, or (iii) with the consent of a *hearing panel* on a motion under section 8413, if the *hearing panel* determines that disclosure	New	New

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of information that is subject to subsection 8106(1) would not impede the conduct of the investigation and is otherwise justifiable, subject to any terms and conditions that the *hearing panel* considers appropriate. (3) Clauses 8106(1)(iv) to (vii) do not prohibit disclosure of information relating to an investigation (i) that is required to fulfill an obligation of the *person* under a *Corporation requirement*, (ii) unless otherwise requested by *Enforcement Staff*, that is required to fulfill a fiduciary obligation of the person to a *Regulated Person* or to fulfill a contractual obligation of the *person* to comply with the policies of a *Regulated Person*, (iii) unless otherwise requested by *Enforcement Staff*, (a) by a *person* who has been informed by *Enforcement Staff* that he or she is the subject of the investigation or has received a request from *Enforcement Staff* to testify or otherwise provide information, who discloses the information to the *Regulated Person* that is his or her employer by informing an employee of the *Regulated Person* with supervisory authority over the *person*, or (b) by the person or employee to other employees of the *Regulated Person* who are senior to the employee, or ~~without the consent of *Enforcement Staff*~~(iv) by a *Dealer Member* or other *Regulated Person*, or an employee of the *Dealer Member* or other *Regulated Person*, in connection with the imposition of restrictions on a *person* who is a subject of the investigation, but only to the extent necessary to implement the restrictions.		
8107. Continuing Jurisdiction (1) A *Regulated Person* remains subject to this Rule for six years following the date on which they cease to be: (i) a *Dealer Member*, (ii) a ~~member,~~non-*Dealer Member* user or subscriber of ~~or to~~ a *Marketplace* for which the *Corporation* is the regulation	New	New

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services provider, or (iii) ~~a~~an employee, partner, director~~,~~ officer~~, employee~~ or any other representative designated in *Corporation requirements* of a (a) a *Dealer Member*, or (b) a ~~member,~~non-*Dealer Member* user or subscriber of ~~or to~~ a *Marketplace* for which the *Corporation* is the regulation services provider. **Rule 8200** **Enforcement Proceedings**		
8201. Introduction (1) This Rule sets out the authority of the *Corporation* and *hearing panels* to hold hearings for enforcement purposes. (2) Enforcement proceedings are intended to ensure compliance with and to enforce *Corporation requirements*, *securities legislation*, and other requirements relating to trading or advising in respect of securities, commodities contracts or derivatives.	New	~~**Part 10 – Enforcement Hearings**~~ ~~**INITIATION OF ENFORCEMENT HEARINGS**~~ ~~**20.30**~~ ~~(1) The Corporation may hold hearings, as set out under this Rule, in order to ensure compliance with and enforcement of the Rules and Rulings and federal or provincial statutes, regulations, rulings or policies relating to trading or advising in respect of securities or commodities.~~ ~~(2) The categories of enforcement hearings under Rule 20 are: disciplinary hearings; settlement hearings and expedited hearings. Enforcement hearings shall be conducted in accordance with this Rule and the Corporation Practice and Procedure.~~
8202. Definitions (1) In this Rule, "decision" means a determination made by a *hearing panel* under this Rule and includes a *sanction* and other order or ruling. "investigation" means an investigation under Rule 8100 (Enforcement Investigations).	New	~~**20.1 In this Rule:**~~ ~~"**Applicant**" means:~~ ~~an individual or Firm that applies for approval or membership pursuant to Part 7 of this Rule or an Approved Person or Dealer Member that applies for an exemption pursuant to Part 8 of this Rule.~~

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		~~"**Business days**" means:~~ ~~a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded.~~ ~~"**Calendar days**" means:~~ ~~all days in a calendar year. In calculating the number of calendar days, the days on which the events happen are excluded.~~ ~~"**Decision**" means:~~ ~~a determination, including reasons, arrived at after consideration of facts and/or law by a Decision-maker pursuant to this Rule. Decision includes rulings and orders.~~ ~~"**Decision-maker**" means:~~ ~~the person or body making the decision under the respective provision of Rule 20. The Decision-maker can be: Corporation Staff (20.18 Part 7 Rule 20, 20.24 Part 8 Rule 20); the District Council or a sub-committee of the District Council (20.18 and 20.20 Part 7 Rule 20, 20.24 and 20.25 Part 8 Rule 20); the Board of Directors; (20.21 Part 7 Rule 20), a Board Panel; (20.22 Part 7 Rule 20), a District Council Panel; (20.26 Part 8 Rule 20) and a Hearing Panel.~~ ~~"**Disciplinary Hearing**" means:~~ ~~A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set~~

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		~~out in Rule 20.33(1) or Rule 20.34(1).~~ ~~"**Former Judge**" means:~~ ~~an individual who has served as a judge in any provincial or federal court in Canada or an individual who is or has been qualified to practice law and has served as an adjudicator on an administrative tribunal in Canada.~~ ~~"**Hearing Panel**" means:~~ ~~a panel that is appointed pursuant to the Hearing Committees and Hearing Panels Rule to perform an approval review hearing (20,19 Part 8 Rule 20), an early warning level 2 review hearing (20.29 Part 9 Rule 20), a Disciplinary Hearing (20.33 and 20.34 Part 10 Rule 20), a settlement hearing (20.36 Part 10 Rule 20), an expedited hearing (20.45 and 20,46 Part 10 Rule 20), or an expedited review hearing (20.47 Part 10 Rule 20).~~ ~~"**Monitor**" means:~~ ~~a Monitor appointed pursuant to Rule 20.46 to monitor the company's business and financial affairs and to act in furtherance of powers granted by a Hearing Panel.~~ ~~"**Panel**" means:~~ ~~a Hearing Panel, a District Council Panel (20.26 Part 8 Rule 20).~~ ~~"**Release of Decision**" means:~~ ~~when a decision made under this Rule is made available to the Respondent, Applicant, Approved Person or Dealer Member pursuant to the Corporation Practice and Procedure.~~ ~~"**Respondent**" means:~~ ~~an Approved Person or Dealer Member who is the~~

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		~~subject of a disciplinary hearing, settlement hearing, expedited hearing, or appeal hearing under Rule 20.~~ ~~"**Settlement Agreement**" means:~~ ~~an agreement reached by the Corporation and the Respondent whereby the parties agree to disciplinary charges, facts and penalty.~~ ~~Terms used in this Rule 20 which are not defined herein shall have the same meanings as used or defined in the Hearing Committees and Hearing Panels Rule.~~
PART A - GENERAL **8203. Hearings** (1) A *hearing* must be conducted in accordance with this Rule and the *Rules of Practice.* (2) A *hearing panel* may hold any *hearing* and make any *decision* that is authorized under this Rule and the *Rules of Practice*. (3) A *hearing panel* may admit as evidence in a *hearing* any oral testimony and any document or other thing that is relevant and not subject to privilege, whether or not given or proven under oath or affirmation or admissible as evidence in a court. (4) A *hearing panel* may require testimony or other evidence to be given or proven under oath or affirmation. (5) Subject to subsections 8203(6) and 8203(7), a *hearing* under this Rule must be open to the public, unless it is: (i) a *settlement hearing*, in which case it will be opened to the public only after a *settlement agreement* has been accepted by the *hearing panel*, or (ii) a *hearing* to consider a temporary order under section ~~8211, or~~8211. ~~(iii) an expedited hearing.~~ (6) A *hearing* or part of a *hearing* may be held in the absence of the public where the *hearing panel* is of the opinion that the desirability of avoiding disclosure of intimate, personal or other	~~**10.6 Exercise of Authority**~~ ~~A Hearing Panel shall make any determination, hold any hearing and make any order or interim order required or permitted of a Market Regulator under this Part.~~	See Dealer Member Rule 20.30(2) above. ~~**Part 2 – General Authority of Panels**~~ ~~**20.2 Exercise Of Authority**~~ ~~(1) A Panel may make any determination, hold any hearing and make any decision, order, interim order or impose any terms required to implement such order, required or permitted under Rule 20 or under the Corporation Practice and Procedure.~~ ~~(2) A Panel is not bound by any legal or technical rules of evidence and may admit as evidence in a hearing, whether or not given or proven under oath or affirmation, anything that is relevant to the proceedings.~~ ~~(3) A Panel may require presentation of evidence or testimony under oath or affirmation.~~ ~~**Part 11 – Public Hearings**~~ ~~**20.50 Public Hearings**~~ ~~(1) The following types of hearings shall be open to the public subject to subsection (2):~~

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matters outweighs the desirability of adhering to the principle in subsection 8203(5). (7) A *hearing* held in Quebec must be open to the public, unless the *hearing panel*, on its own initiative or on the request of a *party*, orders the *hearing* or part of the *hearing* to be closed or prohibits the publication or release of documents in the interest of good morals or public order. (8) A *party* to an *enforcement proceeding* may be represented by counsel or an agent. (9) A *hearing panel* must provide written reasons for a *decision* made by it, including a *decision* accepting or rejecting a *settlement agreement* under section 8215, but not including an evidentiary or other procedural ruling, made in the course of a *hearing,* that is not dispositive of the issues raised in the hearing.		~~(a) settlement hearings, after a Settlement Agreement has been accepted by Hearing Panel, pursuant to Rule 20.36;~~ ~~(b) disciplinary hearings pursuant to Rule 20.33 and Rule 20.34; and~~ ~~(c) expedited review hearings pursuant to Rule 20.47.~~ ~~(2) The hearings prescribed in subsection (1) shall be held in the absence of the public where the Hearing Panel is of the opinion that the desirability of avoiding disclosure, of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be public.~~ ~~(3) Notwithstanding subparagraph (1) and (2), in Quebec, any disciplinary panel must be public. However, such disciplinary panel may on its own initiative or on request, order a closed-door hearing or prohibit the publication or release of information or documents in the interest of good morals or public order.~~ ~~**Rules of Practice8.10 Public Domain**~~ ~~All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the exclusion of the public.~~ ~~An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of~~

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		~~adhering to the principle that motions be public.~~
8204. Application and Effective Date of Decisions (1) A *decision* under this Rule applies in all *Districts*, unless the *hearing panel* orders otherwise or unless the application of the *decision* is limited by *law*. (2) A *decision*, other than a ruling in the course of a *hearing*, is effective on the date the *decision* is dated by the *National Hearing Coordinator*, unless this Rule or the *decision* provides otherwise, in which case the *decision* is effective on the date so provided. (3) A *sanction*, other than a fine or disgorgement, takes effect on the effective date of the *decision* imposing it, unless the *decision* provides otherwise. (4) A fine, disgorgement and costs imposed by a *decision* are payable when the *decision* is effective, unless the *decision* provides or the *parties* agree otherwise.	New	~~**Part 3 Decision-Making and Effectiveness of Decisions**~~ ~~**20.4 Territorial Application of Decisions**~~ ~~(1) Any decision made under this Rule shall have effect in all of the Districts, unless otherwise ordered by the Decision-maker or unless such extension or application of the decision is limited by law.~~ ~~**20.5 Effective Date of Decision**~~ ~~(1) Any decision made pursuant to Rule 20 shall become effective on the date that the decision is made, unless it provides otherwise.~~ ~~(2) Notwithstanding subsection (1), a decision made pursuant to Rule 20.28 shall become effective as prescribed in Rule 20.29(3).~~ ~~**20.6 Effective Date of Penalties**~~ ~~(1) Suspensions, bars, expulsions, restrictions or other conditions or terms imposed on approval or Membership commence as of the effective date of the decision, unless otherwise determined by the Decision-maker.~~ ~~(2) Any fine imposed on a Respondent shall be payable immediately when the decision becomes effective unless otherwise agreed by the parties.~~
8205. Commencement of Enforcement Proceedings (1) The *Corporation* may commence proceedings and hold *hearings*, as provided in this Rule, to ensure compliance with and to enforce *Corporation requirements*, ~~*applicable laws*~~*securities legislation*, and other requirements relating to trading or	See UMIR 10.6 above.	See Dealer Member Rule 20.30 above.

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advising in respect of securities, commodities contracts and derivatives. (2) A proceeding under this Rule must be commenced by application or notice of hearing in accordance with the *Rules of Practice*.		
8206. Limitation (1) A *Regulated Person* remains subject to this Rule for six years following the date on which they cease to be: (i) a *Dealer Member*, (ii) a ~~member,~~non-*Dealer Member* user or subscriber of ~~or to~~ a *Marketplace* for which the *Corporation* is the regulation services provider, or (iii) ~~a~~an employee, partner, director~~,~~ officer~~, employee~~ or any other representative designated in *Corporation requirements* of a (a) a *Dealer Member*, or (b) a ~~member,~~non-*Dealer Member* user or subscriber of ~~or to~~ a *Marketplace* for which the *Corporation* is the regulation services provider. (2) The Corporation may commence a proceeding under this Rule against a *Regulated Person* up to six years after the date of the occurrence of the last event on which the proceeding is based. (3) If a proceeding is commenced within the limitation period in subsection 8206(1) or 8206(2), the *respondent* remains subject to the requirements of this Rule until the proceeding, including any review or appeal, is completed.	New	Based on currently outstanding limitation period proposal. Existing Rule: ~~**20.7 Former Dealer Members and Approved Persons**~~ ~~(1) For the purposes of Rule 19 and Rule 20, any Dealer Member and any Approved Person shall remain subject to the jurisdiction of the Corporation for a period of five years from the date on which such Dealer Member or Approved Person ceased to be a Dealer Member or an Approved Person of the Corporation, subject to subsection (2).~~ ~~(2) An enforcement hearing under Part 10 of this Rule may be brought against a former Approved Person who re-applies for approval under Part 7 of this Rule, notwithstanding expiry of the time period set out in subsection (1).~~ ~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~
8207. Amounts Owing to the Corporation (1) A *person* remains liable to the *Corporation* for all amounts owing to the Corporation.	New	~~**20.7 Former Dealer Members and Approved Persons**~~ .

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		~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~
8208. Powers of Compulsion (1) A *hearing panel* may require a *Regulated Person,* an employee, partner, director or officer of a *Regulated Person* or the *Corporation*, including *Corporation* staff, and, if authorized by *law*, any other *person* to attend and give evidence or produce *records* and documents in connection with a *hearing* under this Rule. (2) A *Regulated Person* must, upon receipt of an order of a *hearing panel* or a notice from the *National Hearing Coordinator* so requiring, (i) attend and give evidence, and (ii) produce for inspection and provide copies of any *records* or documents in the *Regulated Person's* possession or control. (3) If a *hearing panel* requires an employee, partner, director or officer of a *Regulated Person,* who is not an *Approved Person,* to attend at a hearing, the *Regulated Person* must direct the ~~*employee*~~individual to attend and give evidence.	New	~~**POWERS OF COMPULSION**~~ ~~**20.31 Dealer Members, Approved Persons and Corporation Staff**~~ ~~(1) Every Dealer Member, Approved Person and Corporation Staff member shall:~~ ~~(a) attend and give evidence respecting any matter relevant to hearings pursuant to Rule 20.33, Rule 20.34 or Rule 20.42 upon receipt of notice from the National Hearing Coordinator or his or her designate or order of a Hearing Panel; and~~ ~~(b) produce for inspection and provide copies of any books, records, accounts and documents that are in the possession or control of the Dealer Member or Approved Person, to a Hearing Panel upon receipt of notice from the National Hearing Coordinator or order of the Hearing Panel.~~ ~~(2) Failure to comply with subsections 1(a) or (b) constitutes a contravention of the Rules and may result in disciplinary action under Rule 20.33 or Rule 20.34.~~ ~~**20.32 Partners, Directors, Officers and Employees**~~

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		~~**of Members**~~ ~~(1) Where a Hearing Panel requires the attendance before it of any partner, director, officer or employee of a Dealer Member, who is not an Approved Person, the Dealer Member shall direct such employee to attend and to give information or make such production of documents as can be required of a person referred to in Rule 20.31.~~ ~~(2) Failure by the Dealer Member to comply with subsection (1) constitutes a contravention of the Rules and may result in disciplinary action under Rule 20.34.~~
PART B - Disciplinary Proceedings		
8209. Sanctions for Dealer Members (1) If, after a *hearing*, a *hearing panel* finds that a *Dealer Member* has contravened a *Corporation requirement*, a *securities legislation* requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the *hearing panel* may impose one or more of the following *sanctions*: (i) a reprimand (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention, (iii) a fine not exceeding the greater of (a) $5,000,000 for each contravention, and (b) an amount equal to three times the profit made or loss avoided by the *Dealer Member*, directly or indirectly, as a result of the contravention, (iv) suspension of membership in the *Corporation* or of any right or privilege associated with membership, including a direction to cease dealing with clients, for any period of	**10.5 ~~Powers and Remedies~~ Suspension or Restriction of Access** (1~~)~~ ~~The Market Regulator may, following a hearing and a determination that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has contravened a Requirement or is liable for the contravention of a Requirement in accordance with Rule 10.3, by an order impose on such person one or more of the following penalties or remedies as the Market Regulator considers appropriate in the circumstances:~~ ~~(a) a reprimand;~~ ~~(b) a fine not to exceed the greater of:~~ ~~(i) $1,000,000, and~~ ~~(ii) an amount equal to triple the financial benefit which accrued to the person as a result of~~	~~**20.34 Dealer Members**~~ ~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at Rule 20.34(2) if, in the opinion of the Hearing Panel, the Dealer Member:~~ ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~ ~~(b) failed to comply with the provisions of any Rule or Ruling of the Corporation;~~ ~~(c) failed to carry out an agreement or undertaking with the Corporation; or~~ ~~(d) failed to meet liabilities to another Dealer Member or to the public.~~ ~~(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the~~

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time and on any terms and conditions, (v) imposition of any terms or conditions on the *Dealer Member's* continued membership, including on access to a *Marketplace*, (vi) expulsion from membership and termination of the rights and privileges of membership, including access to a *Marketplace*, (vii) permanent bar to membership in the *Corporation*, (~~vii~~viii)appointment of a *monitor*, and (~~viii~~ix) any other *sanction* determined to be ~~that the *hearing panel* considers~~ appropriate under the circumstances. (2) A *Dealer Member* may be sanctioned under subsection 8209(1) based on the conduct of an *employee*, partner, *Director* or *officer*. (3) A sanction imposed under subsection 8209(1) relating to access to a *Marketplace* applies to all *Marketplaces*.	~~committing the contravention;~~ ~~(c) the restriction of access to the marketplace for such period and upon such terms and conditions, if any, considered appropriate;~~ ~~(d) the suspension of access to the marketplace for such period and upon such terms and conditions, if any, considered appropriate;~~ ~~(e) the revocation of access to the marketplace; and~~ ~~(f) any other remedy determined to be appropriate under the circumstances.~~ ~~(2)~~ If the Market Regulator has determined that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has engaged in, or may engage in, any course of conduct that is or may be a contravention of a Requirement, the Market Regulator may, if the Market Regulator considers it is necessary for the protection of the public interest by an interim order without notice or hearing, order the restriction or suspension of access to the marketplace upon such terms and conditions, if any, considered appropriate provided such interim order shall expire 15 days after the date on which the interim order is made unless: (a) a hearing is commenced pursuant to Rule8200 (Enforcement Proceedings) within that period of time to confirm or set aside the interim order; (b) the person against which the interim	~~following penalties upon the Dealer Member:~~ ~~(a) a reprimand;~~ ~~(b) a fine not exceeding the greater of:~~ ~~(i) $5,000,000 per contravention; and~~ ~~(ii) an amount equal to three times the profit made or loss avoided by the Dealer Member by reason of the contravention;~~ ~~(c) suspension of the rights and privileges of the Dealer Member (and such suspension may include a direction to the Dealer Member to cease dealing with the public) for any period of time and upon any conditions or terms;~~ ~~(d) terms and conditions of continued Membership;~~ ~~(e) termination of the rights and privileges of Membership;~~ ~~(f) expulsion of the Dealer Member from membership in the Corporation; or~~ ~~(g) any other fit remedy or penalty.~~

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	order is made consents to an extension of the interim order until a hearing of the matter is held; or (c) an applicable securities regulatory authority directs that the interim order be rescinded or extended. (~~3~~2) For the purposes of this section, the restriction, suspension or revocation of access of a person to a marketplace may be imposed directly on the person and, if the person is an individual, the restriction, suspension or revocation of access may also be imposed in respect of their capacity as a director, officer, partner, employee or associate of a person with access to a marketplace. (~~4~~3) For greater certainty, any enforcement or disciplinary proceeding or any order or interim order as against a person by a Market Regulator for contravention of a Requirement shall not affect or limit any enforcement or disciplinary action as against the person by any securities regulatory authority, self-regulatory entity or other Market Regulator with jurisdiction over the person. (~~5~~4) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace in accordance with this section, such person shall be denied access to any other marketplace and shall have any access to any other marketplace automatically restricted, suspended or revoked unless the applicable securities regulatory authority otherwise determines in a review or appeal of the order or interim order of the Market Regulator undertaken in accordance with	

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	Rule 11.3. (~~6~~5) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace, the Market Regulator shall provide notice forthwith of such restriction, suspension or revocation to: (a) the person whose access has been restricted, suspended or revoked; (b) each marketplace; (c) each Market Regulator; and (d) each applicable securities regulatory authority.	
8210. Sanctions for Regulated Persons other than Dealer Members (1) If after a *hearing*, a *hearing panel* finds that ~~a *Regulated*~~an *Approved Person* ~~other than a *Dealer Member*~~, a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider or an employee, partner, director or officer of such a user or subscriber has contravened a *Corporation requirement*, a *securities legislation* requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the *hearing panel* may impose on such *person* one or more of the following sanctions: (i) a reprimand (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention, (iii) a fine not exceeding the greater of (a) $5,000,000 for each contravention, and (b) an amount equal to three times the profit made or loss avoided by the *person*, directly or indirectly, as a result of the contravention,	See UMIR 10.3 and 10.5 above.	~~**20.33 Approved Persons**~~ ~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at 20.33(2) if, in the opinion of the Hearing Panel, the Approved Person:~~ ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~ ~~(b) failed to comply with the provisions of any Rule or Ruling of the Corporation; or~~ ~~(c) failed to carry out an agreement or undertaking with the Corporation.~~ ~~(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the following penalties upon the Approved Person:~~ ~~(a) a reprimand;~~ ~~(b) a fine not exceeding the greater of:~~

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(iv) suspension of the *person's* approval or any right or privilege associated with such approval, including access to a *Marketplace*, for any period of time and on any terms and conditions, (v) imposition of any terms or conditions on the *person's* continued approval or continued access to a *Marketplace*~~,~~, (vi) prohibition of approval in any capacity, for any period of time, including access to a *Marketplace*, (vii) revocation of approval, (viii) a permanent bar to approval in any capacity or to access to a *Marketplace*, (ix) a permanent bar to employment in any capacity by a *Regulated Person*, and (x) any other *sanction* determined to be ~~that the *hearing panel* considers~~ appropriate under the circumstances. (2) A ~~*Regulated Person* other than a *Dealer Member* may be sanctioned~~*sanction* imposed under subsection 8210(1) ~~based on the conduct of an *employee* of such *Regulated Person*~~relating to access to a *Marketplace* applies to all *Marketplaces*. (3) A director or officer of a *Regulated Person* may be sanctioned under subsection 8210(1) based on the conduct of the *Regulated Person* with which he or she is associated. ~~(4) An *employee* of a *Regulated Person* who engages in conduct for which such *Regulated Person* may be sanctioned under subsection 8210(1) may also be sanctioned under that subsection.~~ ~~(5) A *sanction* imposed under subsection 8210(1) relating to access to a *Marketplace* applies to all *Marketplaces*.~~ ~~(6)~~ A *Regulated Person* must not employ, hire, retain, or otherwise engage, in any capacity, a *person* who is sanctioned under clause 8210(1)(ix).		~~(i) $1,000,000 per contravention; and~~ ~~(ii) an amount equal to three times the profit made or loss avoided by such Approved Person by reason of the contravention.~~ ~~(c) suspension of approval for any period of time and upon any conditions or terms;~~ ~~(d) terms and conditions of continued approval;~~ ~~(e) prohibition of approval in any capacity for any period of time;~~ ~~(f) termination of the rights and privileges of approval;~~ ~~(g) revocation of approval;~~ ~~(h) a permanent bar from approval with the Corporation; or~~ ~~(i) any other fit remedy or penalty.~~
8211. Temporary Orders (1) On application by *Enforcement Staff*, if a *hearing panel* is satisfied	New except see above, interim order of Market Regulator (as opposed to hearing panel) may be made under UMIR	See Dealer Member Rule 20.2 above.

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that the length of time required to conclude a *hearing* could be prejudicial to the public interest, the *hearing panel* may, without notice to the *respondent*, make a temporary order that suspends or restricts a *Regulated Person's* rights and privileges and may impose terms and conditions that the *hearing panel* considers appropriate. (2) A temporary order that is made without notice under subsection 8211(1) expires fifteen calendar days after the date on which it is made, unless: (i) a *hearing* is commenced within that period to confirm or set aside the temporary order, (ii) the *Regulated Person* consents to an extension of the temporary order, or (iii) a *securities regulatory authority* orders otherwise. (3) The *Corporation* must immediately give written notice of a temporary order under subsection 8211(1) to every *person* directly affected by it.	10.5 which may then go to a hearing.	
8212. ~~Expedited Hearings~~Protective Orders (1) On application by *Enforcement Staff*, a *hearing panel* may hold ~~an *expedited*~~a *hearing* to consider a request for an order under subsection 8212(4), following notice to the *respondent* in accordance with subsection 8426(1). (2) After ~~an *expedited*~~a *hearing* under this section with respect to a Dealer Member, a *hearing panel* may ~~impose on a *Dealer Member*~~make one or more of the ~~*sanctions*~~orders set out in subsection 8212(4), if it finds that (i) the *Dealer Member* or a parent corporation or control person of the *Dealer Member* has made a general assignment for the benefit of creditors or an authorized assignment or proposal to its creditors, has been declared bankrupt, or is the subject of a winding-up order, an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, or similar legislation or an application for its liquidation or dissolution, (ii) a receiver or receiver-manager has been appointed in	New	~~**EXPEDITED HEARINGS**~~ ~~**20.41 Expedited Hearings**~~ ~~(1) Expedited hearings are held upon application by Corporation Staff and without notice to the Respondent in the circumstances prescribed in Rule 20.42 and Rule 20.43.~~ ~~**20.42 Types of Expedited Hearings - Members**~~ ~~(1) A Hearing Panel may impose any of the penalties prescribed by Rule 20.45 upon a Dealer Member in any of the following circumstances:~~ ~~**20.43 Types of Expedited Hearings - Approved Persons**~~ ~~(1) A Hearing Panel may impose any of the penalties set out in Rule 20.45 upon an Approved Person in any of the following~~

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respect of all or part of the *Dealer Member's* undertaking or property or all or part of the undertaking or property of a parent corporation or control person of the *Dealer Member*, (iii) the *Dealer Member* has tendered its resignation, is not carrying on business as an investment dealer or is in the process of winding up or terminating its business as an investment dealer, (iv) the *Dealer Member's* registration as a dealer under ~~any *law* in respect of~~ *securities*~~, commodities contracts or derivatives~~ *legislation* has lapsed or been suspended or terminated, (~~iv~~v) a securities regulatory authority, stock exchange ~~or~~, self-regulatory organization or clearing agency has suspended the *Dealer Member's* membership or privileges, (~~v~~vi) the *Dealer Member* has been convicted of contravening a *law* relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, (~~vi~~vii) the *Dealer Member's* continued operation would create a risk of imminent harm to its clients, *investors*, other *Regulated Persons* or the *Corporation* because the *Dealer Member* (a) is in financial or operating difficulty, or (b) has failed to cooperate in respect of an *investigation* under Rule 8100 (Enforcement Investigations), or (~~vii~~viii) the *Dealer Member* has not complied with terms or conditions of a *sanction* or a prohibition under Dealer Member Rule 30 (early warning level 2) to which it is subject. (3) After ~~an *expedited*~~a *hearing*~~, a *hearing panel* may impose on~~ under this section with respect to a *Regulated Person*, other than a *Dealer Member*, a *hearing panel* may make one or more of the ~~*sanctions*~~orders set out in subsection 8212(4), if it finds that: (i) the *person's* registration under ~~any *law* in respect of~~ *securities*~~, commodities contracts or derivatives~~ *legislation*		~~circumstances:~~ ~~**Suspension or Cancellation of Registration or Approval**~~ ~~(a) the registration or approval of an Approved Person under any statute respecting trading or advising in respect of securities or commodities has lapsed, is suspended or cancelled;~~ ~~(b) a recognized stock exchange, securities commission, securities regulatory authority, self-regulatory organization or recognized trading or quotation system suspends an Approved Person;~~ ~~**Failure to Cooperate With Corporation Compliance Examinations and Investigations**~~ ~~(c) failure to cooperate with Corporation compliance examinations and investigations pursuant to Rule 19 and the Hearing Panel determines that the Approved Person cannot be permitted to continue to be an Approved Person without risk of imminent harm to the public, other Dealer Members or the Corporation;~~ ~~**Criminal Charges**~~ ~~(d) where an Approved Person has been charged with a criminal offence relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, and such criminal charge likely brings the capital markets~~

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has lapsed or been suspended or terminated, (ii) a securities regulatory authority has made an order prohibiting the *person* from trading in securities, acting as a director or officer of a market participant or as a promoter, or engaging in investor relations activities, or has denied the *person* the use of an exemption under *securities legislation*, (iii) a stock exchange ~~or~~, self-regulatory organization or clearing agency has suspended the *person* or the *person's* privileges, (iv) the *person* has been convicted of contravening a *law* relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, (v) the *person's* continued approval would create a risk of imminent harm to clients, investors, other *Regulated Persons* or the *Corporation* because the *person* has failed to cooperate in respect of an *investigation* under Rule 8100 (Enforcement Investigations), or (~~v~~vi) the *person* has not complied with terms or conditions of a *sanction* to which the *person* is subject. (4) After ~~an *expedited*~~a *hearing* under this section, a *hearing panel* may ~~impose one or more of the following *sanctions*~~make an order: (i) ~~suspension of~~suspending membership, approval or access to a *Marketplace* on any terms and conditions, (ii) ~~an order,~~ with terms and conditions, requiring a *Dealer Member* that is suspended under this ~~Rule~~section to take steps to facilitate the orderly transfer of its client accounts to another *Dealer Member*, (iii) ~~imposition of~~imposing terms and conditions on continued membership, approval or access to a *Marketplace*, (iv) ~~a direction to cease~~directing immediate cessation of any or all dealing with clients or any other *persons* ~~immediately~~, (v) ~~expulsion of~~expelling a *Dealer Member* from the *Corporation*		~~into disrepute;~~ ~~**Non-Compliance With Conditions**~~ ~~(e) where an Approved Person fails to comply with terms or conditions imposed pursuant to Rule 20.33, Rule 20.34, or Rule 20.38.~~ ~~**20.45 Powers Of Hearing Panel**~~ ~~(1) A Hearing Panel has the power to impose any of the following penalties upon a Respondent who is an Approved Person or Dealer Member in the circumstances prescribed in Rule 20.42 and Rule 20.43:~~ ~~(a) suspension of approval or Membership;~~ ~~(b) imposition of terms or conditions on a suspension of approval or Membership;~~ ~~(c) imposition of terms or conditions on continued approval or Membership;~~ ~~(d) direction to immediately cease dealing with the public;~~ ~~(e) an order with terms and conditions to facilitate the orderly transfer of client accounts from a Dealer Member suspended under this Rule;~~ ~~(f) termination of the rights and privileges of approval or Membership;~~ ~~(g) expulsion of an Approved Person or Dealer Member from the Corporation; or~~ ~~(h) imposition of a Monitor pursuant to Rule 20.46.~~ ~~**Part 9 – Early Warning Review Proceedings**~~

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and terminating the rights and privileges of membership, (vi) ~~revocation of~~revoking approval or access to a *Marketplace*, or (vii) ~~appointment of~~appointing a *monitor* over a *Dealer Member's* business and affairs. (5) A *person* may request, in writing, a review by a *hearing panel* of a *decision* made after ~~an *expedited*~~a *hearing* under this section, within thirty *days* after the effective date of the *decision*. (6) A *hearing* shall be held as soon as practicable, and no later than twenty-one *days*, after a review is requested under subsection 8212(5), unless the *person* requesting the review and *Enforcement Staff* agree otherwise. (7) A member of a *hearing panel* whose *decision* is the subject of a review under this section may not be a member of the *hearing panel* on the review. (8) A *hearing panel* may stay ~~a *sanction* imposed~~an order made under subsection 8212(4), subject to any terms and conditions it considers appropriate. (9) On a review under this section, a *hearing panel* may: (i) affirm the ~~*sanction*~~order, (ii) quash the *decision*, (iii) vary the *decision* or ~~*sanction*~~order, or (iv) ~~order~~make any ~~*sanction*~~order authorized by subsection 8212(4).		~~**20.28 Imposition of Prohibitions - Early Warning Level 2**~~ ~~(1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30, be prohibited from:~~ ~~(a) opening any new branch offices;~~ ~~(b) hiring any new registered representative, or investment representative;~~ ~~(c) opening any new customer accounts; or~~ ~~(d) changing, in any material respect, the inventory positions of the Dealer Member.~~ ~~(2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member.~~ ~~**20.47 Review Hearing**~~ ~~(1) The Respondent may file a written request for review of any decision made pursuant to Rule 20.45 within thirty calendar days after release of the decision of the Hearing Panel.~~ ~~(2) If a request for review is made, pursuant to subsection (1), a hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after filing of the written request for review unless otherwise agreed by the parties.~~ ~~(3) No member of a Hearing Panel who presided over a hearing held pursuant to Rule 20.45 shall sit on a Hearing Panel constituted for review of that decision.~~ ~~(4) If a Respondent does not request a review~~

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		~~within the time period prescribed in subsection (1), the Hearing Panel decision shall become final.~~ ~~(5) Unless the Hearing Panel orders otherwise, a request for a review shall not operate as a stay from a decision made pursuant to Rule 20.45.~~ ~~(6) A review decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~ ~~**20.48 Powers of The Hearing Panel - Review Hearing**~~ ~~(1) The Hearing Panel presiding over the review hearing may:~~ ~~(a) affirm any decision;~~ ~~(b) quash any decision;~~ ~~(c) vary any decision or penalty; and~~ ~~(d) make any decision that could have been made by a Hearing Panel pursuant to Rule 20.45.~~
8213. Monitor (1) If a *hearing panel* appoints a *monitor* under section 8209 or section 8212 with respect to the business and affairs of a *Dealer Member*, the *monitor* has authority to supervise and monitor the *Dealer Member's* business and affairs in accordance with the terms and conditions imposed by the *hearing panel*. (2) A *hearing panel* may impose any terms and conditions, and any time periods, on a *monitor's* authority with respect to a *Dealer Member's* business and affairs that the *hearing panel* considers appropriate, including authority to: (i) enter the *Dealer Member's* premises and conduct day-to-day monitoring of the *Dealer Member's* business activities,	Not applicable in UMIR.	~~**20.46 Powers Of Hearing Panel To Impose A Monitor**~~ ~~(1) A Hearing Panel may order the imposition of a Monitor, on such terms and conditions as it deems just and appropriate, where it is in the interest of the public, and the Hearing Panel determines that:~~ ~~(a) the Dealer Member is at financial risk and may become insolvent;~~ ~~(b) client accounts are at risk of financial loss due to a Dealer Member's financial condition, inadequate internal controls~~

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(ii) monitor and review accounts receivable, accounts payable, client accounts, margin, client free credits, banking arrangements and transactions, trading conducted by the *Dealer Member* for clients and for its own account, payment of debts, creation of new debt and the *Dealer Member's* books and *records*, (iii) make copies of any *records* or other documents and provide copies of such *records* and documents to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority, (iv) report the *monitor's* findings or observations, on an ongoing or other basis, to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority, (v) monitor the *Dealer Member's* compliance with any terms or conditions imposed on the *Dealer Member* by the *Corporation* or any other regulatory or self-regulatory authority or by the *hearing panel*, including compliance with any early warning terms and conditions, (vi) verify and assist with the preparation of any regulatory filings, including the calculation of *risk adjusted capital*, (vii) conduct or have conducted an appraisal of the *Dealer Member's* net worth or a valuation of any of the *Dealer Member's* assets, (viii) assist the *Dealer Member's employees* in facilitating the orderly transfer of the *Dealer Member's* client accounts, and (ix) pre-authorize cheques issued or payments made by or on behalf of the *Dealer Member* or distribution of any of the *Dealer Member's* assets. (3) A *Dealer Member* must cooperate with the *monitor*, require its *employees*, partners, *Directors* and *officers* to cooperate with the *monitor* and take all reasonable steps to have its *affiliates* and service providers cooperate with the *monitor* with respect to the exercise by the *monitor* of its authority under this section. (4) The *Dealer Member* must pay all expenses relating to a *monitor* appointed to monitor the *Dealer Member's* business and affairs,		~~or deficient operating procedures;~~ ~~(c) the Dealer Member has failed to maintain regulatory capital requirements as prescribed by the Rules or any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities; or~~ ~~(d) the securities firm has been suspended by the Corporation or other regulatory or self-regulatory organization for failure to meet regulatory capital requirements.~~ ~~(2) A Monitor appointed pursuant to subsection (1) shall monitor the Dealer Member's business and financial affairs in accordance with the terms and conditions specified by the Hearing Panel.~~ ~~(3) A Hearing Panel may assign any of the following terms and conditions to the Monitor, for such period of time as the Hearing Panel determines is just and appropriate in the circumstances:~~ ~~(a) to enter and re-enter the Dealer Member's premises and to remain on site to conduct day-to-day monitoring of all of the Dealer Member's business activities, including but not limited to, monitoring and review of accounts receivable, accounts payable, client accounts, margin, client free credits, the Dealer Member's banking, any books or records of the Dealer Member, trading conducted by or on behalf of the Dealer Member for its' own account or the account of its' clients, payment of any debts or the creation of new debt and~~

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including the *monitor's* fees. (5) *Corporation* staff or the *monitor* may at any time apply to a *hearing panel* for directions concerning the *monitor's* authority or the conduct of the *monitor's* activities. (6) On an application under subsection 8213(5), a *hearing panel* may make any order it considers appropriate.		~~any reconciliation required to be completed by the Dealer Member;~~ ~~(b) to make copies of information and to provide copies of such information to Corporation Staff or any other agency the Hearing Panel determines appropriate;~~ ~~(c) to provide ongoing reporting of the Monitor's findings or observations to Corporation Staff or any other agency the Hearing Panel determines appropriate;~~ ~~(d) to monitor compliance by the Dealer Member with any terms or conditions which have been imposed on the Dealer Member by the Corporation or any other regulator, including but not limited to, compliance with early warning terms and conditions;~~ ~~(e) to verify and assist with the preparation of any regulatory filings, including but not limited to, the calculation of risk adjusted capital;~~ ~~(f) to conduct or have conducted an appraisal of the Dealer Member's net worth or valuation of any part of the Dealer Member's assets;~~ ~~(g) to assist the staff of the Dealer Member to facilitate the orderly transfer of client accounts;~~ ~~(h) to pre-authorize any issuance of cheques or payments made by or on behalf of the Dealer Member or distribution of any of the Dealer Member's assets; or~~

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		~~(i) any other such terms or conditions that the Hearing Panel determines is just and appropriate to assign to the Monitor.~~ ~~(4) The expenses related to a Monitor appointed pursuant to Rule 20.46 shall be borne by the Dealer Member.~~
8214. Costs (1) After a *hearing* under this Rule, other than a *hearing* under section 8211, a *hearing panel* may order a *person* who is the subject of a *sanction* to pay any costs incurred by or on behalf of the *Corporation* in connection with the *hearing* and any *investigation* related to the *hearing*. (2) Costs ordered under subsection 8214(1) may include: (i) costs for time spent by *Corporation* staff, (ii) fees paid by the *Corporation* for legal or accounting services or for services rendered by an expert witness, (iii) witness fees and expenses, (iv) costs of recording and transcribing evidence and preparation of transcripts, and (v) disbursements, including travel costs.	~~**10.7 Assessment of Expenses**~~ ~~(1) Any order made under this Part may assess the person against whom the order is made any one or more of the following expenses incurred by the Market Regulator as a result of the investigation and the proceedings resulting in the order:~~ ~~(a) recording or transcription fees;~~ ~~(b) expenses of preparing transcripts;~~ ~~(c) witness fees and reasonable expenses of witnesses;~~ ~~(d) professional fees for services rendered by expert witnesses, legal counsel or accountants retained by the Market Regulator;~~ ~~(e) expenses of staff time incurred by the Market Regulator;~~ ~~(f) travel costs;~~ ~~(g) disbursements; or~~ ~~(h) any other expenses determined to be appropriate under the circumstances.~~ ~~(2) Where the Market Regulator conducts an investigation of a complaint or other communication in the nature of a complaint that was made by a Regulated Person and the Market Regulator, acting reasonably;~~	~~**ASSESSMENT OF COSTS**~~ ~~**20.49 Assessment of Costs**~~ ~~(1) In addition to imposing any of the penalties set out in Rule 20.33, Rule 20.34 or Rule 20.45, the Hearing Panel may assess and order any Corporation Staff investigation and prosecution costs determined to be appropriate and reasonable in the circumstances.~~ ~~(2) Costs shall not be assessed where the Hearing Panel has not made a finding against the Respondent based on any of the grounds set out at Rule 20.33(1) or Rule 20.34(1) or where an expedited decision is quashed upon review pursuant to Rule 20.48(1).~~

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	~~determines that the complaint or other communication in the nature of a complaint was frivolous, the Market Regulator may assess the expenses incurred by the Market Regulator as a result of the investigation against that person.~~	

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8215. Settlements and Settlement Hearings (1) *Enforcement Staff* may agree in a *settlement agreement* to settle a proceeding or proposed proceeding against a *Regulated Person* at any time prior to the conclusion of a *disciplinary hearing*. (2) A *settlement agreement* must contain: (i) a statement of the contraventions agreed to by the *respondent,* with references to the relevant *Corporation requirements* and *laws,* (ii) the agreed facts, (iii) the sanctions and costs to be imposed on the *respondent,* (iv) a waiver by the *respondent* of all rights to any further *hearing*, appeal and review, (v) a provision that *Enforcement Staff* will not initiate any further action against the *respondent* in relation to the matter addressed in the *settlement agreement*, (vi) a provision that the *settlement agreement* is conditional on acceptance by a *hearing panel*, (vii) a provision that the *settlement agreement* and its terms are confidential, unless and until it has been accepted by a *hearing panel*, (viii) a provision that the *parties* will not make any public statement that is inconsistent with the *settlement agreement*, and (ix) any other provision not inconsistent with clauses 8215(2)(i) to 8215(2)(viii). (3) Discussions relating to settlement are on a without prejudice basis to *Enforcement Staff* and any other *person* participating in the discussions and must not be used as evidence or referred to in any proceeding. (4) A *settlement agreement* may impose any obligations on a *respondent* to which the *respondent* agrees, whether or not they could be imposed by a *hearing panel* under this Rule. (5) After a *settlement hearing*, a *hearing panel* may accept or reject a *settlement agreement*.	~~**Policy 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 3 - Offers of Settlement and Settlement Agreements**~~ ~~**3.1 Provision of Offer of Settlement**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~ ~~**3.2 Contents of Offer of Settlement**~~ ~~An Offer of Settlement must:~~ ~~(a) be in writing;~~ ~~(b) be signed by the President of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~ ~~(c) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~ ~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~ ~~(f) contain a statement that if the Offer of Settlement is accepted by the person on whom it is served:~~	~~**SETTLEMENT HEARINGS**~~ ~~**20.35 Negotiation of Settlement Agreements**~~ ~~(1) Corporation Staff may negotiate a Settlement Agreement with any Approved Person or Dealer Member.~~ ~~(2) The parties to a Settlement Agreement may agree to the imposition of any of the penalties prescribed by Rule 20.33 or Rule 20.34.~~ ~~(3) Settlement discussions may occur at any time until the conclusion of a settlement hearing or a disciplinary hearing.~~ ~~(4) All negotiations of a Settlement Agreement are conducted on a without prejudice basis to the Corporation and all other persons involved in the negotiations and cannot be used as evidence or referred to in any proceedings.~~ ~~**20.36 Hearing Panel Powers**~~ ~~(1) Upon conclusion of a settlement hearing, the Hearing Panel may either:~~ ~~(a) accept the Settlement Agreement; or~~ ~~(b) reject the Settlement Agreement.~~ ~~(2) Settlement Agreements shall become effective and binding upon Corporation Staff and an Approved Person or Dealer Member upon acceptance by a Hearing Panel. An Approved Person or Dealer Member shall be deemed to have been penalized pursuant to Rule 20.33 or Rule 20.34 upon acceptance of a Settlement Agreement by a Hearing Panel.~~ ~~**20.37 Acceptance Of Settlement Agreement**~~

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(6) A *settlement agreement* becomes effective and binding on the *parties* to it upon acceptance by a *hearing panel*. (7) If a *settlement agreement* is accepted by a *hearing panel*, any *sanction* imposed under it is deemed to have been imposed under this Rule. (8) If a *settlement agreement* is rejected by a *hearing panel*, (i) either: (a) the *parties* may agree to enter another *settlement agreement*, or (b) *Enforcement Staff* may proceed to a *disciplinary hearing* based on the same or related allegations and charges, and (ii) the *hearing panel's* reasons for rejecting the *settlement agreement* must be made available to a *hearing panel* considering a subsequent *settlement agreement* based on the same or related allegations and charges, but must not be made public or referred to in a subsequent *disciplinary hearing*. (9) A member of a *hearing panel* that rejects a *settlement agreement* may not be a member of a *hearing panel* that considers a subsequent *settlement agreement* or conducts a *disciplinary hearing* based on the same or related allegations.	~~(i) he resulting Settlement Agreement is conditional upon the approval of the Hearing Panel, and~~ ~~(ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~ ~~**3.3 Acceptance of Offer of Settlement**~~ ~~An Offer of Settlement may be accepted by a person upon whom it has been served by that person or such other individual authorized to sign on behalf of that person:~~ ~~(a) executing the Offer of Settlement; and~~ ~~(b) serving the executed document on the Market Regulator on or before the date specified in the Offer of Settlement.~~ ~~**3.4 Submission of Settlement Agreement for Approval**~~ ~~A Settlement Agreement shall be submitted to a Hearing Panel within 20 days following the acceptance of the Offer of Settlement and the Hearing Panel may:~~ ~~(a) approve the Settlement Agreement; or~~ ~~(b) reject the Settlement Agreement.~~ ~~**3.5 Without Prejudice Negotiations**~~ ~~All negotiations of an Offer of Settlement or a Settlement Agreement are without prejudice to the Market Regulator and all other persons involved in the negotiations and the negotiations may not be used as evidence or referred to in any proceedings.~~	~~(1) A decision of the Hearing Panel accepting a Settlement Agreement is a final decision for which no further review or appeal is provided in the Rules.~~ ~~**20.38 Rejection of Settlement Agreement -- Proceeding to a Subsequent Settlement Hearing**~~ ~~(1) If a Settlement Agreement is rejected by a Hearing Panel, the parties may agree to enter into another Settlement Agreement.~~ ~~(2) No member of the Hearing Panel that presided over the initial settlement hearing shall sit on the Hearing Panel presiding over the subsequent settlement hearing.~~ ~~(3) The reasons for rejecting a Settlement Agreement shall not be made public upon rejection of the initial settlement hearing, but shall be made available to a Hearing Panel presiding over the subsequent settlement hearing.~~ ~~**20.39 Rejection of Settlement Agreement -- Proceeding to A Disciplinary Hearing**~~ ~~(1) If a Settlement Agreement or a subsequent Settlement Agreement is rejected by a Hearing Panel, the Corporation may proceed to a disciplinary hearing based on the same or related disciplinary charges pursuant to Rule 20.33 or Rule 20.34.~~ ~~(2) No member of the Hearing Panel that presided over the settlement hearing or subsequent settlement hearing shall sit on a Hearing Panel constituted for a disciplinary hearing on the same or related disciplinary~~

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	3.6 Approval of Settlement Agreement If the Settlement Agreement is approved by the Hearing Panel: (a) the Hearing Panel shall issue an order in accordance with the terms of the Settlement Agreement; (b) the matter becomes final and no party to the Settlement Agreement may appeal or seek a review of the matter; (c) the disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that accepted the Offer of Settlement; (d) the Market Regulator shall publish a summary of: (i) the Requirement contravened, (ii) the facts, and (iii) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed, and such summary shall specify that any person may obtain or inspect a copy of the Settlement Agreement in the form approved by the Hearing Panel; and (e) the Market Regulator shall publish the Settlement Agreement in the form approved by the Hearing Panel and this obligation may be satisfied by the posting of the Settlement Agreement to any website maintained by the Market Regulator. **3.7 Rejection of Settlement Agreement**	charges. **20.40 Rejection of Settlement Agreement** (1) A decision of the Hearing Panel rejecting a Settlement Agreement is a final decision for which no further review of appeal is provided in the Rules. **Rules of Practice** **14.1 Contents of Settlement Agreements** A Settlement Agreement pursuant to Dealer Member Rule 20.35 shall be in writing, signed by or on behalf of the parties and contain: (a) a statement of the violations admitted to by the Respondent with reference to specific Dealer Member Rules, or any applicable statutory provisions; (b) a statement of the relevant facts; (c) a statement of the penalties and costs to be imposed upon the Respondent; (d) a statement that the Respondent waives all rights to any further hearing, appeal and review; (e) a statement that the Settlement Agreement is conditional upon the acceptance of the Hearing Panel; and (f) such other matters not inconsistent with subsections (a) to (e).

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	~~If the Settlement Agreement is rejected by the Hearing Panel, the Market Regulator may proceed with a hearing of the matter and any member of the Hearing Panel that reviewed the Settlement Agreement must not participate further in any way in the matter.~~	
8216. Failure to Pay Fine or Costs (1) If a *Regulated Person* does not pay a fine, costs or other amount ordered to be paid by a *hearing panel* or required to be paid under a *settlement agreement*, the *Corporation* may, seven *days* after sending written notice, summarily suspend the membership of the *Dealer Member* and all rights and privileges of the *Regulated Person* relating to approval or access to a *Marketplace*, until the fine, costs or other amount has been paid.	New	~~**20.44 Non-payment of Fines or Costs**~~ ~~(1) In the event that a fine or costs imposed by a Hearing Panel are not paid within the prescribed time, the Corporation may summarily, without further notice, suspend a Dealer Member or Approved Person, until such fine or costs are paid.~~
8217. Review by a Securities Regulatory Authority (1) A *party* to a proceeding under this Rule may apply to the *securities regulatory authority* in the relevant *District* for review of a final *decision* in the proceeding. (2) A *person* who is entitled to request a review of a *decision* under section 8212 or is the subject of a *decision* making a temporary order under section 8211 may not apply to a *securities regulatory authority* for review of the *decision*, unless the *person* has requested a review or other *hearing* by a *hearing panel* and the *hearing panel* has made a final *decision*. (3) For purposes of subsection 8217(1), *Enforcement Staff* is directly affected by a *decision* in a proceeding in which *Enforcement Staff* is a *party*.	New	New
Rule 8300 **Hearing Committees**		
8301. Introduction (1) This Rule requires a *hearing committee* in each *District* from which *hearing panels* must be selected for enforcement and other proceedings and sets out the process for appointing and	~~**SCHEDULE C.1**~~ ~~**TO TRANSITION RULE NO. 1**~~ ~~**HEARING COMMITTEES AND HEARING PANELS**~~	~~**SCHEDULE C.1**~~ ~~**TO TRANSITION RULE NO. 1**~~ ~~**HEARING COMMITTEES AND HEARING PANELS**~~

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removing members of *hearing committees*. **8302. Definitions** (1) In this Rule, "Corporate Governance Committee" means the Corporate Governance Committee established by the *Corporation's* Board of Directors. "public member nominating committee" means, in each *District*, a committee composed of the chair of the *Corporate Governance Committee*, the chair of the *District Council* and the President of the *Corporation*. **8303. Hearing Committees** (1) A *hearing committee* must be appointed for each *District*. (2) A member of a *hearing committee* of a *District* must reside in the *District*. (3) Two thirds of the members of a *hearing committee*, to the extent practicable, must be *industry members*. (4) One third of the members of a *hearing committee*, to the extent practicable, must be *public members*. (5) The chair of a *hearing committee* must be a *public member*. ~~8303.~~**8304. Nominations** (1) A *District Council* must nominate *individuals* to be *industry members* of the *hearing committee* in its *District*. (2) A *Marketplace Member* must nominate *individuals* to be *industry members* of the *hearing committee* in a *District* in which the *Marketplace Member* (i) is recognized or exempt from ~~registration~~recognition as an Exchange or QTRS under applicable *securities legislation*, or (ii) if an ATS, is registered under applicable *securities legislation*. (3) The *public member nominating committee* in each *District* must nominate *individuals* to be *public members* of the *hearing committee* in the *District*. (4) To the extent practicable, two thirds of the *individuals* who are nominated in a *District* must be nominated by a *District Council* or a *Marketplace Member* ~~in a *District* must be *industry members*~~	~~**RULE**~~ ~~**Part A. DEFINITIONS**~~ ~~**1.1.** In this Rule:~~ ~~**"Dealer Member Rules"** means the Dealer Member Rules adopted pursuant to Transition Rule No. 1.2.2 of the Corporation.~~ ~~**"Enforcement Proceeding"** means a disciplinary hearing, a settlement hearing, and an expedited hearing under UMIR and Rule 20.30, Rule 20.33, Rule 20.34, Rule 20.42, and Rule 20.43 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"Industry Member"** means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ~~**"National Hearing Coordinator"** means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ~~**"Practice and Procedure"** means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~ ~~**"Public Member"** means an individual who is a current~~	~~**RULE**~~ ~~**Part A. DEFINITIONS**~~ ~~**1.1.** In this Rule:~~ ~~**"Dealer Member Rules"** means the Dealer Member Rules adopted pursuant to Transition Rule No. 1.2.2 of the Corporation.~~ ~~**"Enforcement Proceeding"** means a disciplinary hearing, a settlement hearing, and an expedited hearing under UMIR and Rule 20.30, Rule 20.33, Rule 20.34, Rule 20.42, and Rule 20.43 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"Industry Member"** means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ~~**"National Hearing Coordinator"** means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ~~**"Practice and Procedure"** means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~ ~~**"Public Member"** means an individual who is a current~~

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and one third must be nominated by the *public ~~members~~member nominating committee*. **~~8304.~~8305. Appointment** (1) The *Corporate Governance Committee* must appoint to the *hearing committee* of each *District* a number of suitable and qualified *individuals* sufficient to conduct enforcement and other hearings in the *District*. (2) In considering the suitability and qualifications of an *individual* who is nominated for membership on a *hearing committee*, the *Corporate Governance Committee* must take into account the *individual's* (i) general knowledge of business practices and *securities legislation*, (ii) experience, (iii) regulatory background, (iv) availability for hearings, (v) reputation in the securities industry, (vi) ability to conduct hearings in French or English, and (vii) *Districts* in which *individuals* would be entitled to serve. (3) An *individual* who (i) is currently or has been within the previous eighteen months an employee of a *Member*, a *Regulated Person*, or an *affiliate* of a *Member* or *Regulated Person*, (ii) represents any *parties* to enforcement or other proceedings under *Corporation requirements* or any *person* in connection with *Corporation requirements*, or (iii) would otherwise raise a reasonable apprehension of bias with respect to matters that may come before a *hearing panel*, is not eligible for appointment or membership as a *public member* of a *hearing committee*. (4) The *Corporate Governance Committee* must appoint a chair of each *hearing committee*. **~~8305.~~8306. Term of Appointment**	~~or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ~~**"Review Proceeding"** means an approval application review proceeding, an early warning level 2 review proceeding, and an expedited hearing review under Rule 20.19, Rule 20.29, and Rule 20.47 of the Dealer~~ ~~Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"UMIR"** means the provisions of the Universal Market Integrity Rules adopted pursuant to Transition Rule No. 1.1.2 of the Corporation.~~ ~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~ ~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing Committees and Hearing Panels~~ ~~Rule shall prevail.~~ ~~**PART B. HEARING COMMITTEES**~~ ~~**1.2. Nomination of Candidates to the Hearing Committee**~~ ~~(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.~~ ~~(2) From time to time, each Marketplace Member~~	~~or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ~~**"Review Proceeding"** means an approval application review proceeding, an early warning level 2 review proceeding, and an expedited hearing review under Rule 20.19, Rule 20.29, and Rule 20.47 of the Dealer~~ ~~Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"UMIR"** means the provisions of the Universal Market Integrity Rules adopted pursuant to Transition Rule No. 1.1.2 of the Corporation.~~ ~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~ ~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing Committees and Hearing Panels~~ ~~Rule shall prevail.~~ ~~**PART B. HEARING COMMITTEES**~~ ~~**1.2. Nomination of Candidates to the Hearing Committee**~~ ~~(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.~~ ~~(2) From time to time, each Marketplace Member~~

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(1) Appointment of an *individual* to a *hearing committee* is for a three-year term. (2) A *hearing committee* member may be reappointed to successive terms. (3) If a *hearing committee* member's term expires without reappointment during a *hearing* in which the member is serving on the *hearing panel*, the member's term is extended automatically until the completion of the *hearing* or if the *hearing* is a *hearing* on the merits, the proceeding. **~~8306.~~8307. Removal** (1) The *Corporate Governance Committee* may remove a *hearing committee* member who (i) ceases to reside in the *hearing committee's District*, (ii) is precluded from acting as a *hearing committee* member by a statutory requirement applicable in the *District*, (iii) in the *Corporate Governance Committee*'s opinion, will raise a reasonable apprehension of bias with respect to matters that may come before a *hearing panel*, or (iv) for any other reason, ceases to be suitable or qualified to be a *hearing committee* member. (2) An *individual* who is removed by the Corporate Governance Committee must not continue to serve on a *hearing panel* in any proceeding.	~~shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District:~~ ~~(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and~~ ~~(b) in the case of an ATS, registered in accordance with applicable securities legislation.~~ ~~(3) To the extent practicable, one-third of the individuals nominated by a District Council or a Marketplace Member in each District shall be Public Members.~~ ~~(4) To the extent practicable, two-thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry Members.~~ **~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~** ~~(1) The Corporate Governance Committee shall review the suitability and qualifications of individuals nominated for membership on the hearing committee and in such review shall consider:~~ ~~(a) general knowledge of business practices and securities legislation,~~ ~~(b) experience,~~ ~~(c) regulatory background,~~ ~~(d) availability for hearings,~~	~~shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District:~~ ~~(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and~~ ~~(b) in the case of an ATS, registered in accordance with applicable securities legislation.~~ ~~(3) To the extent practicable, one-third of the individuals nominated by a District Council or a Marketplace Member in each District shall be Public Members.~~ ~~(4) To the extent practicable, two-thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry Members.~~ **~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~** ~~(1) The Corporate Governance Committee shall review the suitability and qualifications of individuals nominated for membership on the hearing committee and in such review shall consider:~~ ~~(a) general knowledge of business practices and securities legislation,~~ ~~(b) experience,~~ ~~(c) regulatory background,~~ ~~(d) availability for hearings,~~

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	~~(e) reputation in the securities industry,~~ ~~(f) ability to conduct hearings in either French or English, and~~ ~~(g) Districts in which the individual would be entitled to serve.~~ ~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~ ~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~ ~~(4) To the extent practicable, the Corporate Governance Committee shall ensure that two-thirds of the members of the hearing committee of each District shall be Industry Members.~~ ~~(5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee.~~ ~~(6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing.~~ ~~**1.4. Appointment of Hearing Committee Chairs**~~	~~(e) reputation in the securities industry,~~ ~~(f) ability to conduct hearings in either French or English, and~~ ~~(g) Districts in which the individual would be entitled to serve.~~ ~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~ ~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~ ~~(4) To the extent practicable, the Corporate Governance Committee shall ensure that two-thirds of the members of the hearing committee of each District shall be Industry Members.~~ ~~(5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee.~~ ~~(6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing.~~ ~~**1.4. Appointment of Hearing Committee Chairs**~~

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	~~(1) For each District, the Corporate Governance Committee shall appoint a Public Member to serve as the chair of that District's hearing committee.~~ ~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~ ~~**1.5. Appointment to and removal from Hearing Committees**~~ ~~(1) Each individual appointed to the hearing committee shall serve for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms.~~ ~~(2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three-year term and the individual is not re-appointed to the hearing committee, the term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~ ~~(3) The Corporate Governance Committee may remove from the hearing committee prior to the expiration of their term any individual who:~~ ~~(a) ceases to be a resident of the District in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(b) is precluded from acting in such~~	~~(1) For each District, the Corporate Governance Committee shall appoint a Public Member to serve as the chair of that District's hearing committee.~~ ~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~ ~~**1.5. Appointment to and removal from Hearing Committees**~~ ~~(1) Each individual appointed to the hearing committee shall serve for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms.~~ ~~(2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three-year term and the individual is not re-appointed to the hearing committee, the term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~ ~~(3) The Corporate Governance Committee may remove from the hearing committee prior to the expiration of their term any individual who:~~ ~~(a) ceases to be a resident of the District in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(b) is precluded from acting in such~~

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	capacity by reason of any statutory requirement applicable to the jurisdiction in respect of which the individual was appointed to serve on the hearing committee;	capacity by reason of any statutory requirement applicable to the jurisdiction in respect of which the individual was appointed to serve on the hearing committee;
	(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or	(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or
	(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.	(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.
	(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.	(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.
	PART C. HEARING PANELS	**PART C. HEARING PANELS**
	1.6. Selection of Hearing Panel	**1.6. Selection of Hearing Panel**
	(1) Any Enforcement Proceeding or Review Proceeding pursuant to Rules of the Corporation shall be heard by a Hearing Panel selected by the National Hearing Co-ordinator comprised of two Industry Members and one Public Member appointed to the hearing committee of the applicable District subject to subsection (2).	(1) Any Enforcement Proceeding or Review Proceeding pursuant to Rules of the Corporation shall be heard by a Hearing Panel selected by the National Hearing Co-ordinator comprised of two Industry Members and one Public Member appointed to the hearing committee of the applicable District subject to subsection (2).
	(2) Hearing committee members may serve on Hearing Panels in other Districts where both chairs of the respective hearing committees consent. Notwithstanding the foregoing sentence or any other provision of the By-	(2) Hearing committee members may serve on Hearing Panels in other Districts where both chairs of the respective hearing committees consent. Notwithstanding the foregoing sentence or any other provision of the By-

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	~~laws or Rules, Hearing Panels considering matters that relate to the conduct or activities in the Province of Quebec shall be composedmainly of persons residing in Quebec.~~ ~~(3) The National Hearing Coordinator shall not select any individual to be a member of any Hearing Panel with respect to any matter if the member:~~ ~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~ ~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~ ~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~ ~~(d) is precluded from acting in such capacity by reason of any statutory requirement applicable to the District in which the hearing will be held;~~ ~~(e) is the chair of the Hearing Committee of the District and the National Hearing Coordinator consulted the chair with respect to the selection of the Hearing Panel; or~~ ~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the~~	~~laws or Rules, Hearing Panels considering matters that relate to the conduct or activities in the Province of Quebec shall be composedmainly of persons residing in Quebec.~~ ~~(3) The National Hearing Coordinator shall not select any individual to be a member of any Hearing Panel with respect to any matter if the member:~~ ~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~ ~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~ ~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~ ~~(d) is precluded from acting in such capacity by reason of any statutory requirement applicable to the District in which the hearing will be held;~~ ~~(e) is the chair of the Hearing Committee of the District and the National Hearing Coordinator consulted the chair with respect to the selection of the Hearing Panel; or~~ ~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the~~

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	~~Corporation, is precluded from acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~	~~Corporation, is precluded from acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~
	~~**1.7. Chair of Hearing Panels**~~	~~**1.7. Chair of Hearing Panels**~~
	~~(1) A Public Member of a hearing committee shall be appointed to serve as the chair of the Hearing Panel.~~	~~(1) A Public Member of a hearing committee shall be appointed to serve as the chair of the Hearing Panel.~~
	~~**1.8. Provisions for Hearing Panels**~~	~~**1.8. Provisions for Hearing Panels**~~
	~~(1) If a member (including the chair) of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make provided that the Hearing Panel may only continue to deal with any matter with the consent of all parties to the hearing.~~	~~(1) If a member (including the chair) of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make provided that the Hearing Panel may only continue to deal with any matter with the consent of all parties to the hearing.~~
	~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~	~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~
	~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and Procedure, the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule~~	~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and Procedure, the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule~~

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	~~1.6.~~	~~1.6.~~
	~~**PART D. TRANSITIONAL PROVISIONS**~~	~~**PART D. TRANSITIONAL PROVISIONS**~~
	~~**1.9. Enforcement Proceedings**~~	~~**1.9. Enforcement Proceedings**~~
	~~(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:~~	~~(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:~~
	~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and~~	~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and~~
	~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding, this Rule shall apply to the appointment of the hearing panel.~~	~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding, this Rule shall apply to the appointment of the hearing panel.~~

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	(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding is commenced.	(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding is commenced.
	1.10. Review Proceedings	**1.10. Review Proceedings**
	(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request: (a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions,	(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request: (a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions,

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	~~policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~	~~policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~
	~~**1.11 Continuing Membership of Hearing Committees**~~ ~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of~~	~~**1.11 Continuing Membership of Hearing Committees**~~ ~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of~~

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	~~the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~	~~the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~
Rule 8400 **Rules of Practice and Procedure**		
GENERAL		
8401. Introduction (1) The Rules of Practice and Procedure set out the rules that govern the conduct of the *Corporation's* enforcement proceedings and regulatory review hearings to secure fair and efficient proceedings and just determinations.	~~**UMIR 10.8 Practice and Procedure**~~ ~~The practice and procedure governing hearings pursuant to this Part shall be made by Policy.~~	New
8402. Definitions (1) The following terms have the meaning set out when used in this Rule: "application" means an application that commences a proceeding under Rule 8200 (Enforcement Proceedings) and includes an application for a temporary order or ~~an expedited hearing~~a protective order. "commencing notice" means a notice of hearing, notice of application, notice of motion, notice of prehearing conference and notice of request for review. "decision" means a determination made by a *hearing panel*. "document" includes a *record*, sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any electronic or other device. "electronic hearing" means a *hearing* held by conference telephone or another form of electronic technology that allows persons to hear one another.	~~**POLICY 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 1 – General Procedure and Practice**~~ ~~**1.1 Definitions**~~ ~~In this Policy, unless the subject matter or context otherwise requires:~~ ~~**"applicant"** means the party who instituted the proceedings for a written hearing.~~ ~~**"document"** – repealed~~ ~~**"electronic hearing"** means a hearing held by conference telephone or some other form of electronic technology allowing persons to hear one another.~~ ~~**"oral hearing"** means a hearing at which the parties or their counsel or agents attend before the Hearing Panel in person.~~ ~~**"party"** includes the staff of the Market~~	~~**Rules of Practice1.3 Definitions**~~ ~~In these Rules:~~ ~~**"Appeal Panel"** means a panel presiding over an appeal as set out in Dealer Member Rule 20.50.~~ ~~**"Appellant"** means a party bringing an appeal.~~ ~~**"Corporation"** means the Investment Industry Regulatory Organization of Canada.~~ ~~**"Board Panel"** means a Panel presiding over a membership approval review hearing as set out in Dealer Member Rule 20.22(3).~~ ~~**"Chair"** means a public member of the Hearing Panel.~~ ~~**"Commencing document,"** means Notice of Hearing, Notice of Application, Notice of Motion, Notice of Request for Review and Notice of Appeal.~~ ~~**"District Council Panel"** means a panel

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"file" means file with the *National Hearing Coordinator* in accordance with section 8406. "oral hearing" means a *hearing* at which the *parties* or their counsel or agents attend before a *hearing panel* in person. "prehearing conference" means a prehearing conference held pursuant to section 8416 of the *Rules of Practice*. "regulatory decision" means a decision made under sections 9204, 9206 or 9207 (Approvals and Regulatory Supervision) or Dealer Member Rule 30 (early level warning 2 prohibitions). "requesting party" means a *person* who requests a review *hearing* under sections 8427 or 8430 of the *Rules of Practice*. "responding party" means a *person* responding to a motion or to a request for a review hearing under sections 8427 or 8430 of the *Rules of Practice*. "written hearing" means a *hearing* held by means of an exchange of documents, whether in hard copy or by electronic means.	~~Regulator.~~ ~~**"Secretary"** means the Secretary of the Market Regulator or other officer, employee or agent of the Market Regulator designated in writing from time to time by the Secretary to perform the functions of the Secretary for the purposes of this Policy as may be specified in the designation by the Secretary.~~ ~~**"written hearing"** means a hearing held by means of the exchange of documents, whether in written form or by electronic means.~~	~~presiding over an exemption review hearing as set out in Dealer Member Rule 20.26(4).~~ ~~"**Document**" means any information recorded or stored by means of any device including audiotape, videotape, chart or graph.~~ ~~"**Hearing**" means any hearing conducted pursuant to Dealer Member Rule 20.~~ ~~"**Hearing Committee**" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels.~~ ~~"**Hearing Panel**" means a Panel presiding over individual approval review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13.~~ ~~"**Holiday**" shall include:~~ ~~(i) any Saturday or Sunday;~~ ~~(ii) any federal statutory holiday;~~ ~~(iii) any Provincial Civic holiday (applicable to the jurisdiction of the matter in consideration);~~ ~~(iv) any special holiday proclaimed by the Governor General or the Lieutenant Governor.~~ ~~"**Member**" means a member firm of the Corporation.~~ ~~"**National Hearing Coordinator**" means the individual responsible for the administration of all proceedings including being responsible for the~~

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		~~selection of the Panels, the scheduling of hearings, and custody and control of documents.~~ ~~"**Panel**" means a Hearing Panel, District Council Panel, Board Panel or Appeal Panel.~~ ~~"**Party**" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant.~~ ~~"**Presiding Officer**" means a public member of the Hearing Committee appointed to hear a motion or Pre-hearing Conference.~~ ~~"**Proceedings**" means all steps in enforcement, registration, appeal or early warning matters, from the issuance of the commencing document to the final disposition of the matter.~~ ~~"**Requesting Party**" means a party requesting any review hearing pursuant to Dealer Member Rule 20.~~ ~~"**Respondent**" means an approved individual or Dealer Member named in a Notice of Hearing, Settlement Agreement, Notice of Application or a party named in the Notice of Appeal against whom the appeal is brought.~~ ~~"**Responding Party**" means a party responding to a Request for Review or a Notice of Motion.~~ ~~"**Rules**" means the Corporation Rules of Practice and Procedure.~~ ~~**1.4 Interpretation of Rules**~~ ~~For the purpose of these Rules any term in the singular includes the plural and any term in the plural includes the singular, if such use would be appropriate.~~
8403. General Principles (1) The *Rules of Practice* shall be interpreted and applied to secure a	~~**1.2 Procedural Power of Hearing Panel**~~ ~~(1) A Hearing Panel may:~~	~~**1.2 General Principle**~~ ~~These Rules shall be interpreted and applied to~~

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fair hearing and just determination of a proceeding on its merits and the most expeditious and least expensive conduct of the proceeding. (2) No proceeding, *document* or *decision* in a proceeding is invalid by reason of a defect or other irregularity in form. (3) Subject to a requirement in the *Rules of Practice*, a *hearing panel* has authority to control the process of a proceeding before it and may exercise any of its powers on its own initiative or at the request of a *party*, including (i) issuing procedural directions or orders with respect to the application of the *Rules of Practice* in respect of any proceeding, (ii) imposing terms or conditions in a direction or order, (iii) admitting or requiring presentation of evidence on oath, affirmation or otherwise, (iv) waiving or varying any *Rule of Practice* in respect of a proceeding, (v) requiring *parties* to *file documents* electronically, and (vi) at the request of a *party*, making an interim *decision* or order, including a *decision* or order that is subject to terms and conditions. (4) At the request of a *party*, a *hearing panel* may provide for any procedural matter that is not provided for in *Corporation requirements* or the *Rules of Practice* by analogy to the *Rules of Practice* or by reference to the rules of practice of another self-regulatory organization or professional association or to the rules applicable to a *securities regulatory authority* or superior court in the *District* in which the proceeding occurs.	~~(a) exercise any power under this Policy on its own initiative or at the request of a party;~~ ~~(b) issue general or specific procedural directions at any time before or during a hearing; and~~ ~~(c) waive any procedural requirement with the consent of the parties.~~ ~~(2) A Hearing Panel may hear such evidence relating to a matter that the Hearing Panel deems relevant and the Hearing Panel is not bound by the legal or technical rules of evidence.~~ ~~(3) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.~~ ~~(4) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.~~ ~~**1.3 Irregularity in Form**~~ ~~No determination, document, hearing, order or interim order is invalid by reason only of a defect or other irregularity in form.~~	~~secure a fair hearing and a just determination in the interests of justice, with a view to securing such result in a timely and cost effective manner.~~ ~~**1.5 Procedural Power of the Panel**~~ ~~A Panel may:~~ ~~(a) make any determination, hold any hearing and make any decision, order, interim order or impose any terms required to implement such order, required or permitted under these Rules;~~ ~~(b) admit as evidence in a hearing, whether or not given or proven under oath or affirmation, anything that is relevant to the proceedings;~~ ~~(c) require presentation of evidence or testimony under oath or affirmation; and~~ ~~(d) waive any procedural requirement set out in these Rules upon the request of one or both parties.~~ ~~**1.6 Irregularity of Form**~~ ~~No document, hearing, or decision in a proceeding is invalid only because of a defect or irregularity in form.~~
8404. Time (1) When computing time under the *Rules of Practice*, (i) the number of days between two events are counted by excluding the day on which the first event occurs and including the day on which the second event occurs, (ii) if a period of less than seven days is prescribed, only	~~**1.5 Service and Filing**~~ . . ~~(6) Extension or Abridgment of Time - Any time period prescribed by this Policy may be~~	~~**RULE 2: TIME**~~ ~~**2.1 Computation of Time**~~ ~~In the computation of time under these Rules:~~ ~~(a) if a period of less than 7 days is prescribed, holidays are not counted;~~

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business days are to be counted, (iii) if the time for doing an act expires on a day that is not a *business day*, the act may be done on the next *business day*, and (iv) a document that is served or filed after 4 p.m. in the time zone of the recipient is deemed to have been served or filed on the next *business day*. (2) A time period prescribed by the *Rules of Practice* may be extended or abridged (i) before its expiration, on consent of the *parties,* or (ii) before or after its expiration, by a *hearing panel* on any terms and conditions the *hearing panel* considers appropriate.	~~extended or abridged as follows:~~ ~~(a) upon order of the Hearing Panel or after expiration of a prescribed time period on such terms as the Hearing Panel considers appropriate; or~~ ~~(b) on consent of the parties before the expiration of a prescribed time period.~~	~~(b) if the time for doing an act under these Rules expires on a holiday, the act may be done on the next day that is not a holiday.~~ **~~2.2 Extension or Abridgment of Time~~** ~~Any time period prescribed by these Rules may be extended or abridged as follows:~~ ~~(a) on consent of the parties before the expiration of a prescribed time period; or~~ ~~(b) upon order of the Panel before or after the expiration of a prescribed time period, on such terms and conditions as the Panel considers appropriate.~~
8405. Appearance and Representation (1) A *party* in a proceeding may be self-represented or may be represented by counsel or an agent. (2) A self-represented *party* must *file* and keep current during a proceeding the *party*'s address, telephone number, facsimile number and email address, as applicable. (3) A *person* who appears as counsel or agent for a *party* in a proceeding must *file* and keep current during the proceeding the *person's* address, telephone number, facsimile number and email address, as applicable, and the name and address of the *party* represented. (4) A *party* who is represented by counsel or an agent may (i) change the counsel or agent by serving on the counsel or agent and on every other *party*, and *filing*, a notice of change giving the name, address, telephone number, facsimile number and email address of the new counsel or agent, as applicable, or (ii) elect to act in person by serving on the counsel or agent and on every other *party,* and *filing*, a notice of intention to act in person, giving the *party's* address, telephone number, facsimile number and email address, as applicable.	New	**~~RULE 3: APPEARANCE AND REPRESENTATION~~** **~~3.1 Representation before a Panel~~** ~~In any proceeding before a Panel, a party may appear on her/his own behalf or may be represented by counsel or agent.~~ **~~3.2 Change in Representation~~** ~~A party may change representation by serving and filing written notice pursuant to Rule 5.~~ **~~3.3 Withdrawal by Counsel or Agent~~** ~~1. Counsel or agent for a party may withdraw as counsel or agent by serving and filing written notice pursuant to Rule 5 and by serving notice on the subject party.~~ ~~2. Where counsel or agent for a party seeks to withdraw as counsel or agent less than 30 days prior to the matter being heard by a Panel, leave must be obtained on motion brought pursuant to Rule 8.~~ ~~3. Where leave is granted and a party appoints~~

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(5) A *party* who appoints a new counsel or agent in the course of a proceeding must comply with clause 8405(4)(i). (6) Counsel or an agent for a *party* may withdraw as counsel or agent by serving on the *party* and other *parties* and *filing* a written notice of withdrawal. (7) If counsel or an agent for a *party* seeks to withdraw as counsel or agent less than thirty days prior to the date on which a matter is scheduled to be heard by a *hearing panel*, the counsel or agent may withdraw only with leave of the *hearing panel* obtained on a motion. (8) Where a *party* is represented by counsel or an agent, (i) *documents* served on the *party* must be served on the *party's* counsel or agent, unless the *Rules of Practice* require otherwise, (ii) communications with the *party* must be with the *party's* counsel or agent, and (iii) the *party* must address a *hearing panel* through the *party's* counsel or agent.		~~new counsel or agent, the party shall then comply with Rule 3.2.~~
8406. Service and Filing (1) A document required to be served under the *Rules of Practice* must be served on all *parties* to the proceeding. (2) A notice of hearing under section 8414, a notice of application under section 8425 or 8426, a notice of request for review from a *decision* made under Rule 9200 (Approvals and Regulatory Supervision) and a *decision* of a *hearing panel* on the merits of such a proceeding that is served on an *Approved Person* must, for information purposes, be sent concurrently to the *Dealer Member* that employs the *Approved Person*. (3) Subject to subsection 8406(4), a *document* required to be served must be served by one of the following methods: (i) personal delivery to the *party*, (ii) delivery to the *party's* counsel or agent, (iii) delivery to an adult person at the *party's* place of residence, employment or business or the place of business of the	~~**Policy 10.8 - PRACTICE AND PROCEDURE 1.5 Service and Filing**~~ ~~(1) **Service** - A document required under this Policy to be served must be served by one of the following methods:~~ ~~(a) personal service on an individual, by leaving a copy of the document with the individual;~~ ~~(b) personal service on any corporation, by leaving a copy of the document with an officer or director of the corporation, or with an individual at any place of business of the corporation who appears to be in control or management of the place of business;~~ ~~(c) service by sending a copy of the~~	~~**RULE 5: SERVICE AND FILING**~~ ~~**5.1 Parties to be Served**~~ ~~Any document required to be served under these Rules shall be served on every adverse party to the proceeding.~~ ~~**5.2 Manner of Service - Notice of Hearing**~~ ~~A Notice of Hearing shall be served by one of the following methods:~~ ~~(a) by personal service on the Respondent;~~ ~~(b) by delivering a copy of the Notice of Hearing by registered mail to the Respondent's last known address as recorded in the Organization's Registration file; or~~ ~~(c) where a Respondent is represented by~~

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party's counsel or agent, (iv) if the *party* is a corporation, delivery to an officer, director or agent of the corporation or a *person* at any place of business of the corporation who appears to be in control or management of the place of business, (v) if the *party* is a partnership, delivery to a partner or a *person* at any place of business of the partnership who appears to be in control or management of the place of business, (vi) mail or courier to the last known address of the *party* or the *party's* counsel or agent, (vii) electronic transmission to the facsimile number or e-mail address of the *party* or the *party's* counsel or agent, or (viii) by any other means authorized by a *hearing panel*. (4) A notice of hearing and a notice of application must be served by (i) personal delivery to the *party*, (ii) registered mail to the *party's* last known address, (iii) delivery to the *party's* counsel or agent, with the consent of counsel or the agent, (iv) any other method set out in subsection 8406(3) to which the *party* consents, or (v) any other means authorized by a *hearing panel*. (5) Service of a *document* is deemed to be effective, when delivered no later than 4 p.m. in the time zone of the recipient, (i) by delivery, on the day of delivery, (ii) by mail, on the fifth day after mailing, (iii) electronically, on the day of transmission, (iv) by courier, on the earlier of the day noted on the delivery receipt or the second day after the day on which it was given to the courier, or (v) by any other means authorized by a *hearing panel*, on the day the *document* is served by the means so authorized. (6) Service of a *document* may be proved by an affidavit of the *person* who served it.	~~document by mail, courier or telephone transmission to the last known address or fax number of the party to be served;~~ ~~(d) service on a party who is represented by a solicitor or an agent by,~~ ~~(i) acceptance of a copy of the document on behalf of the solicitor or the agent,~~ ~~(ii) sending a copy of the document by mail, courier or telephone transmission to the officer of the solicitor or agent, or~~ ~~(iii) depositing a copy of the document at a document exchange of which the solicitor or agent is a member or subscriber; or~~ ~~(e) service by any other method permitted by the Hearing Panel.~~ ~~(2) Proof of Service - The Hearing Panel may accept proof of service of a document by an affidavit of the person who served it.~~ ~~(3) Filing - A document required to be filed with the Hearing Panel under this Policy must be filed by either personal delivery of a copy or sending a copy by mail, courier or telephone transmission to the Secretary.~~ ~~(4) Effective Date of Service or Filing - Service or filing of a document is deemed to be effective:~~ ~~(a) if served personally, on the same day as service;~~ ~~(b) if sent by mail, on the fifth day after the day of mailing;~~	~~counsel, by delivering a copy of the Notice of Hearing to the Respondent's counsel with the consent of counsel.~~ ~~**5.3 Manner of Service - Other Documents**~~ ~~Where these Rules require a document other than a Notice of Hearing to be served, it may be served by mail, courier, facsimile, or by any other means effective to deliver a copy of the document.~~ ~~**5.4 Effective Date of Service**~~ ~~Service of a document is deemed effective:~~ ~~(a) if served personally, on the same day of service;~~ ~~(b) if sent by mail, on the fifth day after the day of mailing;~~ ~~(c) if sent by facsimile, on the same day as the transmission unless received after 4 p.m., in which case the document will be deemed to have been served on the next day that is not a holiday; or~~ ~~(d) if sent by courier, on the second day after the day on which the document was given to the courier.~~ ~~**5.5 Proof of Service**~~ ~~The Hearing Panel may accept proof of service of a document by a sworn statement of the person who served the document.~~ ~~**5.6 Filing**~~ ~~A document required to be filed under these Rules shall be filed by delivering four (4) copies to the National Hearing Coordinator or his/her designate by personal delivery, mail, courier, or facsimile.~~

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(7) A *document* required to be *filed* under the *Rules of Practice* must be *filed* by delivering or sending by mail, courier or facsimile transmission four copies of the *document*, with proof of service, to the *National Hearing Coordinator* at the *Corporation's* offices in the *District* in which the proceeding is conducted. (8) The *National Hearing Coordinator* may (i) require more or permit fewer than four copies of a *document* to be *filed*, and (ii) permit or require *filing* of a *document* by e-mail, provided that the *party* also *files* four printed copies forthwith. (9) A *party* who serves or *files* a *document* must include with it (i) the *party's* name, address, telephone number, facsimile number and e-mail address, as applicable, or (ii) if the *party* is represented by counsel or an agent, the name, address, telephone number, facsimile number and e-mail address of the *party's* counsel or agent, (iii) the name of the proceeding to which the *document* relates, and (iv) the name of each *party*, counsel or agent served with the *document*. (10) Subject to *Corporation requirements*, a *document* that is *filed* must be made available by the *National Hearing Coordinator* for public inspection during the *Corporation's* normal business hours, unless confidentiality is requested and a *hearing panel* applying the standard in Rule 8203(6) or 8203(7) (Enforcement Proceedings) orders otherwise.	~~(c) if sent by telephone transmission, on the same day as the transmission unless received after 5 p.m., in which case the document will be deemed to have been served or filed on the next day that is not a holiday;~~ ~~(d) if sent by courier, on the second day after the day on which the document was given to the courier by the party serving or filing, unless the second day is a holiday, in which case the effective date is the next day which is not a holiday;~~ ~~(e) if deposited at a document exchange, on the first day after the day on which the document was deposited, unless the first day is a holiday, in which case the effective date is the next day which is not a holiday; or~~ ~~(f) as otherwise ordered by the Hearing Panel.~~ ~~(5) Required Information on Documents - A party serving or filing a document shall include the following information:~~ ~~(a) the party's name, address, telephone number and fax number;~~ ~~(b) the style of cause of the hearing to which the document relates;~~ ~~(c) the name, address, telephone and fax number of the party's solicitor or agent; and~~ ~~(d) the name of the party or solicitor or agent with whom the document is~~	~~**5.7 Required Information - Service and Filing**~~ ~~A party serving or filing a document shall include the following information:~~ ~~(a) the name of the proceeding to which the document relates;~~ ~~(b) the party's name, address, telephone number and facsimile number, unless the party has counsel or an agent;~~ ~~(c) if the party has counsel or an agent, the name, address, telephone number and fax number of the counsel or agent; and~~ ~~(d) the name of the party, counsel or agent to be served with the document.~~

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	~~being served or filed.~~	
8407. National Hearing Coordinator (1) The *National Hearing Coordinator* administers all proceedings brought pursuant to the *Rules of Practice*, including (i) the selection of members of *hearing panels*, (ii) scheduling and arranging *hearings* and *prehearing conferences*, (iii) care, custody and distribution to members of *hearing panels* of *filed documents*, (iv) maintaining a *hearing* record, including original exhibits, (v) dating and distributing written *hearing panel decisions* and reasons to *parties* to a proceeding, (vi) issuing and serving a notice or summons to attend and testify or produce *documents*, where so authorized by a *decision* of a *hearing panel*, and (vii) any other administrative functions that are reasonably necessary for the efficient conduct of a proceeding. (2) The *National Hearing Coordinator* acts as liaison between members of a *hearing panel* and *parties* to a proceeding and, other than in the course of an *oral hearing* or *electronic hearing*, a *party* must communicate to a *hearing panel* through the *National Hearing Coordinator* and serve all other *parties* with the communication. (3) The *National Hearing Coordinator* may seek the advice of the chair of a *hearing committee* with respect to legal, administrative or procedural issues. (4) The *National Hearing Coordinator*, after consultation with the chairs of the *hearing committees* in all *Districts*, may publish on the *Corporation's* website guidelines concerning practices to be followed under the *Rules of Practice*. (5) The *National Hearing Coordinator* may prescribe the form and format of *documents* and forms that are required to be *filed* under the *Rules of Practice*. (6) The *National Hearing Coordinator* may designate individuals to	See also above SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE To be repealed.	~~**ROP RULE 4: NATIONAL HEARING CO-ORDINATOR**~~ ~~**4.1 Role of National Hearing Coordinator**~~ ~~The National Hearing Coordinator shall, pursuant to Dealer Member Rule 20.14, administer all proceedings brought in accordance with these Rules.~~ ~~**4.2 Parties to follow Practice Direction**~~ ~~The parties shall communicate and file documents with the National Hearing Coordinator or her/his designate in accordance with these Rules and the Notes and Practice Direction contained in Schedule "A".~~ ~~**SCHEDULE "A" – NOTES & PRACTICE DIRECTION RE: NATIONAL HEARING COORDINATOR**~~ ~~***A. DUTIES***~~ ~~**A.1 Admission of Proceedings**~~ ~~The National Hearing Coordinator is responsible for the administration of all proceeds brought pursuant to Dealer Member Rule 20, which includes the following:~~ ~~(a) the selection of Panel Members;~~ ~~(b) the scheduling and arrangement of Pre-hearing Conferences, motions, hearings and appeals;~~ ~~(c) the care, custody and distribution to panel members of all documents required to be filed pursuant to the Rules of Practice and Procedure;~~ ~~(d) the maintenance of the hearing record including original exhibits;~~

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perform the functions for which the *National Hearing Coordinator* is responsible under the *Rules of Practice*.		~~(e) distribution of written panel decisions to all parties to the proceeding; and~~ ~~(f) any other administrative duties reasonably necessary for the efficient operation of a proceeding.~~ ~~**Transition Rule No. 1, Schedule C.1**~~ ~~**1.4. Appointment of Hearing Committee Chairs**~~ ~~.~~ ~~.~~ ~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~ ~~1.3 **HEARING COMMITTEES AND PANELS**~~ ~~1.3.1 **General**~~ ~~This Transition Rule No. 1.3 is made to provide for the manner and basis on which Hearing~~ ~~Committees and Hearing Panels of the Corporation shall be constituted. The intention of this Transition Rule No. 1.3 is that such Hearing Committees and Hearing Panels shall be constituted~~ ~~in the same manner with respect to any Enforcement Proceeding or Review Proceeding, as~~ ~~defined in Schedule C.1 to this Transition Rule No. 1, involving any Regulated Persons of the~~ ~~Corporation, whether such Regulated Persons be subject to UMIR or the Dealer Member Rules.~~
8408. Hearing Panels (1) The *National Hearing Coordinator* is responsible for the selection of members of a *hearing panel* from members of a *hearing committee*. (2) In connection with the selection of a *hearing panel*, the *National Hearing Coordinator* may consult with or seek the advice of the chair of a *hearing committee*. (3) For a *hearing* under sections 8209, 8210, 8215 (Enforcement Proceedings) or Rule ~~9200~~9300 (Regulatory Review Proceedings), the *National Hearing Coordinator* must, subject to subsections 8408(4) and 8408(6), select two *industry members* and one *public member* from the *hearing committee* of the applicable *District* as members of the *hearing panel*. (4) If the chairs of both *hearing committees* consent, the *National Hearing Coordinator* may select a member of a *hearing committee* in one *District* to serve on a *hearing panel* in another *District*, but a *hearing panel* that considers a matter that relates to conduct in Quebec must have a majority of members who reside in		

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Quebec. (5) The *National Hearing Coordinator* must appoint a *public member* as the chair of a *hearing panel*, and if the matter ~~is~~ relates to conduct in Quebec, the chair must be a *public member* of the *hearing committee* in the Quebec District. (6) The *National Hearing Coordinator* may select a *public member* of a *hearing committee* to serve as the *hearing panel* in a proceeding under section 8211 (Temporary Orders) or section 8212 (~~Expedited Hearings~~Protective Orders), a motion or *prehearing conference*, or to act as case manager of a proceeding. (7) The *National Hearing Coordinator* must not select an *individual* to be a member of a *hearing panel*, if the *individual* (i) is an officer, partner, director, employee or *associate* of, or is providing services to, a *party* or if a *party* is an affiliate, *associate* or employee of another *person* with whom the individual is in such a relationship, (ii) has or had another relationship to a *party* or matter that may create a reasonable apprehension of bias, (iii) is precluded from acting as a member of the *hearing panel* by a *Corporation requirement*, any statutory requirement applicable in the *District* in which the *hearing* is held or by the recognition order or registration under applicable securities legislation of a *Marketplace* whose rules are the subject of the *hearing*, or (iv) was consulted by or advised the *National Hearing Coordinator* in connection with the selection of the *hearing panel*. (8) The *National Hearing Coordinator* may not select an *individual* who is a member of a *hearing panel* in a proceeding under sections 8211 or 8212 as a member of a *hearing panel* on a subsequent *hearing* relating to the same matter, including a motion for a stay of a sanction imposed under section 8212 (Enforcement Proceedings), unless all *parties* consent to the selection of the member. (9) The *National Hearing Coordinator* may not select a member of a		~~1.3.2 **Hearing Committee and Hearing Panel Rules**~~ ~~The rules set out in Schedule C.1 to this Transition Rule No. 1 are hereby made as Rules of the Corporation, subject to the terms and conditions provided for in Transition Rule No. 1.~~ See Schedule C.1 to Transition Rule No. 1 – Hearing Committees and Hearing Panels Rule, above.

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hearing panel who participates in a *prehearing conference* or who case manages a proceeding to be a member of the *hearing panel* on the merits, unless all *parties* consent to the selection of the member. (10) If a member of a *hearing panel* becomes unable to continue to serve as a member of the *hearing panel* for any reason, the remaining members may continue to hear the matter and render a *decision*, but only with the consent of all *parties*, and if neither of the remaining members is the chair, the *hearing panel* may retain its own legal counsel to advise it on legal and procedural issues, but not on the merits of the proceeding. (11) A *decision* of a *hearing panel* must be made by a majority of its members, and if the *hearing panel* consists of two members, must be unanimous.		
8409. Form of Hearings (1) Subject to subsections 8409(2) to 8409(9), a *hearing panel* may conduct a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*. (2) Subject to subsections 8409(3) to 8409(9), a *written hearing* may be held only for (i) a motion relating to procedural issues, (ii) a *hearing* on agreed facts, and (iii) any other motion or ~~an application~~*hearing* that a *hearing panel* considers appropriate. (3) In determining whether to hold a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*, a *hearing panel* may consider any relevant factors, including (i) the nature of the *hearing*, the subject matter of the *hearing*, and the issues to be addressed, including whether they are issues of fact, law or procedure, (ii) the evidence to be presented, including whether facts are in dispute and credibility is an issue, (iii) the cost, efficiency and timeliness of the *hearing* or the proceeding,	~~**Policy 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 5 – Form of Hearing**~~ ~~**5.1 Factors in Determining to Hold Oral, Electronic or Written Hearing**~~ ~~In deciding whether to hold an oral hearing, written hearing or electronic hearing, the Hearing Panel shall take into account any relevant factors, which may include:~~ ~~(a) the suitability of the hearing format considering the subject matter of the hearing, including the extent to which matters are in dispute;~~ ~~(b) whether the nature of the evidence is appropriate for the hearing format, including whether credibility is an issue and the extent to which the facts are in dispute;~~ ~~(c) the extent to which the matters in dispute are questions of law;~~ ~~(d) the convenience of the parties;~~	New

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(iv) the fairness of the *hearing* process to, and the convenience of, each of the *parties*, and (v) accessibility to the public. (4) A *party* may request an *electronic hearing* or *written hearing* in a *commencing notice*. (5) If an *electronic hearing* or *written hearing* is requested, (i) in a notice of hearing, a *party* may object to the requested form of *hearing* in the *party's* response or by bringing a motion, (ii) in a *commencing notice* other than a notice of hearing, a *party* may object to the requested form of *hearing* by serving and *filing* a notice of objection within three days after the *commencing notice* is served on the *party*. (6) A notice of objection must state the reasons for the objection, including any prejudice the requested form of *hearing* may cause the *party* and the facts on which the *party* relies and may be accompanied by any evidence on which the *party* relies for the objection. (7) A *hearing panel* that receives a notice of objection may (i) accept the objection and refer the matter to the *National Hearing Coordinator* to set a date for an *oral hearing* or, with the consent of all *parties*, set a date for an *electronic hearing* or schedule for a *written hearing*, (ii) reject the objection, or (iii) order a *written hearing* to consider the objection and provide other *parties* an opportunity to respond to the notice of objection in a manner and time that the *hearing panel* directs. (8) If a notice of objection is filed, the *hearing panel* must render its *decision* on the form of *hearing* in writing as expeditiously as possible, taking into consideration the date and nature of the *hearing* and proceeding and the needs of the *parties* to present evidence and prepare and serve submissions and responding submissions. (9) ~~A~~Unless a *party* objects, a *hearing panel* may, on its own motion,	~~(c) the cost, efficiency and timeliness of the proceedings;~~ ~~(f) avoidance of unnecessary length or delay;~~ ~~(g) ensuring a fair and understandable process;~~ ~~(h) the desirability or necessity of public participation or public access to the Hearing Panel's process; and~~ ~~(i) any other consideration which may be taken into account in accordance with applicable legislation.~~ ~~**5.2 Notice of Objection**~~ ~~(1) A party who objects to a hearing being held as an electronic or as a written hearing shall file and serve on all other parties a Notice of Objection within 5 days after receiving the Notice of Hearing.~~ ~~(2) Despite subsection (1), a party may not object to the Hearing Panel conducting an electronic hearing to deal with procedural matters.~~ ~~**5.3 Contents of Notice of Objection**~~ ~~A Notice of Objection shall be in writing and shall:~~ ~~(a) state whether the holding of an electronic or written hearing is likely to cause the party significant prejudice;~~ ~~(b) set out reasons for the objection; and~~ ~~(c) state all facts upon which the party relies and provide the evidence on which the party relies in relation to the objection.~~ ~~**5.4 Procedure When Objection Made**~~ ~~If the Hearing Panel receives a Notice of Objection,~~	

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at any stage of a proceeding make an order continuing (i) an *electronic hearing* or *written hearing* as an *oral hearing*, (ii) an *oral hearing* or a *written hearing* as an *electronic hearing*, and (iii) an *oral hearing* or an *electronic hearing*, as a *written hearing*~~,~~ ~~unless a *party* objects~~. (10) A *hearing panel* that orders an *electronic hearing* may require one or more of the *parties* (i) to make the arrangements for the *hearing*, and (ii) to pay all or part of the costs of conducting the *hearing* as an *electronic hearing*.	~~the Hearing Panel shall:~~ ~~(a) accept the objection, cancel the form of hearing and either schedule an oral hearing or, with consent of the parties, schedule a written hearing or an electronic hearing as the case may be;~~ ~~(b) if permitted by applicable law, reject the objection provided the Hearing Panel is satisfied that there will not be significant prejudice to the objecting party, inform every other party that they are not required to respond to the Notice of Objection and proceed with the form of hearing specified in the Notice of Hearing; or~~ ~~(c) notify all other parties that they may respond to the Notice of Objection by serving on every other party and filing a written response in such form and within such time as is directed by the Hearing Panel and, after considering the objection and all responses, proceed with the form of hearing specified in the Notice of Hearing, schedule an oral hearing, or, with consent of the parties, schedule a written hearing or an electronic hearing as the case may be.~~ ~~***5.5 Converting Type of Hearing***~~ ~~(1) Subject to any applicable statutory requirements, the Hearing Panel may continue:~~ ~~(a) a written or electronic hearing as an oral hearing;~~ ~~(b) an oral or written hearing as an electronic hearing; or~~ ~~(c) an oral or electronic hearing as a written~~	

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	~~hearing, unless a party objects.~~ ~~(2) If the Hearing Panel decides to convert the type of hearing that was specified in the Notice of Hearing, the Hearing Panel shall notify the parties of its decision and may supply directions as to the holding of that hearing and any procedures for such hearing.~~	
8410. Hearing Panel Decisions (1) A *decision* of a *hearing panel* and the reasons for the *decision* must be dated by the *National Hearing Coordinator* and served on each *party* in accordance with subsection 8406(3) of the *Rules of Practice*. (2) The *Corporation* must publish on its website a summary of the *decision* of a *hearing panel*, except a *decision* in a *prehearing conference*, containing (i) the *Corporation requirement* or *law* that was contravened, (ii) the essential facts, (iii) the *decision*, including any sanction and costs, and (iv) except where the *decision* rejects a *settlement agreement*, a statement that a copy of the *decision* may be obtained on the *Corporation's* website. (3) The *Corporation* must publish on its website a *decision* of a *hearing panel* and the reasons for the *decision*, except a *decision* and reasons rejecting a *settlement agreement*. (4) A *decision* made by a *hearing panel* on the merits of a proceeding must be recorded in the record maintained by the *Corporation* with respect to the *respondent*. (5) In addition to a *decision* accepting a *settlement agreement* and the reasons for it, the *Corporation* must publish and record information concerning the accepted *settlement agreement* in accordance with subsections 8410(2) to 8410(4), as if the *settlement agreement* were a *decision* on the merits.	~~**9.6 Disposition**~~ ~~(1) The Hearing Panel shall give its final decision and order, if any, in a hearing in writing and shall give reasons in writing.~~ ~~(2) The Hearing Panel shall send to each party to the hearing a copy of its final decision and order, if any, including the reasons therefor if any have been given by any method of service permitted under section 1.4 of this Policy.~~ ~~(3) The disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that is the subject of the hearing.~~ ~~(4) The Market Regulator shall publish a summary of the decision and order, including:~~ ~~(a) the Requirement contravened or alleged to be contravened;~~ ~~(b) the facts;~~ ~~(c) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed; and~~ ~~(d) a statement that any person may obtain or inspect a copy of the decision and order of the Hearing Panel.~~	New

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	~~(5) The Market Regulator shall publish the decision and order of the Hearing Panel and this obligation may be satisfied by the posting of the decision and order to any website maintained by the Market Regulator.~~	
8411. Language of Hearings and Interpreters (1) A *hearing* may be conducted in English or French or partly in English or French. (2) A *hearing* in a *District* other than Quebec must be conducted in English, unless the *parties*, with the consent of a *hearing panel*, agree that it be conducted in French. (3) A *hearing* in Quebec must be conducted in French, unless the *parties*, with the consent of a *hearing panel,* agree that it be conducted in English. (4) A *party* who wishes a *hearing* to be conducted in French, or in Quebec in English, must *file* a notice requesting the consent of a *hearing panel*, accompanied by the agreement of the other *parties*, as soon as possible after the proceeding is commenced and no later than thirty days before the commencement of the *hearing*. (5) A *party* who requires an interpreter for a language other than ~~English or French~~the language in which a hearing is to be conducted, whether to assist the *party* or for the testimony of a witness to be called by the *party*, must notify the *National Hearing Coordinator* at least thirty days before the commencement of the *hearing*. (6) An interpreter must be competent and independent and must swear or affirm to interpret accurately.	~~**1.4 Language of Proceedings**~~ ~~(1) If, in accordance with any applicable statutory requirement, a person would have a right to a hearing conducted in the French language then, upon the request of such person in writing to the Secretary or in such other manner as provided by law, all documents prepared by or on behalf of the Market Regulator and served or delivered on such person shall be in French and any hearing or other proceeding shall be conducted in French.~~ ~~(2) Despite subsection (1), any document to be disclosed in accordance with section 8.1(1) of this Policy shall be provided in the language that the document was originally written.~~	
8412. Commencement and Abandonment of Proceedings (1) A proceeding, and a step in a proceeding that requires a notice, is commenced upon the issuance by the *National Hearing Coordinator* of a *commencing notice* at the request of a *party*. (2) A *party* who requests the issuance of a *commencing notice* must first obtain a date from the *National Hearing Coordinator* for	See also below UMIR 10.8 Part 2 and Part 4 re Notice of Allegations and Notice of Hearing.	~~**RULE 6: COMMENCEMENT OF PROCEEDINGS**~~ ~~**6.1 Notice of Hearing**~~ ~~Discipline proceedings pursuant to Dealer Member Rule 20.30 shall be commenced by a Notice of Hearing.~~

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(i) if the *commencing notice* is a notice of hearing, an initial appearance before a *hearing panel*, (ii) if the *commencing notice* is a notice of application, the *hearing* of the application, (iii) if the *commencing notice* is a notice of motion, the *hearing* of the motion, (iv) if the *commencing notice* is a notice of prehearing conference, the *prehearing conference*, or (v) if the *commencing notice* is a notice of request for review pursuant to sections 8427 or 8430 of the *Rules of Practice,* the review *hearing*, and must submit a copy of the *commencing notice* to the *National Hearing Coordinator* with a request that it be issued. (3) A request under subsection 8412(2) to the *National Hearing Coordinator* for a date or the issuance of a *commencing notice* must be made on a form prescribed by the *National Hearing Coordinator*. (4) If a *hearing panel* sets a date for a *prehearing conference*, or other *hearing* other than in connection with a *commencing notice*, the *National Hearing Coordinator* must give written notice of the date to the *parties* by mail or electronic transmission in accordance with clause 8406(3)(vi) or 8406(3)(vii). (5) Upon issuing a *commencing notice* or other notice of a *hearing*, the *National Hearing Coordinator* must place a copy of the *commencing notice* or other notice in a file maintained for the proceeding. (6) The *Corporation* must publish on the *Corporation's* website an announcement of and copy of a *commencing notice* or other notice as soon as practicable after it is issued by the *National Hearing Coordinator*, unless the *commencing notice* is for an application under section 8211 made without notice to the *respondent* or is a notice of prehearing conference. (7) A *party* who initiates a proceeding or a step in a proceeding that requires a notice may abandon the proceeding or step before it has been decided by a *hearing panel* by serving and filing a		~~**6.2 Designation of Track**~~ ~~When issuing a Notice of Hearing, the Organization shall designate the discipline proceeding as on a Standard Track or Complex Track, considering the factors set out in Rule 6.3.~~ ~~**6.3 Factors to Consider Regarding Track Designation**~~ ~~In designating a discipline proceeding as on the Standard Track or Complex Track, the Organization shall consider:~~ ~~(a) the complexity of the factual and legal issues;~~ ~~(b) the anticipated number of documents to be introduced at the hearing;~~ ~~(c) the anticipated number of witnesses at the hearing;~~ ~~(d) the likelihood of expert evidence at the hearing;~~ ~~(e) the anticipated duration of the hearing; and~~ ~~(f) any other factors that the Organization considers relevant to the procedural or substantive complexity of the proceeding.~~

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notice of abandonment. (8) If a proceeding or a step in a proceeding is abandoned, the *Corporation* must publish on the *Corporation's* website an announcement of and a copy of the notice of abandonment as soon as practicable after it is *filed*, unless the *commencing notice* for the proceeding or step has not been so published. **8413. Motions** (1) A motion must be commenced by a notice of motion. (2) A motion may be brought (i) with the consent of a *hearing panel* prior to, or (ii) at any time after the commencement of a proceeding. (3) A *party* who brings a motion must serve and *file* a motion record at least fourteen days prior to the date of the motion, unless the motion is brought during a *hearing*, in which case the *hearing panel* may determine the procedure to be followed for the motion. (4) A *hearing panel* may permit a *party* to bring a motion without notice to the *respondent*, if the nature of the motion or the circumstances make service of a notice of motion impractical. (5) A notice of motion must contain: (i) the date, time and location of the *hearing* of the motion, (ii) the relief sought, (iii) a summary of the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*, (iv) a list of evidence and other materials to be relied on, and (v) whether it is proposed that the motion be heard as an *oral hearing*, *electronic hearing* or *written hearing*. (6) A motion record must contain (i) the notice of motion, and (ii) copies of the evidence, including affidavits and other materials relied on. (7) A *responding party* may serve and *file* a responding record at	~~**Part 6 - Motions**~~ ~~**6.1 Notice of Motion**~~ ~~Where a party intends to bring a motion before the Hearing Panel at a hearing, written notice shall be served on all other parties and filed with the Hearing Panel at least 5 days before the day the motion is to be heard.~~ ~~**6.2 Contents of Notice of Motion**~~ ~~The Notice of Motion must contain the relief sought, the grounds for the motion and the evidence to be relied upon.~~ ~~**6.3 Hearing Date for Notice of Motion**~~ ~~Except when a motion is to be heard on a scheduled hearing date or is to be argued in writing, the party bringing the motion shall, before serving the Notice of Motion, file a copy of the Notice of Motion with the Secretary and obtain a date for the Hearing Panel to hear the motion.~~	~~**RULE 8: MOTIONS**~~ ~~**8.1 Notice of Motion**~~ ~~Motions shall be commenced by a Notice of Motion.~~ ~~**8.2 Timing of Motion**~~ ~~A motion may be brought at any time prior to or after the commencement of a proceeding.~~ ~~**8.3 Motions - To Whom to be Made**~~ ~~A motion shall be heard by a Presiding Officer prior to the commencement of the proceeding and shall be heard by the Hearing Panel after the commencement of the proceeding.~~ ~~A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the proceeding unless all parties consent in writing.~~ ~~**8.4 Motion Hearing Date**~~ ~~Prior to serving the Notice of Motion, the party bringing the motion shall obtain a date from the National Hearing Coordinator.~~ ~~**8.5 Contents of Notice of Motion**~~ ~~The Notice of Motion shall state:~~ ~~(a) the date of the motion;~~ ~~(b) whether the motion is to be heard by a Presiding Officer or the Hearing Panel;~~

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least nine days prior to the date of the motion, unless the motion is brought during a *hearing* and the *hearing panel* orders otherwise. (8) A responding record must contain (i) the order requested by the *responding party*, including a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (9) A *party* who is served with a responding record that contains affidavit evidence may serve and *file* a reply record containing additional affidavit evidence at least seven days before the date of the motion. (10) A *party* who *files* an affidavit in connection with a motion must make the affiant reasonably available to be cross-examined by an adverse *party* prior to the *hearing* of the motion. (11) A *party* who brings a motion may serve and *file* a memorandum of fact and law at least five days before the date of the motion. (12) A *responding party* may serve and *file* a memorandum of fact and law at least two days before the date of the motion. (13) A motion must be heard by a *hearing panel*. (14) A *hearing panel* may, on any terms and conditions it considers appropriate, permit oral testimony to be adduced at the *hearing* of a motion on any matter in issue and allow cross-examination of an affiant. (15) A *hearing panel* may (i) grant the relief requested in a motion, (ii) dismiss or adjourn the motion in whole or in part, with or without terms, or (iii) make another *decision* it considers appropriate, including adjourning the motion to be heard by the *hearing panel* that hears the proceeding on its merits.		~~(c) the specific relief sought;~~ ~~(d) the grounds for the relief sought, including reference to any Organization Dealer Member Rules, and statutory provisions; and~~ ~~(e) the list of evidence to be relied upon.~~ ~~**8.6 Motion Record**~~ ~~A Motion Record shall contain:~~ ~~(a) the notice of motion; and~~ ~~(b) copies of the evidence to be relied upon.~~ ~~**8.7 Service and Filing of Motion Record**~~ ~~Subject to Rule 8.7(2), a Motion Record shall be served and filed at least 14 days prior to the date of the motion.~~ ~~When a motion is brought to determine an issue arising during the hearing, the period of notice shall be at the direction of the Hearing Panel.~~ ~~**8.8 Response to Notice of Motion**~~ ~~The Responding Party may serve and file a Responding Record, at least 7 days prior to the date of the motion, subject to Rule 8.7 (2).~~ ~~**8.9 Contents of Responding Record**~~ ~~The Responding Record shall contain:~~ ~~(a) a statement of the reasons the relief ought not to be granted; and~~ ~~(b) copies of additional evidence or other materials to be relied upon.~~ ~~**8.10 Public Domain**~~ ~~All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the~~

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		~~exclusion of the public.~~ ~~An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that motions be public.~~
ENFORCEMENT PROCEEDINGS **8414. Commencement of Disciplinary Proceedings** (1) Forthwith after a proceeding pursuant to section 8209 or 8210 (Enforcement Proceedings) is commenced, *Enforcement Staff* must serve the *respondent* with, and *file*, the notice of hearing and a statement of allegations. (2) A notice of hearing must contain: (i) the date, time and location of an initial appearance before a *hearing panel*, (ii) a statement of the purpose of the proceeding, (iii) a statement that the allegations on which the proceeding is based are contained in the statement of allegations, (iv) a reference to the *Corporation requirements* under which the proceeding is brought, (v) the nature of the sanctions that may be imposed, (vi) if the notice of hearing states that the *hearing* is to be an *electronic hearing* or *written hearing*, a statement that the *respondent* may object to the type of *hearing* and the procedure to be followed for an objection, (vii) a statement that the *respondent* must provide a response to the notice of hearing in accordance with section 8415, the time within which a response must be served and *filed* and the consequences of failing to do so, (viii) a statement that the initial appearance will be followed immediately by an initial *prehearing conference*, for which a *prehearing conference* form must be *filed* in accordance with	~~**Part 2 – Statement of Allegations**~~ ~~**2.1 Provision of Statement of Allegations**~~ ~~If the Market Regulator is of the opinion that a person described in subsection (1) of Rule 10.2 has contravened a Requirement or a person is liable for the contravention of a Requirement in accordance with Rule 10.3, the Market Regulator may serve a Statement of Allegations on such person.~~ ~~**2.2 Contents of Statement of Allegations**~~ ~~A Statement of Allegations must contain:~~ ~~(a) a reference to the Requirement that the Market Regulator is of the opinion has been contravened;~~ ~~(b) the facts alleged and intended to be relied upon by the Market Regulator; and~~ ~~(c) the conclusions drawn by the Market Regulator based on the alleged facts.~~ ~~**Part 4 – Notice of Hearing**~~ ~~**4.1 Provision of Notice of Hearing**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve a Notice of Hearing on such person~~	~~**6.4 Service of Notice of Hearing**~~ ~~For a discipline proceeding designated on the Standard Track, the Organization shall serve a Notice of Hearing at least 45 days prior to the date of the hearing.~~ ~~For a discipline proceeding designated on the Complex Track, the Organization shall serve a Notice of Hearing at least 10 days before a first appearance before a Hearing Panel for purposes of setting a date for the hearing and considering any other scheduling matters.~~ ~~**6.5 Contents of Notice of Hearing**~~ ~~A Notice of Hearing shall state:~~ ~~(a) the purpose of the hearing;~~ ~~(b) the designation of the proceeding as on the Standard Track or Complex Track;~~ ~~(c) the date, time and location of the hearing or a first appearance to set a date for a hearing;~~ ~~(d) the alleged violations of Organization Dealer Member Rules and any applicable statute or regulations thereof;~~ ~~(e) the facts in support of the alleged violations;~~

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subsection 8416(5), and (ix) any other information that *Enforcement Staff* considers advisable. (3) A statement of allegations may accompany or comprise part of a notice of hearing and must contain: (i) a reference to the *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (ii) the facts alleged in support of the alleged contraventions, and (iii) the conclusions of *Enforcement Staff* based on the alleged facts. (4) The date of an initial appearance set out in a notice of hearing must not be less than 45 days after the notice of hearing is served, unless the *respondent* consents to an earlier date.	~~concurrent with or at any time after the serving of the Statement of Allegations provided that a Notice of Hearing may not be issued:~~ ~~(a) if the Market Regulator has served an Offer of Settlement, until after the date specified in the Offer of Settlement by which the Offer of Settlement may be accepted; and~~ ~~(b) if an Offer of Settlement has been accepted, until the Settlement Agreement has been rejected by a Hearing Panel.~~ ~~**4.2 Contents of Notice of Hearing**~~ ~~A Notice of Hearing must contain:~~ ~~(a) details about the manner in which the hearing will be held including, if applicable to the form of hearing, the date, time and place of the hearing;~~ ~~(b) a reference to the statutory or other authority under which the hearing will be held;~~ ~~(c) a statement as to the purpose of the hearing;~~ ~~(d) a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) if the Notice of Hearing specifies that the hearing is to be an electronic or a written hearing, a statement that the party notified may object to holding the hearing as an electronic or a written hearing and the procedure to be followed for that purpose;~~ ~~(f) a statement respecting the effect of section 9.4 of this Policy; and~~ ~~(g) any other information the Market Regulator or the Hearing Panel considers advisable.~~	~~(f) that, the Respondent shall provide a Response to the Notice of Hearing in accordance with Rule 7;~~ ~~(g) that, if the Respondent does not provide a Response in accordance with Rule 7, the Hearing Panel may proceed without the Respondent's participation and the Respondent will not be entitled to any further notice of the hearing;~~ ~~(h) the type and range of penalties that may be imposed by the Hearing Panel; and~~ ~~(i) any other information the Organization may consider advisable.~~

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	~~**4.3 Date of Hearing**~~ ~~(1) Unless the party on whom the Notice of Hearing is served has consented in writing, the date of the initial hearing specified in the Notice of Hearing shall not be earlier than 45 days after the date the Notice of Hearing has been served.~~	
8415. Response to a Notice of Hearing (1) A *respondent* must serve and *file* a response within 30 days from the date of service of a notice of hearing. (2) A response must contain a statement of: (i) the facts alleged in the statement of allegations that the *respondent* admits, (ii) the facts alleged that the *respondent* denies and the grounds for the denial, and (iii) all other facts on which the *respondent* relies. (3) A *hearing panel* may accept as proven any facts alleged in a statement of allegations that are not specifically denied or for which grounds for the denial are not provided in a response. (4) If a *respondent* who has been served with a notice of hearing does not serve and *file* a response in accordance with subsection 8415(1), *Enforcement Staff* may proceed with the hearing of the matter on its merits on the date of the initial appearance set out in the notice of hearing, without further notice to and in the absence of the *respondent*, and the *hearing panel* may accept as proven the facts and contraventions alleged in the statement of allegations and may impose sanctions and costs pursuant to section 8209 or 8210 (Enforcement Proceedings), as applicable.	~~**UMIR 10.8 – Policy 10.8**~~ ~~**Part 9 – Conduct of Hearing**~~ ~~**9.1 Particular Practice and Procedure for Oral Hearing**~~ ~~(1) A person served with a Notice of Hearing shall, within 20 days from the date of service, serve on the Market Regulator a Reply signed by the person or by an individual authorized to sign on behalf of the person that specifically denies, with the particulars of the supporting facts and arguments, any or all of the facts alleged or the conclusions drawn by the Market Regulator as set out in the Statement of Allegations.~~ ~~(2) The Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the Market Regulator in the Statement of Allegations that are not specifically denied, with the particulars of the supporting facts and arguments, in the Reply.~~	~~**RULE 7: RESPONSE TO NOTICE OF HEARING**~~ ~~**7.1 Service of Response**~~ ~~For a discipline proceeding designated on the Standard Track, the Respondent shall serve a Response within 20 days from the effective date of service of the Notice of Hearing.~~ ~~For a discipline proceeding designated on the Complex Track, the Respondent shall serve a Response within 30 days from the effective date of service of the Notice of Hearing.~~ ~~**7.2 Failure to Serve Response**~~ ~~If a Respondent served with a Notice of Hearing fails to serve a Response in accordance with Rule 7.1:~~ ~~(a) the Organization may proceed with the hearing of the matter as set out in the Notice of Hearing without further notice to and in the absence of the Respondent; and~~ ~~(b) the Hearing Panel may, accept as proven the facts and violations alleged by the Organization in the Notice of Hearing, and may impose penalties and costs pursuant to Dealer Member Rules 20.33, 20.34 and 20.49.~~ ~~**7.3 Contents of Response**~~

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		~~A Response shall state:~~ ~~(a) the facts alleged in the Notice of Hearing which the Respondent admits;~~ ~~(b) the facts alleged in the Notice of Hearing which the Respondent denies and the grounds for denial; and~~ ~~(c) all other facts relied upon by the Respondent.~~ ~~**7.4 Deficient Response**~~ ~~Where the Respondent fails to:~~ ~~(a) specifically deny a fact; or~~ ~~(b) provide grounds for denial of a fact,~~ ~~(c) the Hearing Panel may accept as proven any facts alleged by the Organization in the Notice of Hearing.~~
8416. Prehearing Conferences (1) At any time prior to commencement of the *hearing* of a proceeding on the merits, (i) a *hearing panel* may order a *prehearing conference*, or (ii) a *party* may request a *prehearing conference* by serving and *filing* a notice of prehearing conference at least fourteen days before the date of the *prehearing conference*. (2) A notice of prehearing conference must contain: (i) the date, time, location and purpose of the *prehearing conference*, (ii) any order of a *hearing panel* concerning the obligations of the *parties* with respect to the *prehearing conference*, including (a) any requirement concerning the exchange or *filing* of *documents* or submissions pursuant to subsection 8416(7), and if so the issues to be addressed and the date by which the *documents* and/or submissions must be exchanged and *filed*,	~~**Part 7 - Pre-Hearing Conferences**~~ ~~**7.1 Order for a Pre-Hearing Conference**~~ ~~At any time prior to a hearing, the Hearing Panel on its own initiative, or at the request of one or more of the parties, may order the parties to attend a pre-hearing conference.~~ ~~**7.2 Composition of the Hearing Panel at the Pre-Hearing Conference**~~ ~~(1) A pre-hearing conference shall be held before the chairman of the Hearing Panel and any other member of the Hearing Panel who may be required to assist the chairman.~~ ~~(2) The members of the Hearing Panel presiding at the pre-hearing conference shall not preside at the hearing of the proceeding unless all parties consent in writing or on the record;~~	~~**RULE 9: PRE-HEARING CONFERENCES**~~ ~~**9.1 Initiation of Pre-hearing Conference**~~ ~~At any time prior to the date of a hearing, a party may request a Pre-hearing Conference by serving and filing a Request for a Pre-hearing Conference.~~ ~~A Request for a Pre-hearing Conference shall include the party's proposal as to the form of the Pre-hearing Conference pursuant to Rule 9.3.~~ ~~If an adverse party objects to the proposed form of the Pre-hearing Conference, the adverse party shall advise all parties and the National Hearing Coordinator of the objection within 48 hours from the effective date of service of the Request for a Pre-hearing Conference.~~ ~~No subsequent Pre-hearing Conference shall take place unless by consent of the parties.~~ ~~**9.2 Presiding Officer**~~

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(b) whether the *parties* must attend in person, (iii) a statement that the *parties* may be represented by counsel or an agent who, if a *party* is not required to attend, must have authority to make agreements and undertakings on the *party's* behalf, (iv) whether it is proposed that the *prehearing conference* is to be heard orally, electronically or in writing, (v) a statement that if a *party* does not attend in person or by counsel or an agent, the *hearing panel* may proceed with the *prehearing conference* in the *party's* absence, and (vi) a statement that any orders made by the *hearing panel* will be binding on the *parties*. (3) If a *hearing panel* orders a *prehearing conference*, the *National Hearing Coordinator* must set a date for the *prehearing conference*, if necessary, and serve a notice of prehearing conference on the *parties* with a copy of the *decision* of the *hearing panel*. (4) If a *respondent* has served and *filed* a response in accordance with subsection 8415(1), the initial appearance provided in a notice of hearing must be followed immediately by an initial *prehearing conference*, for which no notice of prehearing conference is required. (5) If a response has been served and *filed*, the *parties* must serve and *file* a *prehearing conference* form, in a form prescribed by the *National Hearing Coordinator*, at least five days before the date of the initial appearance specified in the notice of hearing. (6) At a *prehearing conference*, a *hearing panel* may consider any issue that may assist in a just and expeditious resolution of the proceeding, including (i) identification, simplification and clarification of the issues, (ii) disclosure of *documents*, including expert reports, (iii) facts or evidence on which the *parties* agree, (iv) admissibility of evidence, including evidence to be admitted on consent and identification of objections, (v) scheduling of motions,	~~**7.3 Issues to be Considered**~~ ~~At a pre-hearing conference the Hearing Panel may consider any appropriate issue, including:~~ ~~(a) the settlement of any or all of the issues;~~ ~~(b) the identification and simplification of the issues;~~ ~~(c) the disclosure of documents;~~ ~~(d) facts or evidence that may be agreed upon;~~ ~~(e) evidence to be admitted on consent;~~ ~~(f) the identification of any preliminary objections;~~ ~~(g) procedural issues including the dates by which any steps in the hearing are to be taken or begun, the estimated duration of the hearing, and the date that the hearing will begin; and~~ ~~(h) any other issue that may assist in the just and most expeditious disposition of the hearing.~~ ~~**7.4 Notice of Pre-Hearing Conference**~~ ~~(1) **Notice to Parties and Others** - The Secretary shall give notice of any pre-hearing conference to the parties and to such other persons as the Hearing Panel directs.~~ ~~(2) **Contents of Notice** - The notice of any pre-hearing conference must include:~~ ~~(a) the date, time, place and purpose of the pre-hearing conference;~~ ~~(b) whether parties are required to exchange or file documents or pre-hearing submissions in accordance with section 7.5 of this Policy and, if so, the~~	~~A Pre-hearing Conference shall be held before a Presiding Officer.~~ ~~A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the same proceeding unless all parties consent in writing.~~ ~~**9.3 Form of Pre-hearing Conference**~~ ~~A Pre-hearing Conference may be held in person or by telephone.~~ ~~If the parties are unable to agree to the form of the Pre-hearing Conference, the Pre-hearing Conference shall be held in person.~~ ~~**9.4 Pre-hearing Conference Date**~~ ~~Notice of the date, time, location (if applicable) and the form of the Pre-hearing Conference will be provided to the parties by the National Hearing Coordinator.~~ ~~**9.5 Issues to be Considered**~~ ~~The Presiding Officer may consider any issue that may assist in the just and expeditious disposition of the proceeding including the following:~~ ~~(a) settlement of the proceeding;~~ ~~(b) simplification or clarification of any issues;~~ ~~(c) disclosure of documents;~~ ~~(d) agreed statements of fact;~~ ~~(e) admissibility of evidence;~~ ~~(f) identification and scheduling of motions;~~ ~~(g) identification and scheduling of anticipated steps in the proceeding; and any other procedural or substantive matters.~~

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(vi) procedural issues, including identifying and setting dates by which steps in the proceeding are to be commenced or taken, the estimated duration of a *hearing* and the dates on which the *hearing* will commence and be conducted, (vii) settlement of any or all issues in the proceeding, and (viii) any other procedural or substantive matters. (7) A *hearing panel* at a *prehearing conference* may (i) set a timetable for steps preceding a *hearing* and for the *hearing*, (ii) schedule further *prehearing conferences*, preliminary motions and the *hearing* of the proceeding on its merits, (iii) amend an existing schedule or timetable, (iv) set the issues to be addressed at a further *prehearing conference* or in a motion, (v) order the *parties* to exchange or *file* by a specified date *documents* or submissions for purposes of a further *prehearing conference* or a motion, (vi) order that the proceeding be case managed by the *hearing panel* or another *hearing panel* to be selected by the *National Hearing Coordinator*, with or without the consent of the *parties*, (vii) exercise the authority conferred by section 8208 (Powers of Compulsion) to require a *person* to attend and give evidence or produce *documents* at a *hearing*, and (viii) with the consent of the *parties*, make an order resolving any matter, including matters relating to (a) facts or evidence agreed on, (b) disclosure of *documents* or evidence, (c) the resolution of any or all of the issues in the proceeding, and (ix) make any other procedural order that the *hearing panel* believes will further the just and expeditious conduct of the proceeding. (8) A *hearing panel* that case manages a proceeding must preside	~~issues to be addressed and the date by which the documents or pre-hearing submissions must be exchanged and filed;~~ ~~(c) whether parties are required to attend in person, and~~ ~~(i) if so, that they may be represented by counsel or agent, or~~ ~~(ii) if not, that their counsel or agent must be given authority to make agreements and undertakings on their behalf respecting the matters to be addressed at the pre-hearing conference;~~ ~~(d) a statement that if a party does not attend in person or by counsel or an agent at the pre-hearing conference, the Hearing Panel may proceed in the absence of that party; and~~ ~~(e) a statement that the Hearing Panel presiding at the pre-hearing conference may make orders with respect to the conduct of the proceeding which will be binding on all parties.~~ ~~**7.5 Exchange of Documents**~~ ~~The Hearing Panel designated to preside at the pre-hearing conference may:~~ ~~(a) order the parties to exchange or file by a specified date documents or pre-hearing submissions; and~~ ~~(b) set the issues to be addressed in the pre-hearing submissions and at the pre-hearing conference.~~	~~**9.6 Orders at Pre-hearing Conference**~~ ~~The Presiding Officer may make such order with respect to the conduct of the proceeding, as she/he deems appropriate.~~ ~~Any orders made by the Presiding Officer shall be in writing and binding on all parties.~~ ~~The Presiding Officer shall provide the order to the National Hearing Coordinator who shall then distribute copies of the order to the parties.~~ ~~**9.7 Inaccessible to the Public**~~ ~~A Pre-hearing Conference shall be held in the absence of the public.~~ ~~**9.8 No Communication to Hearing Panel**~~ ~~Communications made at a Pre-hearing Conference shall not be disclosed to the Hearing Panel presiding over the hearing of the proceeding except those communications that are disclosed in an order made pursuant to Rule 9.6.~~

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over all *prehearing conferences* and preliminary motions in the proceeding, unless the *hearing panel* orders otherwise. (9) An order, agreement or undertaking that is made or given at a *prehearing conference* must be recorded in a prehearing memorandum that is (i) prepared by or under the direction of the *hearing panel* taking into account the principles in subsections 8416(12) and 8416(13), (ii) circulated to the *parties* for comment, (iii) approved and signed by the *hearing panel,* and (iv) distributed to the *parties* and any other *person* that the *hearing panel* directs. (10) A prehearing memorandum must be *filed* and provided to the *hearing panel* at subsequent *hearings* in the proceeding. (11) An order, agreement or undertaking recorded in a prehearing memorandum is binding on the *parties*, unless a *hearing panel* orders otherwise. (12) Unless recorded in a prehearing memorandum, all statements and written submissions made at a *prehearing conference* are without prejudice and must not be communicated to a *hearing panel*, except at a subsequent *prehearing conference*. (13) A *prehearing conference* must be held in the absence of the public, and subject to subsections 8416(9) and 8416(10), prehearing *documents*, exhibits, submissions and transcripts must not be disclosed to the public. (14) A prehearing agreement to settle all of the issues in a proceeding is subject to approval by another *hearing panel* pursuant to section 8215 (Settlements and Settlement Hearings).	~~**7.6 Oral, Written or Electronic**~~ ~~A pre-hearing conference may be held in person, in writing or electronically as the Hearing Panel may direct.~~ ~~**7.7 Inaccessible to the Public**~~ ~~(1) **Pre-Hearing Conference** - A pre-hearing conference shall be held in the absence of the public unless the Hearing Panel directs that it be open to the public.~~ ~~(2) **Documents and Submissions** - Any pre-hearing documents or pre-hearing submissions ordered under section 7.5 of this Policy shall not be disclosed to the public.~~ ~~**7.8 Settlement of Issues**~~ ~~If the settlement of any issues is discussed at a pre-hearing conference:~~ ~~(a) statements made without prejudice at a pre-hearing conference may not be communicated to the Hearing Panel;~~ ~~(b) an agreement to settle any or all of the issues binds the parties to the agreement but is subject to approval by such other panel of the Hearing Panel as is assigned to consider the settlement; and~~ ~~(c) all agreements, orders and decisions which dispose of a proceeding as it affects any party shall be made available to the public unless the Hearing Panel directs otherwise.~~ ~~**7.9 Orders, Agreements, Undertakings**~~ ~~(1) **Preparation of Memorandum** - Any orders, agreements and undertakings made at a pre-hearing conference shall be recorded~~	

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	~~in a memorandum prepared by or under the direction of the members of the Hearing Panel presiding at the pre-hearing conference.~~ ~~(2) **Provision of Copies** - Copies of this memorandum shall be provided to the parties and to the members of the Hearing Panel presiding at the hearing of the matter and to such other persons as the members of the Hearing Panel presiding at the pre-hearing conference direct.~~ ~~(3) **Binding Effect** - Any orders, agreements and undertakings in the memorandum shall govern the conduct of the hearing and are binding upon the parties at the hearing unless otherwise ordered by the Hearing Panel.~~ ~~**7.10 No Communication to Hearing Panel**~~ ~~Other than any orders, agreements and undertakings recorded in a memorandum prepared in accordance with section 7.9 of this Policy, no information about the pre-hearing conference shall be disclosed to the members of the Hearing Panel who preside at the hearing unless all parties consent in writing or on the record.~~	
8417. Disclosure (1) As soon as is reasonably practicable after a response is served and *filed*, *Enforcement Staff* must disclose to, and make available for inspection by, a *respondent* all *documents* and things in the *Corporation's* possession or control that are relevant to the proceeding, including *documents* and things that are relevant to the *respondent's* ability to make full answer and defence, other than *documents* that are subject to a legal privilege.	New	New

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(2) *Enforcement Staff* must provide copies to, in hard copy or electronic form, or permit a *respondent* to make copies of all *documents* and things specified in subsection 8417(1) as soon as is reasonably practicable after it makes disclosure and no later than forty days before the commencement of the *hearing* on the merits. (3) As soon as is reasonably practicable after a response is served and *filed*, and no later than forty days before the commencement of the *hearing* on the merits, each *party* to a proceeding must serve every other *party* with (i) all *documents* that the *party* intends to produce or enter as evidence at the *hearing* on the merits, and (ii) a list of items, other than *documents*, that the *party* intends to produce or enter as evidence at the *hearing* on the merits. (4) At any stage of a proceeding, a *hearing panel* may order a *party* to provide to another *party* any *document* or other information that the *hearing panel* considers appropriate, within a time period and on terms and conditions determined by the *hearing panel*. (5) A *party* who does not disclose a *document* or thing in compliance with subsections 8417(3) and 8417(4) may not introduce in evidence or refer to the *document* or thing at a *hearing* on the merits without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	~~**Part 8 - Disclosure**~~ ~~**8.1 Procedure for Compliance with Disclosure Obligations**~~ ~~(1) **Documents and Other Things** - Each party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence:~~ ~~(a) deliver to every other party copies of all documents that the party intends to refer to or tender as evidence at the hearing; and~~ ~~(b) make available for inspection by every other party any other things that the party intends to refer to or tender as evidence at the hearing but not including any document a copy of which was delivered to every other party in accordance with clause (a).~~ ~~(2) **By Order of Hearing Panel** - At any stage in a hearing, the Hearing Panel may order a party to provide to another party any other disclosure that the Hearing Panel considers appropriate within a time period and on terms and conditions as specified by the Hearing Panel.~~ ~~(3) **Disclosure Obligation** - Nothing in this section shall affect the obligation of the Market Regulator or any other party to disclose any document or other thing that may be required under common law or other applicable law.~~	~~**RULE 10: EXCHANGE OF DOCUMENTS10.1 Association Duty to Disclose**~~ ~~Nothing in this Rule 10 derogates from the Organization's obligation to disclose all materials as required by common-law, as soon as reasonably practicable after the issuance of the Notice of Hearing.~~ ~~**10.2 Obligation to Provide Documents and Other Items - Organization**~~ ~~The Organization shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing:~~ ~~1. serve upon the Respondent:~~ ~~(a) copies of all documents; and~~ ~~(b) a list of items, other than documents intended to be relied upon at the hearing; and~~ ~~2. make available for inspection to the Respondent all items referred to in subsection (a)(ii).~~ ~~**10.3 Obligation to Provide Additional Documents and Other Items - Respondent**~~ ~~The Respondent shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing:~~ ~~1. serve upon the Organization:~~ ~~(a) copies of documents; and~~

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	8.2 Failure to Make Disclosure If a party fails to make a disclosure of a document or thing in compliance with section 8.1 of this Policy, the party may not refer to the document or thing or tender it as evidence at the hearing without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just. **8.4 Expert Witness** (1) **Notice of Intent to Call Expert** - A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the intent to call the expert witness and the issue on which the expert will be giving evidence. (2) **Provision of Expert's Report** - A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing: (a) the name, address and qualifications of the expert; (b) the substance of the anticipated evidence of the expert; and (c) a list of all the documents, if any, to which the expert will refer. (3) **Failure to Advise of Intent to Call Expert** A party that fails to comply with subsection (1) may not call the expert as a	(b) a list of items, other than documents, not provided by the Organization, that are intended to be relied upon at the hearing; and 2. make available for inspection to the Organization items referred to in subsection (a) (ii). **10.4 Failure to Exchange Documents** If a party fails to provide a document or item pursuant to Rules 10.2 or 10.3, the party may not refer to or tender as evidence at the hearing the document or item without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.

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	witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just. (4) **Failure to Provide Expert's Report** - A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.	
8418. Witness Lists and Statements (1) Subject to section 8417, as soon as reasonably practicable after a response is served and *filed*, and no later than thirty days before the commencement of the *hearing* on the merits, *Enforcement Staff* must serve (i) a list of the witnesses *Enforcement Staff* intends to call to testify at the *hearing*, and (ii) in respect of each witness named on the list, a summary of the evidence the witness is expected to give at the *hearing*, a witness statement signed by the witness or a transcript of a recorded statement of the witness. (2) Subject to section 8417, as soon as reasonably practicable after a response is served and *filed,* and no later than twenty days before the commencement of the *hearing* on the merits, a *respondent* must serve (i) a list of the witnesses, not including the *respondent*, whom the *respondent* intends to call to testify at the *hearing*, and (ii) in respect of each witness named on the list, a summary of the evidence the witness is expected to give at the *hearing*, a witness statement signed by the witness or a transcript of a recorded statement of the witness, unless the transcript was disclosed by *Enforcement Staff* pursuant to section 8417 or subsection 8418(1). (3) A summary of expected evidence, witness statement or transcript served in accordance with subsection 8418(1) or 8418(2) must contain	**8.3 Witness Lists and Statements** (1) **Provision of Witness Lists and Statements** Subject to section 8.4 of this Policy, a party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence, provide to every other party: (a) a list of the witnesses the party intends to call to give evidence at the hearing; and (b) in respect of each witness named on the list, either: (i) a witness statement signed by the witness, or (ii) a summary of the anticipated evidence that the witness is expected to give at the hearing. (2) **Contents of Witness Statements** - A witness statement or summary of the anticipated evidence that the witness is expected to give at the hearing must contain:	**RULE 11: WITNESS LISTS AND STATEMENTS** **11.1 Provision of Witness List and Statements** Subject to Rule 12, a party to a proceeding shall serve: (a) a list of the witnesses the party intends to call at the hearing; and (b) in respect of each witness named on the list, either: (i) a witness statement signed by the witness; (ii) a transcript of a recorded statement made by the witness (other than a Respondent); or (iii) if no signed witness statement or transcript referred to in subsection (i) and (ii) is available, a summary of the evidence that the witness is expected to give at the hearing. The Organization shall comply with the requirements of Rule 11.1 (1), at least 10 days in a Standard Track proceeding and at least 45 days in a Complex Track proceeding, prior to the date of the hearing.

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(i) the substance of the evidence of the witness, (ii) a reference to any *document* the witness will refer to, and (iii) the name, address and telephone number of the witness or of a person through whom the witness can be contacted. (4) A *party* who does not include a *person* in a witness list or disclose the *person's* expected evidence in accordance with subsections 8418(1) to 8418(3) may not call the *person* as a witness at the *hearing* without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just. (5) A witness may not testify to matters not disclosed in accordance with subsection 8418(3) without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	~~(a) the substance of the evidence of the witness;~~ ~~(b) a reference to all documents, if any, that the witness will refer to; and~~ ~~(c) the name and address of the witness, or in the alternative, the name of a person through whom the witness can be contacted.~~ ~~(3) **Failure to Provide Witness List or Statement**~~ ~~If a party fails to include a witness in the witness list or provide a witness list or a witness statement or a summary of the anticipated evidence as required by subsection (1), the party may not call the witness at the hearing without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~ ~~(4) **Incomplete Witness Statement**~~ ~~A party may not call a witness to testify to matters not disclosed in the witness statement or summary of the anticipated evidence as required by subsection (2), without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~	~~The Respondent shall comply with the requirements of Rule 11.1 (1), at least 7 days in a Standard Track proceeding and at least 40 days in a Complex Track proceeding, prior to the date of the hearing.~~ ~~**11.2 Contents of Witness Statements**~~ ~~A witness statement, transcript of a recorded statement or summary of anticipated evidence as required by Rule 11.1 (1) shall contain:~~ ~~(a) the substance of the anticipated evidence of the witness;~~ ~~(b) a reference to documents it is anticipated the witness will refer to; and~~ ~~(c) the name and address of the witness, or in the alternative, the name of a person through whom the witness can be contacted.~~ ~~**11.3 Failure to Provide Witness List or Statement**~~ ~~If a party fails to comply with Rule 11.1, the party may not call the witness at the hearing without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~ ~~**11.4 Incomplete Witness Statement**~~ ~~A party may not call a witness to testify to matters not disclosed pursuant to Rule 11.2 without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~
8419. Expert Witnesses (1) A *party* who intends to call an expert witness at a *hearing* must, at least forty-five days before the commencement of the *hearing*, serve a written report signed by the expert. (2) A *party* who intends to call an expert witness in response to an	~~**8.4 Expert Witness**~~ ~~(1) **Notice of Intent to Call Expert** - A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the~~	~~**RULE 12: EXPERT WITNESS**~~ ~~**12.1 Expert Report**~~ ~~A party that intends to call an expert witness shall serve a written expert report signed by the expert at least 60 days prior to the date of the hearing.~~

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expert's report served pursuant to subsection 8419(1) must, at least twenty days before the commencement of the *hearing*, serve a written report signed by the expert. (3) A *party* who intends to call expert evidence to reply to a responding expert's report served pursuant to subsection 8419(2) must, at least ten days before the commencement of the *hearing*, serve a written report in reply signed by the expert. (4) An expert's report must contain (i) the name, address and qualifications of the expert, (ii) the substance of the expert's evidence, and (iii) a reference to any *document* the expert will refer to. (5) A *party* who does not comply with subsection 8419(1), 8419(2) or 8419(4) may not call the expert as a witness or introduce in evidence or refer to the expert's report or opinion at a *hearing*, without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just. (6) If the *party* who calls an expert witness has not complied with subsection 8419(3), the expert witness may not testify to matters for which an expert's report in reply was required, without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	~~intent to call the expert witness and the issue on which the expert will be giving evidence.~~ ~~(2) **Provision of Expert's Report** - A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing:~~ ~~(a) the name, address and qualifications of the expert;~~ ~~(b) the substance of the anticipated evidence of the expert; and~~ ~~(c) a list of all the documents, if any, to which the expert will refer.~~ ~~(3) **Failure to Advise of Intent to Call Expert** A party that fails to comply with subsection (1) may not call the expert as a witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~ ~~(4) Failure to Provide Expert's Report - A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~	~~**12.2 Expert Report in Response**~~ ~~A party who intends to call an expert witness to respond to the expert witness of another party shall serve a written expert report at least 20 days prior to the date of the hearing.~~ ~~**12.3 Contents of Expert Report**~~ ~~An expert report shall contain:~~ ~~(a) the name, address and qualifications of the expert; and~~ ~~(b) the substance of the opinion of the expert.~~ ~~**12.4 Failure to Provide Expert's Report**~~ ~~A party that fails to comply with Rules 12.1, 12.2 or 12.3 may not refer to or tender as evidence the expert's report without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~ ~~**12.5 Abridgement of Time in Standard Track Proceeding**~~ ~~In a Standard Track proceeding, a party may seek leave to abridge the time requirements as set out in Rules 12.1 and 12.2.~~
8420. Deemed Undertaking (1) In this section, "information" means evidence and information obtained from a *party* that is required to be disclosed or provided in the course of a proceeding by sections 8416, 8417, 8418 and 8419 prior to a *hearing* on the merits, including evidence and information disclosed or provided in a *prehearing*	New	New

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conference, and any information obtained from such evidence or information. (2) This section does not apply to *information* obtained otherwise than under section 8416, 8417, 8418 or 8419 or in a *prehearing conference*. (3) A *party* and its counsel or agent are deemed to undertake not to disclose or use *information* for any purposes other than those of the proceeding in which the *information* was obtained, without the consent of the *party* who disclosed or provided the *information* or *information* on the basis of which the *information* was obtained. (4) Subsection 8420(3) does not prohibit use of *information* that is (i) *filed* with the *National Hearing Coordinator*, (ii) given or referred to during a *hearing*, or (iii) obtained from *information* referred to in clauses 8420(4)(i) and 8420(4)(ii). (5) Notwithstanding subsection 8420(3), *information* may be used to impeach the testimony of a witness in another proceeding. (6) A *hearing panel* may permit the use of *information* that is subject to this section for purposes other than those of the proceeding in which it was disclosed or provided, if the *hearing panel* is satisfied that the public interest outweighs any prejudice that would result to the *party* who disclosed the *information* or the *person* from whom it was obtained by that *party*, subject to any terms and conditions the *hearing panel* considers just.		
8421. Order to Attend and Issue of Summons (1) At any stage of a proceeding, a *party* may request a *hearing panel* to exercise its authority under section 8208 (Enforcement Proceedings) to require a *person* to attend and give evidence or produce *documents* at a *hearing*. (2) If a *hearing panel* orders a *person* who is subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents*, the *National Hearing Coordinator* must serve a notice, in a prescribed form, by	New	New

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personal service in accordance with clause 8406(3)(i), 8406(3)(iv) or 8406(3)(v) (Service and Filing), requiring the attendance of the *person* to give evidence or produce documents, as ordered by the *hearing panel*. (3) If a *hearing panel* orders an employee, partner, director or officer of a *Regulated Person*, who is not an *Approved Person*, to attend at a *hearing*, the *National Hearing Coordinator* must serve a notice on the ~~*employee*~~*person* in accordance with subsection 8421(2) and on the *Regulated Person* requiring the *Regulated Person* to direct the ~~*employee*~~*person* to comply with the order. (4) If a *hearing panel* orders a person who is not subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents* in a *District* in which the *hearing panel* is authorized by law to do so, the *National Hearing Coordinator* must serve a summons or subpoena in accordance with the procedure prescribed by law for the issue of a summons or subpoena by a court, regulatory tribunal or analogous decision maker in the *District*.		
8422. Adjournments (1) A *party* who decides to request an adjournment of a *hearing* on the merits must immediately so advise the other *parties* and the *National Hearing Coordinator* in writing. (2) If the other *parties* consent to the request for an adjournment, the requesting *party* may serve and *file* a written request for the adjournment stating that it is made on consent, and a *hearing panel* may (i) refuse the request, (ii) reschedule the *hearing* without a *hearing* on the request, or (iii) require a *hearing* on the request. (3) If the *parties* do not consent to a request for an adjournment, the requesting *party* must bring a motion as soon as possible and the notice of motion must contain, (i) the reasons for the adjournment, (ii) the length of time requested for the adjournment, and	New	New

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(iii) if the motion is brought fewer than forty days before the date of the *hearing*, a request for an abridgement of the times specified in section 8413, if necessary. (4) If a motion requesting an adjournment cannot be heard at least twenty days before the date for the commencement of the *hearing* and the *parties* do not consent, the motion must be heard at the commencement of the *hearing* and the requesting *party* must be prepared to proceed if the motion is denied. (5) A *hearing panel* may grant or deny an adjournment on any terms and conditions it considers just. **8423. Conduct of Hearing on the Merits** (1) At a *hearing* on the merits a *respondent* is entitled to be represented by counsel or an agent and to make submissions. (2) At a *hearing* on the merits, other than a *written hearing*, a *respondent* is entitled (i) to attend and be heard in person, (ii) to call and examine witnesses and present documentary and other evidence, and (iii) to cross-examine witnesses as reasonably required for a full and fair disclosure of all matters relevant to the issues in the proceeding. (3) A *hearing* on the merits, other than a *written hearing*, must be conducted in the following order: (i) *Enforcement Staff* may make an opening address, which may be followed by an opening address by the *respondent*, (ii) *Enforcement Staff* must present its evidence and examine its witnesses, who may be cross-examined by the *respondent*, (iii) the *respondent* may make an opening address and must present its evidence and examine its witnesses, who may be cross-examined by other *parties*, (iv) *Enforcement Staff* may present evidence in reply to any evidence presented for the first time by the *respondent* and examine witnesses, who may be cross-examined by the	~~**Part 9 – Conduct of Hearing**~~ ~~**9.1 Particular Practice and Procedure for Oral Hearing**~~ ~~(3) A person served with a Notice of Hearing is entitled at an oral hearing of the matter:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or an agent;~~ ~~(c) to call and examine witnesses and to present arguments and submissions; and~~ ~~(d) to conduct cross-examinations of witnesses at the hearing reasonably required for a full and fair disclosure of the facts in relation to which they have given evidence.~~ ~~**9.3 Particular Practice and Procedures for Electronic Hearing**~~ ~~The Hearing Panel may, in deciding that a hearing will be held electronically, impose conditions including specifying the party responsible for making the necessary arrangements for the~~	~~**RULE 13: CONDUCT OF DISCIPLINARY HEARINGS**~~ ~~**13.1 Rights of Respondent**~~ ~~A Respondent is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or an agent, as set out in Rule 3;~~ ~~(c) to call and examine witnesses;~~ ~~(d) to conduct cross-examination of witnesses; and~~ ~~(e) to make submissions.~~ ~~**13.2 Order of Presentation**~~ ~~The order of presentation at a hearing shall be as follows:~~ ~~(a) the Organization may make an opening address and shall then call evidence;~~ ~~(b) at the conclusion of the Organization 's evidence, the Respondent may make an opening address and shall then call evidence;~~ ~~(c) at the conclusion of the Respondent's evidence, the Organization may call reply evidence;~~

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respondent, (v) if the *hearing panel* requests or permits, the *parties* may serve and *file*, by dates ordered by the *hearing panel*, submissions in writing on the facts and legal argument with respect to the contraventions alleged in the notice of hearing, which submissions must not be made public prior to the commencement of the *hearing* of the submissions, and, if necessary, the *National Hearing Coordinator* must set a date for the *hearing* of such submissions, (vi) *Enforcement Staff* may make closing submissions, followed by the *respondent's* closing submissions and *Enforcement Staff's* reply to issues raised by the *respondent*, (vii) unless the *parties* agree otherwise, after the *hearing panel* makes its *decision* on the merits of the allegations in the notice of hearing, the *National Hearing Coordinator* must set a date for the presentation of additional evidence, if any, and the *hearing* of submissions on sanctions and costs, and (viii) the *hearing panel* may request or permit the *parties* to serve and *file* written submissions on sanctions and costs, which submissions must not be made public prior to the commencement of the sanctions *hearing*. (4) After cross-examination of a witness, the *party* who called the witness may further examine the witness with respect to matters raised for the first time in cross-examination. (5) Following examination and cross-examination of a witness, a *hearing panel* may ask questions of the witness, subject to the right of the *parties* to ask further questions with respect to matters raised by the *hearing panel*. (6) If two or more *respondents* are separately represented, the *hearing panel* may direct the order of presentation. (7) A *hearing panel* may control the scope and manner of questioning of a witness to protect the witness from undue harassment. (8) A *hearing panel* may order a witness to be excluded from a *hearing* until the witness is called to give evidence, unless the	~~electronic hearing and requiring that a party requesting an electronic hearing pay all or part of the cost of providing the facilities necessary for the conduct of the hearing electronically.~~ ~~**9.4 Failure to Reply, Attend or Participate**~~ ~~If a person served with a Notice of Hearing fails to:~~ ~~(a) in the case of an oral hearing, serve a Reply in accordance with section 9.1 of this Policy;~~ ~~(b) in the case of a written hearing, serve a Response in accordance with section 9.2 of this Policy; or~~ ~~(c) attend or participate at the hearing specified in the Notice of Hearing,~~ ~~the Market Regulator may proceed with the hearing on the matter on the date and at the time and place set out in the Notice of Hearing without further notice to and in the absence of the person, and the Hearing Panel may, unless precluded by law, proceed on the facts alleged or the conclusions drawn by the Market Regulator in the Statement of Allegations and the Hearing Panel may impose any one or more of the penalties or remedies authorized by UMIR and assess expenses as authorized by UMIR.~~	~~(d) subject to paragraph (e), upon the conclusion of the evidence, the Respondent shall make a closing address, followed by the closing address of the Organization; and~~ ~~(e) if the Respondent calls no evidence, the Organization shall make a closing address, followed by the closing address of the Respondent.~~ ~~Where there are two or more Respondents separately represented, the order of presentation shall be as directed by the Hearing Panel.~~ ~~Where a Respondent is represented by counsel or an agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**13.3 Evidence by Witnesses**~~ ~~Subject to Rule 13.4, witnesses at a hearing shall provide oral testimony under oath or solemn affirmation.~~ ~~The Chair of the Hearing Panel shall exercise reasonable control over the scope and manner of questioning of a witness to protect the witness from undue harassment or embarrassment and may reasonably limit further examination or cross-examination of a witness where it is satisfied that the examination or cross-examination has been sufficient to disclose fully and fairly all matters relevant to the issues in the proceeding.~~ ~~**13.4 Evidence by Sworn Statement**~~ ~~The Hearing Panel may allow the evidence of a witness or proof of a particular fact or document to be given by sworn statement, unless an adverse party reasonably requires the attendance of the witness at the hearing for cross-examination.~~

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presence of the witness is necessary to instruct a *party's* counsel or agent, in which case the *hearing panel* may require the witness to be called to give evidence before other witnesses are called. (9) If a *hearing panel* orders the exclusion of a witness, evidence given during the witness's absence from the *hearing* must not be communicated to the witness until the witness has completed giving evidence, except with leave of the *hearing panel*. (10) A *hearing panel* may permit a *party* to present the evidence of a witness or proof of a particular fact or *document* by affidavit, unless another *party* reasonably requires the attendance of the witness at the *hearing* for cross-examination. (11) If a *hearing panel* requests or permits the *parties* to make written submissions on sanctions and costs, unless the *hearing panel* orders otherwise, (i) the date set for the sanctions *hearing* must be at least thirty days after the date of the *decision* on the merits, (ii) *Enforcement Staff* must serve and *file* submissions at least fourteen days before the sanctions *hearing*, (iii) the *respondent* must serve and *file* submissions at least seven days before the sanctions *hearing*, and (iv) *Enforcement Staff* must serve and *file* any reply submissions at least three days before the sanctions *hearing*. (12) If a *respondent* who has been served with a notice of hearing does not attend the *hearing* on the merits, the *hearing panel* (i) may proceed with the *hearing* in the *respondent's* absence and may accept as proven the facts and contraventions alleged in the notice of hearing and statement of allegations, and (ii) if it finds that the *respondent* committed the alleged contraventions, may hear submissions on sanctions from *Enforcement Staff* immediately, without a further *hearing* on sanctions and costs, and may impose sanctions and costs pursuant to sections 8209 or 8210 (Enforcement Proceedings), as it considers appropriate.		~~**13.5 Where Respondent Fails to Attend Disciplinary Hearing**~~ ~~Where a Respondent, having been served with a Notice of Hearing, fails to attend a disciplinary hearing, the Hearing Panel may proceed in the absence of the Respondent and may accept as proven the facts and violations alleged by the Organization in the Notice of Hearing.~~ ~~Upon making a finding of the violations as alleged in the Notice of Hearing, the Hearing Panel may immediately hear submissions of the Organization regarding an appropriate penalty and may impose such penalty, as it deems appropriate, pursuant to Dealer Member Rule 20.33 and 20.34.~~

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8424. Written Hearings (1) If a *hearing* is a *written hearing*, the *party* who serves a *commencing notice* must, with the motion or other record required by the *Rules of Practice* or within a time directed by a *hearing panel*, serve and *file* the *party's* written submissions containing, as applicable, (i) a statement of agreed facts, (ii) the *party*'s factual and legal submissions, and (iii) any material ordered by the *hearing panel*. (2) A *respondent* or *responding party* may respond, within the time provided in subsection 8413(7) of the *Rules of Practice* or in a *decision* of a *hearing panel*, by serving and *filing* a responding motion record, if applicable, and the *party's* factual and legal submissions. (3) A *party* may reply to a response served pursuant to subsection 8424(2), within the time provided in subsection 8413(9) of the *Rules of Practice* or in a *decision* of a *hearing panel,* by serving and *filing* a reply record, if applicable, and the *party*'s factual and legal submissions. (4) A *hearing panel* may (i) require a *party* to serve and *file* additional information, (ii) on request of a *party*, order that a *party* present a witness to be examined or cross-examined on any terms and conditions the *hearing panel* directs, and (iii) after considering the record, order that the *hearing* be continued as an *oral hearing* or *electronic hearing*.	~~**9.2 Particular Practice and Procedure for Written Hearing**~~ ~~(1) **Submissions and Supporting Documents** The applicant shall, within 7 days after receiving notice of the written hearing, file and serve on all other parties its written submissions setting out,~~ ~~(a) the grounds upon which the request for the remedy or order is made;~~ ~~(b) a statement of the facts relied on in support of the remedy or order requested;~~ ~~(c) the evidence relied on in support of the remedy or order requested; and~~ ~~(d) any law relied on in support of the remedy or order requested.~~ ~~(2) **Additional Information** - The Hearing Panel may require the applicant to provide further information, and this information must be supplied to every other party.~~ ~~(3) **Response** - A party may respond to the submissions of the applicant by filing and serving on every other party a written response within 5 days after the submissions and supporting documents of the applicant are served on the party which response shall set out the submissions of the responding party relating to the matter before the Hearing Panel and be accompanied by a statement of the facts and any evidence and any law relied on in support of the response.~~ ~~(4) **Reply to Response** - The applicant may reply to a response by filing and serving on~~	New

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	every other party a written reply within 5 days after a response from a party is served on the applicant which reply to the response must set out the position of the applicant to the response and be accompanied by any additional facts, evidence and law that the applicant relies on in support of the reply. (5) **Questions and Answers** - If a written hearing involves evidentiary issues, the Hearing Panel may direct that, (a) the applicant and any responding party may ask such questions of the other as are reasonably necessary for the purpose of clarification of the other's evidence by filing and serving on every other party written questions within such time as is directed by the Hearing Panel; and (b) the party to whom the questions are directed shall file and serve on every other party written answers to such questions within such time as is directed by the Hearing Panel. (6) **Evidence** - The evidence must: (a) be in writing, or when electronic transmission is permitted, it must be in the form directed by the Hearing Panel; (b) identify the person giving the evidence and be in certified form or in affidavit form; and (c) include all documents and things a party is relying on to support the remedy or order requested or the response or to otherwise support the position a party is taking in the hearing.	

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	~~(7) **No Oral Examination** - Unless ordered by the Hearing Panel, there will be no oral examination.~~ ~~(8) **Presentation of Witness** - If a party requests, the Hearing Panel may order that a party present a witness to be examined or cross-examined upon such conditions as the Hearing Panel directs.~~	
8425. Temporary Orders (1) Where a proceeding pursuant to section 8211 (Temporary Orders) is commenced, *Enforcement Staff* must *file* a notice of application and application record at least five days prior to the date of the *hearing* or a shorter period permitted by a *hearing panel*. (2) An application under subsection 8425(1) may be made with or without notice to the *respondent*. (3) A notice of application must contain: (i) the date, time and location of the *hearing*, (ii) whether notice has been given to the *respondent*, (iii) a statement of the purpose of the proceeding, (iv) the sanctions requested by *Enforcement Staff*, (v) the grounds for the application, including a reference to any *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (vi) a statement of the facts alleged that support the alleged contraventions and the need for a temporary order, (vii) a list of documentary and other evidence relied on, (viii) whether it is proposed that the application be heard as an *oral hearing*, *electronic hearing* or *written hearing*, and (ix) any other information that *Enforcement Staff* considers advisable. (4) An application record must contain (i) the notice of application, and	New, except see UMIR 10.5 where interim order of Market Regulator is issued re Restricting Access, this is subject to procedure under UMIR 10.5.	New

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(ii) copies of the evidence, including affidavit and other materials relied on. (5) If an application under subsection 8425(1) is made with notice, *Enforcement Staff* must serve the *respondent* with the application record before it is *filed* and ~~a~~the *respondent* may serve and *file* a responding record at least two days prior to the date of the *hearing*. (6) A responding record must contain (i) the order requested by the *respondent*, including a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (7) A *party* to an application under subsection 8425(1) may serve, if notice is given, and *file* a memorandum of fact and law prior to the *hearing* of the application. (8) A *hearing panel* may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the *hearing* on any matter in issue and allow cross-examination on an affidavit. (9) A *hearing panel* may (i) grant the temporary order requested, (ii) dismiss or adjourn the application in whole or in part, with or without terms, and (iii) make another *decision* it considers appropriate. (10) If an application under subsection 8425(1) is made on notice, the *decision* and reasons of the *hearing panel* constitute the notice required by subsection 8211(3) (Enforcement Proceedings). (11) If an application under subsection 8425(1) is made without notice, a notice of a temporary order pursuant to subsection 8211(3) (Enforcement Proceedings) must contain: (i) a statement that a temporary order has been made with respect to the *respondent*, describing the terms of the temporary order,		

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(ii) the grounds on which the temporary order was requested and a reference to the notice of application containing them, and (iii) a summary of subsection 8211(2) (Enforcement Proceedings) and the date, time and location of the *hearing* required by subsection 8211(2). (12) A notice of a temporary order under subsection 8425(11) must be accompanied by: (i) a copy of the *decision* or order and reasons of the *hearing panel*, (ii) a copy of the notice of application and application record *filed* by *Enforcement Staff*, (iii) a summary of any oral evidence received by the *hearing panel* or a transcript of the *hearing*, (iv) copies of any documentary or other evidence received by the *hearing panel* that is not contained in the application record, and (v) any written submissions presented to the *hearing panel*. (13) A *hearing* to extend a temporary order must follow the procedure in section 8413 for a motion.		
8426. ~~Expedited Hearings~~Protective Orders (1) Where a proceeding pursuant to section 8212 (~~Expedited Hearings~~Protective Orders) is commenced, *Enforcement Staff* must serve the *respondent* with, and *file*, a notice of application and application record at least five days prior to the date of the *hearing* or a shorter period permitted by a *hearing panel*. (2) A notice of application must contain: (i) the date, time and location of the *hearing*, (ii) a statement of the purpose of the proceeding, (iii) the ~~sanctions~~order requested by *Enforcement Staff*, (iv) the grounds for the application, including a reference to any *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (v) a statement of the facts alleged that support the alleged	New	~~**RULE 16: EXPEDITED AGREEMENTS**~~ ~~**16.1 Notice of Application**~~ ~~An expedited proceeding pursuant to Dealer Member Rule 20.41, shall be commenced by Notice of Application.~~ ~~**16.2 Contents of Notice of Application**~~ ~~A Notice of Application shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought including reference to any Dealer Member Rules, and statutory provisions; and~~ ~~(c) list the evidence to be relied upon.~~

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contraventions, the need for ~~an *expedited hearing*~~a protective order and the ~~sanctions~~order sought, (vi) a list of documentary and other evidence relied on, (vii) whether it is proposed that the application be heard as an *oral hearing*, *electronic hearing* or *written hearing*, and (viii) any other information that *Enforcement Staff* considers advisable. (3) An application record must contain (i) the notice of application, and (ii) copies of the evidence, including affidavits and other materials relied on. (4) *Enforcement Staff* must serve the application record before it is *filed* and a *respondent* may serve and *file* a responding record. (5) A responding record must contain (i) the order requested by the *respondent*, including a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (6) A *party* to an application under subsection 8426(1) may serve and *file* a memorandum of fact and law prior to the *hearing* of the application. (7) A *hearing panel* may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the ~~*expedited*~~ *hearing* on any matter in issue and allow cross-examination on an affidavit. (8) A *hearing panel* may (i) grant the ~~sanction~~order requested, (ii) dismiss or adjourn the application in whole or in part, with or without terms, and (iii) make any other *decision* authorized by subsection 8212(4) (~~Expedited Hearings~~Protective Orders) that it considers appropriate.		~~**16.3 Expedited Hearing Date**~~ ~~Prior to the issuance of the Notice of Application, the Corporation shall obtain from the National Hearing Coordinator a date, time and location for the expedited hearing.~~ ~~**16.4 Evidence Relied Upon**~~ ~~Evidence relied upon for the application may be provided by sworn statement.~~ ~~The Hearing Panel may require the deponent of the sworn statement to attend and provide oral evidence at the hearing.~~ ~~**16.5 Service Not Required**~~ ~~The Notice of Application is not required to be served on the Respondent.~~ ~~**16.6 Application Record**~~ ~~(1) An Application Record shall contain:~~ ~~(a) the Notice of Application; and~~ ~~(b) copies of the evidence to be relied upon, and shall be filed as soon as practicable.~~ ~~**16.7 Order**~~ ~~Where the Hearing Panel makes an order at the conclusion of an expedited hearing, the Corporation shall forthwith:~~ ~~(a) file a copy of the order and reasons; and~~ ~~(b) serve a copy of the order and reasons of the Hearing Panel and Application Record.~~ ~~At the time of serving the order, the Corporation shall advise the Respondent in writing of the right to request a review pursuant to Dealer Member~~

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		~~Rule 20.47.~~
8427. ~~Expedited Hearing~~ Review of Protective Orders (1) A *party* who requests a review of a *decision* made ~~after an expedited hearing~~under section 8212 (Protective Orders) must serve and *file*, within thirty days of the date of the *decision* ~~and no more than twenty-one days, or such longer period as agreed by the *parties*, prior to the commencement of the *hearing*~~, a notice of request for review and a review record. (2) A notice of request for review must contain (i) the date, time and location of the *hearing* of the request for review, (ii) the relief sought, (iii) the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*, (iv) a list of evidence and other materials relied on, and (v) whether it is proposed that the request for review be heard as an *oral hearing*, *electronic hearing* or *written hearing*. (3) A review record must contain (i) the notice of request for review, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (4) *Enforcement Staff* must *file*, at least seven days prior to the date of the review *hearing*, a record that contains the ~~expedited~~record of the *hearing* ~~record~~under section 8212 (Protective Orders), the *decision* and reasons of the *hearing panel*, a transcript of the ~~expedited~~ *hearing* and copies of any documentary or other evidence received by the *hearing panel* not otherwise contained in the record. (5) A *responding party* may serve and *file* a reply no later than seven days prior to the date of the review *hearing*. (6) A reply must contain (i) the order requested by the *responding party* and a statement of the reasons for the order requested, and	New	**~~RULE 18: EXPEDITED REVIEW HEARINGS~~** **~~18.1 Notice of Request for Review~~** ~~A request for a review of an expedited hearing pursuant to Dealer Member Rule 20.47 shall be commenced by a Notice of Request for Review.~~ ~~The Requesting Party shall serve and file a Notice of Request for Review within 30 days from the effective date of service of the order made at the hearing.~~ **~~18.2 Contents of Notice of Request for Review~~** ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought, including reference to any Corporation Dealer Member Rule; and~~ ~~(c) list the evidence to be relied upon.~~ **~~18.3 Review Hearing Date~~** ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall be within 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.47(2).~~ **~~18.4 Review Record~~** ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~The Review Record shall contain:~~

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(ii) copies of any additional evidence, including affidavits and other material relied on. (7) The *parties* may serve and *file* a memorandum of fact and law no later than two days prior to the date of the review *hearing*. (8) A review *hearing* must be conducted in the following order: (i) the *requesting party* may present evidence, (ii) the *responding party* may present evidence, (iii) the *requesting party* may make submissions, (iv) the *responding party* may make submissions, and (v) the *requesting party* may reply to the submissions of the *responding party*. (9) A *hearing panel* may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review *hearing* on any matter in issue and allow cross-examination on an affidavit. (10) At any time prior to a review *hearing*, a *requesting party* may bring a motion for a stay of ~~a sanction imposed~~an order made under subsection 8212(4) (~~Expedited Hearings~~Protective Orders).		~~(a) the Notice of Request for Review;~~ ~~(b) the Notice of Application filed in respect of the expedited hearing;~~ ~~(c) the order and reasons made at the expedited hearing; and~~ ~~(d) copies of the evidence to be relied upon.~~ ~~**18.5 Reply**~~ ~~The Corporation may serve and file a Reply at least 2 days prior to the date of the review hearing.~~ ~~The Reply shall be restricted to statements and documents responding to new issues raised by the Respondent in the Review Hearing Record.~~ ~~**RULE 19: CONDUCT OF EXPEDITED REVIEW HEARING**~~ ~~**19.1 Rights of Parties**~~ ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~ ~~(d) to make submissions relevant to the issues in the review hearing.~~ ~~**19.2 Order of Presentation**~~ ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence and make submissions;~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~

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		~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent~~.
8428. Settlement Hearings (1) If a *settlement agreement* is made after a notice of hearing has been issued, a *settlement hearing* must be commenced by a notice of motion. (2) If a *settlement agreement* is made before a notice of hearing is issued, a *settlement hearing* must be commenced by a notice of application. (3) *Enforcement Staff* must serve the *respondent* with, and *file*, a *commencing notice* for a *settlement hearing* and must *file* copies of the *settlement agreement* at least seven days prior to the date of the *settlement hearing*, unless the *hearing* on the merits has commenced and the *hearing panel* orders otherwise. (4) A *commencing notice* for a *settlement hearing* must contain: (i) the date, time and location of the *settlement hearing*, (ii) the identity of the *respondent*, (iii) a statement of the purpose of the *hearing*, (iv) the general nature of the allegations addressed by the *settlement agreement*, and (v) whether it is proposed that the *settlement hearing* be an *oral hearing*, *electronic hearing* or *written hearing*. (5) A *settlement agreement* must not be open for inspection by the public unless it has been accepted by a *hearing panel*. (6) At a *settlement hearing*, facts that are not contained in the *settlement agreement* must not be disclosed to the *hearing panel* without the consent of all *parties*, unless the *respondent* does not appear, in which case *Enforcement Staff* may disclose additional relevant facts, if requested by the *hearing panel*.	~~**Part 3 - Offers of Settlement and Settlement Agreements**~~ ~~**3.1 Provision of Offer of Settlement**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~ ~~**3.2 Contents of Offer of Settlement**~~ ~~An Offer of Settlement must:~~ ~~(a) be in writing;~~ ~~(b) be signed by the President of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~ ~~(c) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~ ~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~ ~~(f) contain a statement that if the Offer of~~	~~**RULE 15: SETTLEMENT HEARINGS**~~ ~~**15.1 Settlement Hearing Date**~~ ~~Upon the entering into of a Settlement Agreement, the Corporation shall request a date for the settlement hearing from the National Hearing Coordinator~~. ~~The National Hearing Coordinator shall give written notice of the settlement hearing date to all parties.~~ ~~**15.2 Settlement Hearing Materials**~~ ~~The Corporation shall serve and file a copy of the Settlement Agreement and any supporting materials as soon as practicable and in any case not later than 2 days prior to the date of the settlement hearing.~~ ~~**15.3 Facts not to be Disclosed**~~ ~~Unless the parties consent, facts not contained in the Settlement Agreement cannot be referred to or disclosed to the Hearing Panel.~~ ~~If a Respondent is not present at the settlement hearing, the Corporation may disclose additional relevant facts, at the request of the Hearing Panel.~~

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	~~Settlement is accepted by the person on whom it is served:~~ ~~(i) the resulting Settlement Agreement is conditional upon the approval of the Hearing Panel, and (ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~	
8429. Monitor (1) A request for directions by *Enforcement staff* or a *monitor* must be made by bringing a motion in accordance with section 8413 of the *Rules of Practice*.	Not applicable to UMIR.	~~**RULE 17: APPOINTMENT OF MONITOR**~~ ~~**17.1 Notice of Application**~~ ~~An application for the appointment of a Monitor pursuant to Dealer Member 20.46 shall be commenced by a Notice of Application.~~ ~~**17.2 Application Procedure**~~ ~~An application for the appointment of a Monitor shall follow the procedure set out in Rule 16.~~ ~~**17.3 Factors to Consider in Appointment of Monitor**~~ ~~In exercising its discretion under Dealer Member Rule 20.46 to appoint a Monitor, a Hearing Panel shall consider:~~ ~~(a) the harm or potential harm to the investing public;~~ ~~(b) the financial solvency of the Member;~~ ~~(c) the adequacy of internal controls and operating procedures;~~ ~~(d) the Member's ability to maintain regulatory capital requirements;~~ ~~(e) any previous suspension of the Member for failing to meet regulatory capital~~

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		requirements; (f) the costs to the Member associated with the appointment of the Monitor; and (g) any other relevant factors. **17.4 Eligible Monitors and Costs** In exercising its discretion under Dealer Member Rule 20.46, a Hearing Panel shall: (a) appoint a Monitor on such terms as it considers appropriate; (b) appoint a Monitor from the roster of eligible Monitors set out in Schedule "B"; and (c) fix the costs of the appointment of the Monitor in accordance with the fee schedule set out in Tariff "A".
REVIEW PROCEEDINGS **8430. Regulatory Review Hearings** (1) A *party* who requests a review of a *regulatory decision* must serve and *file*, within the time specified in the *Corporation requirement* relating to the *regulatory decision* and (i) in the case of a decision made under ~~sections~~section 9204, 9206 or 9207 (Approvals and Regulatory Supervision), at least fourteen days, and (ii) in the case of a decision under Dealer Member Rule 30 (early warning review), no more than the number of days specified in Dealer Member Rule 30, prior to the date of the *hearing*, a notice of request for review and a review record. (2) A notice of request for review must contain (i) the date, time and location of the *hearing* of the request for review, (ii) the relief sought, (iii) the grounds for the relief sought, including reference to any	Not applicable to UMIR.	**RULE 22: APPROVALS - INDIVIDUALS** **22.1 Request for Review** A request for review pursuant to Dealer Member Rule 20.19 shall be commenced by a Notice of Request for Review. A Notice of Request for Review shall be served and filed within 10 days after release of the approval decision, as required by Dealer Member Rule 20.19(1). **22.2 Contents of Notice of Request for Review** A Notice of Request for Review shall: (a) state the specific relief sought; (b) state the grounds for the relief sought; and (c) list the evidence to be relied upon.

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Corporation requirements or *laws*, (iv) a list of evidence and other materials relied on, and (v) whether it is proposed that the request for review be heard as an *oral hearing*, *electronic hearing* or *written hearing*. (3) A review record must contain (i) the notice of request for review, (ii) any notice of the *regulatory decision* received by the *requesting party*, (iii) the *regulatory decision* and any reasons for the *regulatory decision*, (iv) any materials that accompanied the notice of the *regulatory decision* or the *regulatory decision* received by the *requesting party*, (v) copies of any additional evidence, including affidavits and other materials relied on. (4) A *responding party* may serve and *file* a reply at least seven days prior to the date of the review *hearing*. (5) A reply must contain (i) the order requested by the *responding party* and a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other material relied on. (6) The *parties* may serve and *file* a memorandum of fact and law no later than two days prior to the date of the review *hearing*. (7) A review *hearing* must be conducted in the following order: (i) the *requesting party* may present evidence, (ii) the *responding party* may present evidence, (iii) the *requesting party* may make submissions, (iv) the *responding party* may make submissions, and (v) the *requesting party* may reply to the submissions of the *responding party*. (8) A *hearing panel* may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at		~~**22.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~ ~~**22.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**22.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.~~ ~~**22.6 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**22.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the~~

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the review *hearing* on any matter in issue and allow cross-examination on an affidavit. (9) A member of a *District Council* whose *decision* is the subject of a request for review may not be a member of the *hearing panel* on the review *hearing*.		~~review hearing.~~ ~~**RULE 23: APPROVALS - MEMBERS**~~ ~~**23.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.22 shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 30 days after release of the approval decision, as required by Dealer Member Rule 20.22(2).~~ ~~**23.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**23.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 90 days after the filing of the Notice of Request for Review.~~ ~~**23.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record not less than 30 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~

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		~~(c) copies of the evidence to be relied upon.~~ ~~**23.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 14 days prior to the date of the review hearing.~~ ~~**23.6 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**23.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 7 days prior to the date of the review hearing.~~ ~~**RULE 24: EXEMPTION REVIEW HEARINGS**~~ ~~**24.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.26 shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 10 days after release of the decision, as required by Dealer Member Rule 20.26(1).~~ ~~**24.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~

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		~~(c) list the evidence to be relied upon.~~ ~~**24.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~ ~~**24.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**24.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.~~ ~~**24.6 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**24.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply~~

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		~~Record at least 5 days prior to the date of the review hearing.~~ ~~**RULE 25: CONDUCT OF APPROVAL AND EXEMPTION REQUEST REVIEW HEARINGS**~~ ~~**25.1 Application**~~ ~~This Rule shall apply to all review hearings referred in Rules 22 to 24 in this Part D.~~ ~~**25.2 Rights of Parties**~~ ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~ ~~(d) to make submissions relevant to the issues in the review hearing.~~ ~~**25.3 Order of Presentation**~~ ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence and make submissions;~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~ ~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**25.4 Form of Evidence**~~ ~~Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination.~~

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		~~**26.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.29(1) shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 3 days after the Member was served with the early warning order, as required by Dealer Member Rule 20.29(1).~~ ~~**26.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**26.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.29(2).~~ ~~**RULE 27: SUPPORTING MATERIALS**~~ ~~**27.1 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the early warning order;~~

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		~~(c) copies of the evidence to be relied upon.~~ ~~**27.2 Reply**~~ ~~The Responding Party may serve and file a Reply, at least 5 days prior to the date of the review hearing.~~ ~~**27.3 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**27.4 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Corporation intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing~~.
SECURITIES REGULATORY AUTHORITY REVIEW		
8431. Record for Review (1) A *party* who applies to a *securities regulatory authority* for review of a final *decision* of a *hearing panel* may obtain a copy of the record of the proceeding in which the *decision* was made by sending a request for the record, in prescribed form, to the *National Hearing Coordinator*. (2) The *National Hearing Coordinator* must provide a copy of the record of the proceeding to the *party* within a reasonable time after receipt of a request under subsection 8431(1), subject to payment of any applicable costs or fees. (3) Subject to subsection 8431(4), the record of a proceeding must include copies of: (i) the *commencing notice* in the proceeding, (ii) any interim orders made in the proceeding,	New	New

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(iii) any preconference memorandums, (iv) documentary and other evidence adduced in the proceeding, subject to any limitations imposed under *Corporation requirements* by a *hearing panel* or by *law*, (v) any other *documents* in the proceeding requested by a *party*, (vi) a transcript of oral evidence given at the *hearing* on the merits, and (vii) the *decision* and reasons of the *hearing panel*. (4) The *National Hearing Coordinator* may omit any *documents* from the record of a proceeding, if (i) the *parties* consent and the *hearing panel* agrees, or (ii) the *hearing panel* so directs. (5) The *National Hearing Coordinator* may require the *party* who requests the record of a proceeding to pay the costs of preparing a copy of the record and a reasonable fee for its preparation.		
Rule 9100 **Compliance Examinations**		
9101. Introduction (1) This Rule sets out the powers of the *Corporation* to initiate and conduct compliance examinations and request information and the rights and obligations of *Regulated Persons* with respect to such examinations.	New	New
9102. Examinations (1) An examination under this Rule includes a request for information made by *Corporation* staff.	New	New
9103. Conducting Examinations (1) *Corporation* staff may examine the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements*, *applicable laws*, or trading or advising in respect of securities, commodities contracts or derivatives. (2) *Corporation* staff may initiate an examination where they	See UMIR 10.2 above; to be repealed.	See Dealer Member Rule 19.1 and 19.2 above; to be repealed.

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~~reasonably~~ consider it advisable to do so.		
9104. Examination Powers (1) In connection with an examination, *Corporation* staff may, by written or electronic request, require a *Regulated Person*~~,~~ or an *employee,* partner, *Director,* officer or ~~an~~ *investor* of a *Dealer Member* to: (i) provide a written report with respect to any matter; (ii) produce for inspection any *records* and documents in the *person's* possession or control that *Corporation* staff believe may be relevant to the examination, whether written, electronically stored, or recorded; (iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Corporation* staff requests; and (iv) answer questions with respect to any matter. (2) In a request made under subsection 9104(1), *Corporation* staff may require production of original documents and must provide a receipt for any original documents received. (3) In connection with an examination, *Corporation* staff (i) may, with or without prior notice, enter the business premises of any *Regulated Person* during business hours; (ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer hard drives of the *Regulated Person*, that are not subject to ~~solicitor-client~~legal privilege; and (iii) may remove the original of any document or *record* obtained under clause 9104(3)(ii), and where an original document or *record* is removed from the premises, *Corporation* staff must provide a receipt for the removed document or *record*.	See UMIR 10.12 above; to be repealed.	See Dealer Member Rule 19.5 and 19.6 above; to be repealed.
9105. Obligations of Regulated Persons and Other Persons (1) A *person* who receives a request made under section 9104 must	**UMIR PART 10 – COMPLIANCE** **10.1 Compliance Requirement**	See Dealer Member Rule 19.5, 19.1, and 19.6 above.

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comply with the request within the time specified in it. (2) A *Regulated Person* must cooperate with *Corporation* staff who are conducting an examination, and a *Regulated Person* must require its employees, partners, directors and officers to cooperate with *Corporation* staff conducting an examination and to comply with a request made under section 9104. (3) A *person* who is aware that *Corporation* staff is conducting an examination must not conceal or destroy any *record*, document or thing that contains information that may be relevant to the examination or ask or encourage any other *person* to do so.	(1) Each Participant and Access Person shall comply with applicable Requirements. (2) For the purposes of subsection (1), a Participant or Access Person shall, with respect to a particular order, comply with the Marketplace Rules of: (a) the marketplace on which the particular order is entered; and (b) the marketplace on which the particular order is executed. (3) Each marketplace shall comply with the applicable Requirements, the Market Operation Instrument and any other applicable securities regulatory requirements. (4) The Market Regulator shall promptly report to the applicable securities regulatory authorities, if the Market Regulator believes that a marketplace has failed to comply with the requirements of subsection (3) or has otherwise engaged in misconduct or apparent misconduct. (5) A Regulated Person shall not do any act that the Regulated Person knows or could have known after the exercise of reasonable diligence would impede or obstruct the ability ~~of:~~ ~~(a) the Market Regulator to conduct an investigation pursuant to Rule 10.2;~~ ~~(b) the Market Regulator to conduct a hearing to make a determination pursuant to Rule 10.6; or~~ ~~(c) a~~of a Market Integrity Official to exercise a power under Rule 10.9.	

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	(6) Without limiting the generality of subsection (5), a Regulated Person shall be considered to have impeded or obstructed the ability of ~~the Market Regulator to conduct an investigation or a hearing or~~ a Market Integrity Official to exercise a power if the Regulated Person: (a) destroys or renders inaccessible any document in the possession or control of the Regulated Person, whether or not the document is of the form or type that must be retained in accordance with Rule 10.12, that is relevant ~~to the investigation or hearing or~~ to the exercise of power; (b) provides any information, document, record or statement to the Market ~~Regulator~~ Integrity Official ~~in connection with the investigation or hearing or to a Market Integrity Official~~ in connection with the exercise of a power that is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading; or (c) persuades or attempts to persuade any person by whatever means to: (i) destroy or render inaccessible any document in the possession or control of that other person relevant ~~to the investigation or hearing or~~ to the exercise of power, or (ii) provide any information, document, record or statement to the ~~Market Regulator in connection with the investigation or hearing or to a~~	

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Market Integrity Official in connection with the exercise of a power that would be misleading or untrue or would not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading.

(7) Without limiting the availability of other defences, a Regulated Person shall not be considered to have breached subsection (5) or (6) if the Regulated Person did not know or could not have known after the exercise of reasonable diligence that:

(a) the document was relevant to ~~the investigation or hearing or~~ the exercise of a power; or

(b) the information, document, record or statement was or would be misleading or untrue or that it omitted to state a fact that was required to be stated or that was necessary to make the information, document, record or statement not misleading in light of the circumstance in which it was made or would be made.

POLICY 10.1 – COMPLIANCE REQUIREMENT

Part 1 – Monitoring for Compliance

Rule 10.1 requires each Participant and Access Person to comply with applicable Requirements. The term "Requirements" is defined as meaning:

- UMIR;
- the Policies;
- the Trading Rules;
- the Marketplace Rules;

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	• any direction, order or decision of the Market Regulator or a Market Integrity Official; and • securities legislation, as amended, supplemented and in effect from time to time. The Market Regulator will monitor the activities of Regulated Persons for compliance with each aspect of the definition of Requirements and ~~the Market Regulator will~~ use the powers under Consolidated Rule ~~10.2~~8100 to conduct any enforcement investigation into possible non-compliance. If the Regulated Person has not complied with: • UMIR, the Policies or any direction, order or decision of the Market Regulator or a Market Integrity Official, the Market Regulator may undertake a disciplinary proceeding pursuant to ~~10.5~~Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access; • the Trading Rules or securities legislation, the Market Regulator may, pursuant to the exchange of information provided for under Rule 10.13, refer the matter to the applicable securities regulatory authority to be dealt with in accordance with applicable securities legislation; and • Marketplace Rules, the Market Regulator may undertake a disciplinary proceeding pursuant to Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access, if the marketplace has retained the Market Regulator to conduct disciplinary proceedings on behalf of the marketplace in accordance with an agreement with the Market Regulator contemplated by Part 7 of the Trading Rules, otherwise the Market Regulator may refer the matter to the marketplace to be dealt with in accordance with the Marketplaces Rules of that marketplace.	

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9106. Use of Information (1) *Corporation* staff may refer any information obtained from an examination to *Enforcement Staff*, other *Corporation* Staff, or a securities ~~or~~, commodities or derivatives regulatory authority. (2) *Corporation* staff may take any other appropriate action based on information obtained from an examination.	New	New
Rule 9200 **Approvals and Regulatory Supervision**		
9201. Introduction (1) This Rule sets out the authority of the *Corporation* to approve individuals employed by or otherwise acting on behalf of *Dealer Members*, to grant exemptions from the *Corporation's* proficiency and educational requirements, to grant exemptions from the *Corporation's* introducing/carrying broker requirements, to impose terms and conditions on approvals and membership, to suspend and revoke approvals, and rights of review available to *parties* to such decisions.	Not applicable	New
9202. Definitions (1) In this Rule, "application" means an application for approval or an exemption under this Rule, but does not include a request for a review of a decision on such an application under Rule 9300 (Regulatory Review Proceedings). "decision" means a determination made by a *District Council*, a ~~subcommittee of a *District Council*~~*Registration Subcommittee*, *Registration Staff* or the *Corporation* under this Rule. "District Council panel" means a panel of three members of a *District Council* ~~.~~ appointed by the *National Hearing Coordinator* to conduct a *hearing* under section 9209. "Registration Staff" means registration staff of the *Corporation*. "Registration Subcommittee" means a subcommittee of a *District Council* to whom authority has been delegated under subsection 9203(1).	Not applicable	New

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9203. Decisions of a District Council (1) A *District Council* may delegate its authority to make *decisions* under this Rule to a ~~subcommittee~~*Registration Subcommittee* of at least three ~~to five~~ *industry members* of the *District Council* or, except for its authority under section 9205 and subsection 9207(2), to *Registration Staff*. (2) Notice of a *decision* of a *District Council* must be given to an applicant or other *person* who is its subject. (3) A *District Council* must not (i) refuse an *application*, (ii) impose terms and conditions on an approval, or (iii) suspend or revoke an approval, unless the applicant or *Approved Person* has been given an opportunity to be heard. (4) Written reasons must be provided with notice of a *decision* that (i) refuses an *application*, (ii) imposes terms and conditions on an approval, or (iii) suspends or revokes an approval. (5) ~~Unless it is stayed, a *decision* is effective ten business days after it is released~~A *decision* is effective on the date on which notice of the *decision* is provided to the *parties*, unless: (i) the *decision* provides otherwise, in which case the *decision* is effective on the date so provided; or (ii) the *decision* is stayed under subsection 9209(4) or by a *hearing panel*.	Not applicable	~~**Part 7 – Individual and Membership Approvals**~~ ~~**APPROVAL APPLICATIONS**~~ ~~**20.18 Powers of District Council**~~ ~~(1) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council comprised of three industry members or to Corporation Staff, to:~~ ~~(a) approve an application for approval as a:~~ ~~(i) Supervisor under Rule 4,~~ ~~(ii) Director or Executive under Rule 7,~~ ~~(iii) Registered Representative or Investment Representative, under Rule 18,~~ ~~(iv) Ultimate Designated Person, Chief Financial Officer or Chief Compliance Officer under Rule 38, or~~ ~~(v) Trader under Rule 500.~~ ~~(2) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to:~~ ~~(a) approve an application for approval referred to in Rule 20.18(1)(a) subject to such terms and conditions as the District Council considers just and appropriate;~~ ~~(b) refuse an application for approval referred to in Rule 20.18(1)(a), if in its opinion:~~ ~~(i) the Applicant does not meet any~~

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		~~requirements prescribed by the Rules or Rulings;~~ ~~(ii) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~ ~~(iii) the Applicant is not qualified for approval by reason of integrity, solvency, training or experience; or~~ ~~(iv) such approval is otherwise not in the public interest.~~ ~~(3) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to impose such terms and conditions on the continued approval of an Approved Person as the District Council considers just and appropriate.~~ ~~(4) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council, pursuant to subsection (1), to revoke or suspend the approval of an individual at any time during the period of approval of the individual if it appears to the District Council,~~ ~~(i) that the individual is not suitable for approval by reason of integrity, solvency, training or experience or has failed to comply with the Rules or Rulings of the Corporation; or~~ ~~(ii) that the approval is otherwise not in the public interest.~~ ~~(5) The District Council shall not do any of the following without giving an individual an~~

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		~~opportunity to be heard:~~ ~~(i) Refuse to approve the individual.~~ ~~(ii) Impose terms and conditions on the approval, either as a condition of approval or at any time during the period in which the individual is approved.~~ ~~(iii) Suspend or revoke the approval of the individual under (4).~~ ~~**20.25 Powers of District Councils**~~ . . ~~(4) The Dealer Member shall be provided with notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.~~
9204. Individual Approval Applications (1) An *individual* may apply to a *District Council* for approval as a (i) *Supervisor* under Dealer Member Rule section 1300.2, (ii) *Director* or *Executive* under Dealer Member Rule section 7.2, (iii) *Registered Representative* or *Investment Representative* under Dealer Member Rule section 18.2, (iv) *Ultimate Designated Person*, *Chief Financial Officer*, or *Chief Compliance Officer* under Dealer Member Rule ~~sections~~section 38.5, 38.6, or 38.7, respectively, or (v) *Trader* under Dealer Member Rule 500. (2) A *District Council* must approve an *application* under subsection 9204(1), unless in its opinion (i) the applicant (a) does not meet a *Corporation requirement*,	Not applicable	See Dealer Member Rule 20.18 above.

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(b) is likely not to comply with *Corporation requirements*, or (c) does not satisfy *securities* ~~*laws or commodities laws*~~*legislation* relating to or is not suitable for approval on the basis of training, experience, solvency or integrity, or (ii) the approval is otherwise not in the public interest. (3) A *District Council* may approve an *application* under subsection 9204(1), subject to any terms and conditions it considers appropriate.		
9205. Membership Approval Applications (1) The *District Council* shall make a recommendation to the Board of Directors to: (i) approve an *application* for *Dealer Member* membership in the *Corporation* made pursuant to section 3.5 of General By-law No. 1, (ii) approve the *application* subject to such terms and conditions as may be considered just and appropriate, or (iii) refuse the *application* if, in its opinion, (a) the applicant does not comply with one or more of the *Corporation requirements*, (b) one or more *Corporation requirements* will not be complied with by the applicant, (c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or (d) such approval is not in the public interest. (2) Prior to consideration of an *application* for *Dealer Member* membership in the *Corporation* by the Board of Directors, the *applicant* shall be informed that it has an opportunity to be heard by the Board of Directors ~~prior to~~before the Board of Directors ~~deciding~~decides on ~~its~~the application and shall be given a copy of the *District Council*'s recommendation and informed in writing of the reasons for it. (3) The Board of Directors shall have the power to:		~~**MEMBERSHIP APPLICATIONS**~~ ~~**20.20 Recommendation of District Council**~~ ~~(1) The District Council, or a Sub-Committee of the District Council comprised of three industry members established pursuant to Rule 11, shall make a recommendation to the Board of Directors to:~~ ~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~ ~~(b) approve the application subject to such terms and conditions as may be considered just and appropriate; or~~ ~~(c) refuse the Application if, in the opinion of the District Council or the Sub-committee of the District Council:~~ ~~(i) the Applicant does not meet any requirements prescribed by the Rules or Rulings;~~ ~~(ii) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~

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(i) approve an *application* for *Dealer Member* membership in the *Corporation* made pursuant to section 3.5 of General By-law No. 1, (ii) approve the *application* subject to such terms and conditions as may be considered just and appropriate; or (iii) refuse the *application* if, in its opinion, (a) the applicant does not comply with one or more of the *Corporation requirements*, (b) one or more *Corporation requirements* will not be complied with by the applicant, (c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or (d) such approval is not in the public interest.		~~(iii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience; or~~ ~~(iv) such approval is otherwise not in the public interest.~~ ~~**20.21 Applicant opportunity to be heard by the Board of Directors**~~ ~~(1) Prior to the consideration of an application for Membership by the Board of Directors, the Applicant shall be:~~ ~~(a) provided with copies of the Corporation staff recommendation, the District Council recommendation and any other documents to be provided to the Board of Directors relating to the consideration of its Application; and~~ ~~(b) informed that it has an opportunity to be heard by the Board of Directors prior to the Board deciding on its Application.~~ ~~The Applicant must inform the Corporation within ten (10) business days of its receipt of these recommendations and other documents whether it wants to heard by the Board of Directors prior to the Board deciding on its Application.~~ ~~**20.22 Powers of the Board of Directors**~~ ~~(1) The Board of Directors shall have the power to:~~ ~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~ ~~(b) approve the application subject to such~~

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		~~terms and conditions as may be considered just and appropriate;~~ ~~(c) refuse the application if, in its opinion:~~ ~~(i) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~ ~~(ii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience; or~~ ~~(iii) such approval is otherwise not in the public interest.~~**~~20.23 District Council Powers -- Exemption for Payment of Entrance Fee~~** ~~(1) Notwithstanding Rule 20.20 , Rule 20.21 and Rule 20.22, if an Applicant is exempted from payment of the Entrance Fee and has met all Membership application conditions pursuant to Section 3.5 of General By-law No. 1, except any conditions the District Council has waived in the circumstances, the District Council may approve the application for Membership without referral to the Board of Directors for final decision.~~
9206. Exemption Applications (1) An *individual* or a *Dealer Member*, with respect to proficiency requirements applicable to its *Approved Persons*, may apply to a *District Council* for an exemption from the proficiency requirements under Dealer Member Rule 2900, Part I or an examination requirement under Dealer Member Rule 2900, Part II, or for an extension of or exemption from a continuing education requirement under Dealer Member Rule 2900, Part III. (2) A *Dealer Member* may apply to a *District Council* for an exemption from the introducing / carrying broker requirements under Dealer Member Rule 35. (3) On an application under subsection 9206(1) or 9206(2), the	Not applicable	~~**Part 8 -- Exemption Request Applications**~~. ~~**PROFICIENCY EXEMPTIONS**~~ ~~**20.24 Powers of District Councils**~~ ~~(1) Persons may apply for a proficiency exemption pursuant to Rule 2900.~~ ~~(2) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, shall have the power, to:~~

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District Council may grant an exemption or extension in accordance with any standards in the relevant rule, subject to any terms and conditions it considers appropriate.		~~(a) exempt any person or class of persons from proficiency requirements, pursuant to paragraph B of Rule 2900 - Part I Proficiency Requirements on such terms and conditions, if any, as it may determine;~~ ~~(b) exempt any person from writing or re-writing any required course or examination, pursuant to paragraph C of Rule 2900 - Part II Course and Examination Exemptions, on such terms and conditions, if any, as it may determine; or~~ ~~(c) exempt any person from the Continuing Education Program requirements, pursuant to Section A.3 of Rule 2900 – Part III The Continuing Education Program, on such terms and conditions, if any, as it may determine.~~ ~~(3) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, may delegate the power to approve or refuse proficiency exemptions to Corporation Staff.~~ ~~**INTRODUCING CARRYING BROKER ARRANGEMENT EXEMPTIONS**~~ ~~**20.25 Powers of District Councils**~~ ~~(1) Dealer Members may apply for an exemption from the introducing carrying broker arrangement requirements pursuant to Rule 35.~~ ~~(2) The District Council, or a sub-committee of~~

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		~~the District Council, established pursuant to Rule 11, shall have the power to:~~ ~~(a) exempt any Dealer Member from any of the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate; and~~ ~~(b) exempt any arrangements between a Dealer Member and a Dealer Member's foreign affiliate, pursuant to Rule 35.6, from the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate.~~ ~~(3) The Dealer Member shall comply with any rules applicable to introducing carrying broker arrangement exemption applications prescribed by the Corporation Practice and Procedure.~~ ~~(4) The Dealer Member shall be provided with notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.~~
9207. Continued Approval (1) A *District Council* may, in its discretion, impose terms and conditions on the continued approval of an *Approved Person*~~,~~ ~~where the *District Council* considers it appropriate~~ to ensure continuing compliance with *Corporation requirements*. (2) A *District Council* may suspend or revoke the approval of an *Approved Person*, if it appears to the *District Council* that (i) the *Approved Person* is not suitable for approval by reason of integrity, solvency, training or experience, (ii) the *Approved Person* has failed to comply with *Corporation requirements*, or	Not applicable	See Dealer Member Rule 20.18 above.

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(iii) the approval is otherwise not in the public interest.		
9208. Terms and Conditions on Membership (1) The *Corporation* may impose terms and conditions on a *Dealer Member's* membership, where the *Corporation* considers it appropriate to ensure continuing compliance with *Corporation requirements*. (2) The *Corporation* must not impose terms and conditions on a membership, unless the *Dealer Member* has been given an opportunity to be heard. (3) Notice of a *decision* imposing terms and conditions under this Rule must be given to the *Dealer Member* and must be accompanied by written reasons for the *decision*.	Not applicable	New
9209. Review Hearings (1) ~~An applicant, *Approved Person* or *Dealer Member* may, within ten business~~Within 30 days after the release of a *decision* under section 9204, 9207 or 9208, an applicant, *Approved Person* or *Dealer Member*, respectively, may request a review of the *decision* by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings). (2) An applicant may, within ~~ten business~~30 days after the release of a *decision* under section 9206, request a review of the *decision* by a *District Council panel*. (3) *Registration Staff* may, within ~~ten business~~30 days after the release of a *decision*, other than a *decision* made by *Registration Staff*, request a review (i) of a *decision* under section 9204 or 9207 by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings), or (ii) of a *decision* under section 9206 by a *District Council panel*. (4) A request for review of a *decision* under section 9206 by *Registration Staff* operates as a stay of the *decision*. (5) ~~If a review is not requested within ten business days after the release of the decision, the decision made under section 9204, 9206, 9207, or 9208 shall become final.~~ If a review of a *decision* under section 9206 is requested, the *National Hearing*	Not applicable	~~**20.19 Review Hearings**~~ ~~(1) Corporation Staff, the Applicant or an Approved Person may request a review of a decision under Rule 20.18 by a Hearing Panel within ten business days after release of the decision.~~ ~~(2) If a review is not requested within ten business days after release of the decision, the decision under Rule 20.18 becomes final.~~ ~~(3) No member of a District Council who has participated in a decision under Rule 20.18 shall participate on the Hearing Panel.~~ ~~(4) A review hearing held under this Part shall be held in accordance with the Corporation Practice and Procedure.~~ ~~(5) The Hearing Panel may:~~ ~~(a) affirm the decision;~~ ~~(b) quash the decision;~~ ~~(c) vary or remove any terms and conditions imposed on approval or~~

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Coordinator must, subject to subsection 9209(7), select three members from the *District Council* of the applicable *District* as members of the *District Council panel* to review the *decision*, and subsections 8408(7), (10) and (11) apply to the selection and conduct of a *District Council panel*, with modifications required by the context of this Rule. (6) A member of a *District Council* who has participated in a *decision* must not participate as a member of a *hearing panel* or *District Council panel* on a review of the *decision*. (7) ~~A~~On a review of a *decision* made under section 9206, a *District Council panel* may: (i) affirm the decision ~~made under section 9206~~; (ii) quash the decision ~~made under section 9206~~; (iii) vary or remove any terms and conditions imposed on the applicant ~~under section 9206~~; and~~;~~ (iv) make any decision that could have been made by the *District Council* under section 9206. (8) A *decision* of ~~the~~a *District Council panel* under subsection 9209(8) is a final decision for which no further review or appeal is provided ~~in~~under the Rules.		~~continued approval;~~ ~~(d) limit the ability to re-apply for approval for such period of time as it determines just and appropriate; and~~ ~~(e) make any decision that could have been made by the District Council pursuant to Rule 20.18.~~ ~~(6) A decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~ ~~**EXEMPTION REVIEW HEARINGS**~~ ~~**20.26 Review Hearings**~~ ~~(1) The Applicant or Corporation Staff may apply for a review of the District Council decisions pursuant to Rule 20.24 or Rule 20.25 within ten business days after release of the decision.~~ ~~(2) If the Applicant does not request a review within the time period prescribed in subsection (1), the District Council decision to refuse the exemption request application or approve the exemption request application subject to terms and conditions, shall become final.~~ ~~(3) If Corporation Staff requests a review within the time period prescribed in subsection (1), the request for review shall operate as a stay from the District Council decision.~~ ~~(4) A review of a District Council decision shall be heard by a District Council Panel comprised of three members of the District Council. No member of a District Council who participated in the District Council decision shall sit on the District Council Panel.~~

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		~~(5) The District Council Panel may:~~ ~~(a) affirm the decision;~~ ~~(b) quash the decision;~~ ~~(c) vary or remove any terms and conditions imposed on an Applicant; and~~ ~~(d) make any decision that could have been made by the District Council or a sub-committee of the District Council pursuant to Rule 20.24 and Rule 20.25.~~ ~~(6) A decision of the District Council Panel is a decision for which no further review or appeal is provided in the Rules.~~ ~~**RULE 28: CONDUCT OF EARLY WARNING REVIEW HEARINGS**~~ ~~**28.1 Rights of Parties**~~ ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~ ~~(d) to make submissions relevant to the issues in the review hearing.~~ ~~**28.2 Order of Presentation**~~ ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence and make submissions; and~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the~~

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~~submissions of the Responding Party.~~ ~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**28.3 Form of Evidence**~~ ~~Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination~~.		
9210. Review by a Securities Regulatory Authority (1) A *party* may apply to the *securities regulatory authority* in the relevant *District* for a review of a final *decision* of a *District Council panel* under this Rule. (2) A *person* who is entitled to request a review ~~of a final *decision* of~~by a *District Council panel* under section 9209 (Review Hearings) of a *decision* made under section 9206 (Exemption Applications) may not apply to a *securities regulatory authority* for review of ~~the~~that *decision*, unless the *person* has requested a review by a *District Council panel* and the *District Council panel* has made a final *decision*. (3) For purposes of subsection 9210(1), *Corporation* staff is directly affected by a *decision* in a proceeding in which *Corporation* staff is a *party*.	Not applicable	New
Rule 9300 **Regulatory Review Proceedings**		
9301. Introduction (1) This Rule sets out the authority of *hearing panels* to review a *decision* under Rule 9200 (Approvals and Regulatory Supervision) or an early warning level 2 prohibition under Dealer Member Rule 30.	Not applicable	New
9302. Definitions (1) In this Rule:	Not applicable	New

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"application" means an application for approval under section 9204 (Approvals and Regulatory Supervision). "approval order" means an order made under section 9207 (Continued Approval). "compliance order" means an order made under section 9208 (Terms and Conditions on Membership). "decision" means a determination made by a *District Council, a person* to whom decision-making authority is delegated by a *District Council*, the *Corporation*, or a *hearing panel* that makes a *decision* in a *review proceeding* under this Rule. "early warning review order" means an order made under Dealer Member Rule 30.		
9303. Hearings and Decisions (1) Section 8203 (Enforcement Proceedings) applies to a proceeding under this Rule, with modifications required by the context of this Rule. (2) A *decision* of a *hearing panel* is effective on the date the *decision* is dated by the *National Hearing Coordinator*, unless the *decision* provides otherwise, in which case the *decision* is effective on the date so provided.	Not applicable	New
9304. Review Proceedings (1) A request for review of a *decision* made on an *application,* an *approval order*, a *compliance order* or an *early warning review order* must be heard by a *hearing panel* in accordance with the *Rules of Practice*. (2) After a *hearing* under this section, a *hearing panel* may (i) affirm the *decision* under review, (ii) quash the *decision*, (iii) vary or remove any terms and conditions imposed by the *decision*, (iv) prohibit, as applicable, a further *application* for approval under section 9204 (Approvals and Regulatory Supervision) by the applicant for a period of time it considers appropriate, or	Not applicable	See Dealer Member Rule 20.26, 20.19, and 20.48 above. ~~**20.29 Review of Early Warning Level 2 Prohibitions**~~ ~~(1) The Dealer Member may request a review of a Rule 20.28 order by a Hearing Panel within three business days after release of the decision.~~ ~~(2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after the request for review, unless otherwise agreed by the parties.~~ ~~(3) If a Dealer Member does not request a review~~

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(v) make any *decision* authorized by the Rule under which the *decision* was made~~,~~. (3) A member of a *District Council* who participates in a *decision* on an *application* or in making an *approval order, compliance order* or *early warning review order* must not be a member of the *hearing panel* on a review of the *decision*.		~~within the time period prescribed in subsection (1), the Rule 20.28 order becomes effective and final.~~ ~~(4) A Hearing Panel may:~~ ~~(a) affirm the order;~~ ~~(b) quash the order; or~~ ~~(c) vary or remove any prohibitions imposed on the Dealer Member; and~~ ~~(d) make any decision that could have been made by the Corporation pursuant to Rule 20.28.~~ ~~(5) A decision of the Hearing Panel is a decision for which no further review or appeal is provides in the Rules.~~
9305. Review by a Securities Regulatory Authority (1) A *party* may apply to the *securities regulatory authority* in the relevant *District* for a review of a final *decision* of a *hearing panel* under this Rule. (2) A *person* who is entitled to request a review of a *decision* under section 9304 may not apply to a *securities regulatory authority* for review of the *decision*, unless the *person* has requested a review by a *hearing panel* and the *hearing panel* has made a final *decision*. (3) For purposes of subsection 9305(1), *Corporation* staff is directly affected by a *decision* in a proceeding in which *Corporation* staff is a *party*.	Not applicable	New
Rule 9400 **Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters**		
9401. Introduction (1) These Procedures apply where ~~the Dealer Member Rules~~*Corporation requirements* require an opportunity to be	Not applicable	New

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heard before: (i) a *District Council* (including the *District Council*'s delegate where authority has been delegated to a *Registration Subcommittee* or *Corporation* staff), (ii) a *senior officer* who has the authority to make a decision concerning an individual or a *Dealer Member*, or (iii) the Board of Directors concerning an *application* for *Dealer Member* membership in the *Corporation*. (2) These procedures will ~~also~~ be followed where ~~the *Corporation* makes registration decisions,~~ under statutory authority that has been delegated to the *Corporation*, the *Corporation* ~~by a *securities regulatory authority*. Securities legislation generally provides that~~makes a registration decision for which an opportunity to be heard ~~be provided before a decision is made to: refuse to register; amend a registration; refuse to reinstate a registration after a period of suspension; impose terms and conditions on a registration either as a condition of registration or at any time during the period of registration; suspend or revoke a registration; or impose terms and conditions on the surrender of a registration~~is required under applicable *securities legislation*.		
9402. Definitions (1) In this Rule, "decision maker" means a *District Council* or *senior officer* with authority to make a decision in a hearing under Rule 9200 (Approvals and Regulatory Supervision). **"**District Council**"** is the applicable District Council that is authorized to act as decision maker for purposes of Rule 9200 (Approvals and Regulatory Supervision) and includes a *Registration Subcommittee* or *Registration Staff* to whom the *District Council* has delegated authority to make approval decisions. "senior officer" is a senior officer of the *Corporation* who has authority to make a decision to impose terms and conditions on a membership under section 9208 (Approvals and Regulatory Supervision).	Not applicable	New

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"Registration Staff" refers to registration employees of the *Corporation* or employees of the *Corporation* who conduct compliance examinations under Rule 9100 (Compliance Examinations). "Registration Subcommittee" means a subcommittee of a *District Council* to whom authority to make a recommendation under section 9205 has been delegated under subsection 9203(1).		
PART A – OPPORTUNITIES TO BE HEARD BY A DISTRICT COUNCIL OR A SENIOR OFFICER		
9403. Opportunities to be heard by a District Council or a senior officer (1) The procedures in sections 9404 through 9410 apply where an applicant has requested an opportunity to be heard by a *District Council* ~~of~~or by a *senior officer*.	Not applicable	New
9404. Counsel (1) ~~An applicant, *Approved Person* or *Dealer Member* may choose to~~A party to a proceeding under this Rule may be represented by ~~a lawyer~~counsel or an agent. These Procedures are intended to ensure that opportunities to be heard by a ~~*District Council or senior officer*~~*decision maker* or the Board of Directors are handled in a way that ensures a fair hearing, without being unnecessarily formal. If an applicant, *Approved Person* or *Dealer Member* ~~chooses to be~~is represented by ~~a lawyer~~counsel or an agent, ~~staff~~*Registration Staff* will communicate with the applicant, *Approved Person* or *Dealer Member* through counsel or the ~~lawyer or~~ agent.	Not applicable	New
9405. Staff's Notice (1) If *Registration Staff* recommends that a *District Council* refuse to grant, revoke, or suspend a *Corporation* approval or that terms and conditions be imposed on an approval or membership, *Registration Staff* must send a letter to the applicant, *Approved Person* or *Dealer Member* giving notice of *Registration Staff*'s recommendation and brief reasons for it~~, along with a copy of these Procedures~~.	Not applicable	New

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9406. Response of Applicant, Approved Person or Dealer Member (1) If an applicant, *Approved Person* or *Dealer Member* wishes to be heard before a decision is made on *Registration Staff's* recommendation, the applicant, *Approved Person* or *Dealer Member* must inform *Registration Staff* in writing (a "Response"). (2) ~~The time period for a Response will be set out in *Registration Staff's* letter.~~ ~~(3)~~ A Response must be delivered within ~~two weeks after receiving *Registration Staff's* letter, but in exceptional circumstances, *Registration Staff* may require a Response to be delivered more quickly.~~ ten business days after receipt of *Corporation* staff's letter, or within such shorter period of time as set out in such letter. ~~(4~~(3) If a Response is not delivered within the time set out in *Registration Staff's* letter, *Registration Staff* will send its recommendation to the *decision maker* for consideration.	Not applicable	New
9407. Choice of Written Submissions or Appearance (1) ~~An~~Unless otherwise decided by a *decision maker*, an opportunity to be heard will ~~normally~~ be conducted as an exchange of written submissions. However, an applicant, *Approved Person*, *Dealer Member* or *Registration Staff* may request that the opportunity to be heard be conducted as an appearance (i) in the presence of a *decision maker*, (ii) by telephone conference, or (iii) by other interactive electronic means acceptable to both *parties*. (2) A request that an opportunity to be heard be conducted as an appearance must be made to the *decision maker* in writing, with a brief statement of the reasons for making the request. The other *party* will be given an opportunity to object to the request before the *decision maker* decides whether to grant a request for an appearance. (3) A *decision maker* may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in	Not applicable	New

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which case the *decision maker* must promptly inform the *parties* of its decision.		
9408. Exchange of Written Submissions (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions. (2) *Registration Staff* must provide the applicant, *Approved Person* or *Dealer Member* with a written submission setting out the facts and law supporting *Registration Staff*'s recommendation. ~~Normally,~~ *Registration Staff's* submission must be delivered to the applicant, *Approved Person* or *Dealer Member* within ~~two weeks~~ten business days after *Registration Staff* receives the applicant's, *Approved Person*'s or *Dealer Member's* Response. (3) An applicant, *Approved Person* or *Dealer Member* must then provide ~~staff~~*Registration Staff* with a written submission responding to ~~staff~~*Registration Staff*'s submission. ~~Normally, these~~These submissions must be delivered within ~~two weeks~~ten business days after the applicant, *Approved Person* or *Dealer Member* receives *Registration Staff's* submission. (4) ~~In most cases~~Subject to agreement of the *parties* or a *decision* of the *decision maker*, there will only be one exchange of written submissions so that the *decision maker* may render a decision without unnecessary delay. ~~However,~~Where the *parties* ~~may~~ agree to make further submissions or either of them ~~may request~~requests that the *decision maker* allow further submissions~~. Any~~, such agreement or request must be made within ~~one week~~five business days after delivery of the applicant's, *Approved Person's* or *Dealer Member's* submissions under subsection ~~9407~~9408(3). (5) Unless an agreement or request is made under subsection ~~9407~~9408(4), *Registration Staff's* and the applicant's, *Approved Person's* or *Dealer Member's* submissions will be ~~provided~~delivered by *Registration Staff* to the *decision maker* ~~one week~~within five business days after the applicant's, *Approved Person's* or *Dealer Member's* submission is delivered. (6) If an agreement or request is made under subsection	Not applicable	New

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
~~9407~~9408(4), the submissions of all *parties* will be ~~provided~~delivered by *Registration Staff* to the *decision maker* when all submissions have been delivered or the time for their delivery has elapsed.		
9409. Appearance Before a Decision Maker (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance. (2) An appearance before a *decision maker* will generally be an informal proceeding. The *Rules of Practice* do not apply. (3) At an appearance, the *decision maker* may ask any question and admit any evidence it thinks fit, except evidence that is subject to ~~a~~ legal privilege. Witnesses may be called, examined and cross-examined with the consent of the *decision maker*. The applicant, *Approved Person* or *Dealer Member* and any witnesses may be required to give evidence under oath or affirmation.	Not applicable	New
9410. Decisions (1) Where an applicant, *Approved Person* or *Dealer Member* requests that an opportunity to be heard ~~has been~~be conducted by exchange of written submissions, ~~the *decision maker* will normally make its decision no more than thirty days after delivery of all submissions. If the applicant, *Approved Person* or *Dealer Member*~~but fails to deliver submissions within the required time, the *decision maker* may make its decision on *Registration Staff's* recommendation and submissions without further notice or delay. ~~(2) Where an opportunity to be heard has been conducted as an appearance, the *decision maker* must make its decision no more than thirty days after the conclusion of the appearance.~~	Not applicable	New
PART B – OPPORTUNITIES TO BE HEARD BY THE BOARD OF DIRECTORS		
9411. Opportunities to be heard by the Board of Directors (1) The procedures in sections 9412 through 9417 apply where an applicant has requested an opportunity to be heard by the Board of Directors in relation to an *application* for *Dealer Member*	Not applicable	New

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
membership as set out ~~on~~in section 9205.		
9412. Staff's Notice (1) If *Corporation* staff recommends that the Board of Directors refuse to grant membership in the *Corporation*, or that terms and conditions be imposed on membership in the *Corporation*, *Corporation* staff must send a letter to the applicant giving notice of *Corporation* staff's recommendation and brief reasons for it~~, along with a copy of these Procedures~~.	Not applicable	New
9413. Response of Applicant, Approved Person or Dealer Member (1) If an applicant wishes to be heard before a decision is made on *Corporation* staff's recommendation, the applicant must inform *Corporation* staff in writing (a "Response"). (2) ~~The time period for a~~A Response ~~will be set out in~~must be delivered within ten business days after receipt of *Corporation* staff's letter~~.~~ ~~(3) A Response must be delivered within two weeks after receiving *Corporation* staff's letter, but in exceptional circumstances, *Corporation* staff may require a Response to be delivered more quickly.~~, or within such shorter period of time as set out in such letter. ~~(4~~(3)If a Response is not delivered within the time set out in *Corporation* staff's letter, *Corporation* staff will send its recommendation to the Board of Directors for consideration.	Not applicable	New
9414. Choice of Written Submissions or Appearance (1) An opportunity to be heard will ~~normally~~ be conducted as an exchange of written submissions~~. However~~, unless an applicant or *Corporation* staff ~~may request~~requests that the opportunity to be heard be conducted as an appearance (i) in the presence of the Board of Directors, (ii) by telephone conference, or (iii) by other interactive electronic means acceptable to both *parties*. (2) A request that an opportunity to be heard be conducted as an appearance must be made to the Board of Directors in writing,	Not applicable	New

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
with a brief statement of the reasons for making the request, by delivering a copy of the request to the *Corporation*'s Corporate Secretary. The other *party* will be given an opportunity to object to the request before the Board of Directors decides whether to grant a request for an appearance. (3) The Board of Directors may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in which case the Board of Directors must promptly inform the *parties* of its decision.		
9415. Exchange of Written Submissions (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions. (2) *Corporation* staff must provide the applicant with a written submission setting out the facts and law supporting *Corporation* staff's recommendation. ~~Normally,~~ *Corporation* staff's submission must be delivered to the applicant within ~~two weeks~~ten business days after *Corporation* staff receives the applicant's Response. (3) An applicant must then provide staff with a written submission responding to staff's submission. ~~Normally, these~~These submissions must be delivered within ~~two weeks~~ten business days after the applicant receives *Corporation* staff's submission. (4) ~~In most cases~~Subject to agreement of the *parties* or a *decision* of the Board of Directors, there will only be one exchange of written submissions so that the Board of Directors may render a *decision* without unnecessary delay. ~~However,~~Where the *parties* ~~may~~ agree to make further submissions or either of them ~~may request~~requests that the Board of Directors allow further submissions~~. Any~~, such agreement or request must be made within ~~one week~~five business days after delivery of the applicant's submissions under subsection 9415(3). (5) Unless an agreement or request is made under subsection 9415(4), *Corporation* staff's and the applicant's submissions will be provided to the Board of Directors ~~one week~~within five business days after the applicant's submission is delivered.	Not applicable	New

Consolidated Rule (blacklined to version published on March 23, 2012)	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(6) If an agreement or request is made under subsection 9415(4), the submissions of all *parties* will be provided to the Board of Directors when all submissions have been delivered or the time for their delivery has elapsed.		
9416. Appearance before the Board of Directors (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance. (2) An appearance before the Board of Directors will generally be an informal proceeding. The *Rules of Practice* do not apply. (3) At an appearance, the Board of Directors may ask any question and admit any evidence it thinks fit, except evidence that is subject to ~~a~~ legal privilege. Witnesses may be called, examined and cross-examined with the consent of the Board of Directors. The applicant and any witnesses may be required to give evidence under oath or affirmation.	Not applicable	New
9417. Decisions (1) Where an applicant requests that an opportunity to be heard ~~has been~~be conducted by exchange of written submissions, ~~the Board of Directors will normally make its decision at its next scheduled meeting. If the applicant~~but fails to deliver submissions within the required time, the Board of Directors may make its decision on *Corporation* staff's recommendation and submissions without further notice or delay. ~~(2) Where an opportunity to be heard has been conducted as an appearance, the Board of Directors must make its decision at its next scheduled meeting.~~	Not applicable	New
~~**PART C – GENERAL**~~		
~~**9418. Right of Review**~~ ~~(1) Rights of Review are provided in Rule 9200 (Approvals and Regulatory Supervision) and in Rule 9300 (Regulatory Review Proceedings).~~	~~Not applicable~~	~~New~~

Attachment B
To Rules Notice 13-0275

Consolidated Rules and UMIR, Dealer Member Rule, Transitional Rule and General By-law Equivalents

1. The following consolidated Rules are introduced, and the equivalent UMIR, Dealer Member Rule, Transitional Rule and General By-law sections are repealed or amended as indicated:

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
Rule 1200 **Definitions**		
1201. Definitions		
(1) Some terms used throughout the Rule Book are defined in subsection 1201(2). Additional terms are set out in the *Corporation*'s Dealer Member Rules (including Form 1), the Universal Market Integrity Rules (or "UMIR") and General By-Law No. 1. Terms that are used only in a single Rule are defined in that Rule. Any term not defined in subsection 1201(2) or in a specific Rule, which is defined in *securities legislation*, has the same meaning as the defined term in the relevant Securities Act, Rule, Regulation, National Instrument or similar document.	New	New
(2) The following terms have the meanings set out when used in *Corporation requirements*:		
"affiliate" Where used to indicate a relationship between two corporations, means: (i) one corporation is a *subsidiary* of the other corporation; (ii) both corporations are *subsidiaries* of the same corporation; or (iii) both corporations are *controlled* by the same *person*.	Not defined in UMIR. However, there is a definition of "related entity" which includes "an affiliated entity". Related entity will remain as a separately defined term in UMIR.	"Affiliate" or "Affiliated Corporation" ~~means in respect of~~, where used to indicate a relationship between two corporations, ~~either~~means: (i) one corporation ~~if one of them~~ is ~~the~~a subsidiary of the other ~~or if~~ corporation; (ii) both corporations are subsidiaries of the same corporation; or ~~if each of them is~~ (iii) both corporations are controlled by the same person; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"applicable" In relation to a *District Council* means the *District Council* for the *District*: (i) in which an applicant for *Membership* or a *Dealer Member* (or its holding	Not defined in UMIR	"Applicable" in relation to a District Council means the District Council for the District: (i) in which an applicant for membership or a Dealer Member (or its holding company, where applicable),

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
company, where applicable), has its head office; (ii) in which the *business location* of a *Dealer Member* is located; (iii) in which an individual resides.		has its head office; (ii) in which the business location of a Dealer Member is located; (iii) in which an individual resides; ~~(1) In which the applicant for Membership or the Dealer Member has its principal office and, in the case of a holding company of a Dealer Member corporation, in which the Dealer Member corporation has its principal office;~~ ~~(2) In which the business location will be located or in which the applicant for approval as a Supervisor resides;~~ ~~(3) In which the applicant for approval as a new Executive of a Dealer Member or investor resides provided that if such Executive or investor has changed his or her place of residence to another District within 3 months prior to the change for which approval is being sought then the applicable District Council shall be the District Council for the District where the applicant formerly resided;~~ ~~(4) In which the applicant for approval as a Registered Representative or Investment Representative resides;~~ ~~(5) In which the applicant for approval as a futures contract principal, futures contract options principal or a person who deals with customers with respect to futures contracts or futures contract options resides;~~ ~~(6) In which the applicant for approval as a portfolio manager, securities option portfolio manager, futures contract options portfolio manager or futures contracts portfolio manager resides;~~ ~~(7) In which the respondent, if an individual, in a disciplinary action pursuant to Rule 20 was approved at the time the activities which are the subject of the disciplinary action primarily occurred, provided that,~~ ~~(a) If the individual was approved in more than one District at the relevant time, and the matter which is the subject of the disciplinary action involves a client in a District where the respondent was~~

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
			~~approved other than that in which the respondent resides, in which such client resided at the time such activities occurred; or~~ ~~(b) If the applicable District Council cannot otherwise be determined, in which the respondent resided at the relevant time; or~~ ~~(8) In which the activities which are the subject of a disciplinary action against a respondent Dealer Member pursuant to Rule 20 primarily occurred, or, if such activities are not referable to any specific District, in which the principal office of the respondent Dealer Member is located, provided that, if a disciplinary action involves both an individual and a Dealer Member, the District Council having jurisdiction pursuant to clause (7) herein;~~ ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Approved Person"	An *individual* approved by the *Corporation* under *Corporation requirements* to carry out a function for a *Dealer Member* including the following *individuals*: (i) *Chief Compliance Officer* (ii) *Chief Financial Officer* (iii) *Director* (iv) *Executive* (v) *Investment Representative* (vi) *Registered Representative* (vii) *Supervisor* (viii) *Trader* (ix) *Ultimate Designated Person*	Not defined in UMIR.	"Approved Person" means~~, in respect of a Dealer Member,~~ an individual ~~who is a partner, Director, Officer, employee or agent of a Dealer Member who is~~ approved by the Corporation ~~or another Canadian Self-Regulatory Organization to perform any function required under any Rule~~under Corporation Rules to carry out a function for a Dealer Member including the following *individuals*: (i) *Chief Compliance Officer* (ii) *Chief Financial Officer* (iii) *Director* (iv) *Executive* (v) *Investment Representative* (vi) *Registered Representative* (vii) *Supervisor* (viii) *Trader* (ix) *Ultimate Designated Person*; ***[Note: This Dealer Member Rule 1.1 definition will be***

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
			amended to conform to the Consolidated Rule 1200 definition.]
"associate"	The same meaning as set out in General By-law No. 1, Section 1.1.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"beneficial ownership"	Beneficial ownership of securities includes ownership : (i) by an *individual* of securities beneficially owned by: (a) a corporation, or (b) *affiliates* of a corporation, that is controlled by the *individual*; or (ii) by a corporation of securities beneficially owned by the *affiliates* of the corporation.	Not defined in UMIR.	"Beneficial Ownership" ~~in respect~~ of ~~any~~ securities includes ownership ~~by~~: (i) ~~—~~by ~~A~~a person other than a corporation, of securities beneficially owned by a corporation ~~controlled by him or her or by an affiliate of such~~, or affiliates of the corporation~~; and~~, controlled the person (ii) ~~—~~by ~~A~~a corporation of securities beneficially owned by ~~its affiliates;~~ the affiliates of the corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"business day"	A day other than Saturday, Sunday and any statutory holiday in the relevant *District*.	Not defined in UMIR.	~~"Business days" means: a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded.~~ ***[Note: The existing Dealer Member Rule 20.1 definition will be repealed.]***
"business location"	A physical location where, on a regular and ongoing basis, at least one of a *Dealer Member*'s *employees* or agents conducts business that requires *Corporation* approval or registration under securities legislation.	Not defined in UMIR.	"Business Location" means a physical location ~~at which any employee or agent~~where, on a regular and ongoing basis, at least one of a Dealer Member's employees or agents conducts ~~on a regular and ongoing basis~~ business ~~requiring approval of the~~that requires Corporation approval or registration under ~~Provincial~~ securities legislation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"carrying broker"	A *Dealer Member* that carries client accounts for another *Dealer Member*, which includes	Not defined in UMIR.	Carrying Broker" means ~~the~~a Dealer Member ~~or member of a self-regulatory organization that is a participating~~

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	the clearing and settlement of trades, the maintenance of records of client transactions and accounts, and the custody of client cash and securities, in accordance with the requirements set out in Dealer Member Rule 35.		~~institution in the Canadian Investor Protection Fund~~ that carries client accounts for another Dealer Member, which ~~at a minimum~~ includes the clearing and settlement of trades, the maintenance of ~~books and~~ records of client transactions and accounts and the custody of ~~some or all~~ client ~~funds~~cash and securities, in accordance with the requirements set out in this Rule; ***[Note: This Dealer Member Rule 35.1(a)(i) definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Chief Compliance Officer" or "CCO"	An *individual* approved by the *Corporation* to act as Chief Compliance Officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Chief Financial Officer" or "CFO"	An *individual* approved by the *Corporation* to act as Chief Financial Officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"control" or "controlled"	Where used to indicate control of a corporation, means a *person* who has beneficial ownership of voting securities in the corporation that carry more than 50% of the votes for election of directors of the corporation and such votes allow the *person* to elect a majority of the directors; but if a *hearing panel* or *District Council* orders that a *person* does or does not control the corporation under *Corporation requirements*, that order defines their relationship under *Corporation requirements*.	Not defined in UMIR.	"Control" or "Controlled", ~~in respect~~where used to indicate control of a corporation ~~by another person or by two or more corporations, means the circumstances where:(i) Voting~~, means a person who has beneficial ownership of voting securities ~~of~~in the ~~first-mentioned~~ corporation ~~carrying~~that carry more than 50% of the votes for ~~the~~ election of directors ~~are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and(ii) The votes carried by such securities are entitled, if exercised,~~of the corporation and such votes allow the person to elect a majority of the ~~board of directors of the first-mentioned corporation,And where the applicable District Council in respect of a particular Dealer Member or its holding company orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the Rules and Rulings with respect to that Dealer Member or holding company;~~directors; but if a hearing panel or District Council orders that a person does or does not control the corporation under Corporation Requirements, that order defines their relationship under Corporation requirements;

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
			[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]
"Corporation"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Corporation" means Investment Industry Regulatory Organization of Canada / Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Corporation" means Investment Industry Regulatory Organization of Canada / Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Corporation requirements"	Requirements set out within the *Corporation's* letters patent, by-laws and rules, along with all other instruments prescribed or adopted within the *Corporation's* by-laws and rules, and rulings of the *Corporation* and the *District Councils*.	Not defined in UMIR.	Not defined in Dealer Member Rules. There is a definition for the term "Rules" which will be retained.
"Dealer Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Director"	A member of a *Dealer Member's* board of directors or an *individual* performing similar functions at a *Dealer Member* that is not a corporation.	Not defined in UMIR.	"Director" means a member of ~~the~~a Dealer Member's board of directors ~~of, as the context dictates, a Dealer Member or the Corporation or a person~~or an individual performing ~~a~~ similar ~~function in~~functions at a Dealer Member that is not a corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"disciplinary hearing"	A hearing under Rule 8200 (Enforcement Proceedings), except for a *settlement hearing*.	Not defined in UMIR.	~~"Disciplinary Hearing" means: A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or~~

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
			~~Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1).~~ ***[Note: The current Dealer Member Rule 20.1 definition will be repealed.]***
"District"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"District Council"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "District Council" means each of those Councils created in accordance with Article 10. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "District Council" means each of those Councils created in accordance with Article 10. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"employee"	An employee of a *Dealer Member* or an agent of a Dealer Member that has entered into a principal / agent relationship contemplated under *Corporation requirements*.	"employee" includes any person who has entered into principal/agent relationship with a Participant in accordance with the terms and conditions established for such a relationship by any self-regulatory entity of which the Participant is a member. ***[Note: This UMIR 1.1 definition will not be repealed.]***	Not defined in Dealer Member Rules.
"Enforcement Staff"	*Corporation* staff who are authorized to conduct enforcement activities on behalf of the *Corporation*, including conducting investigations and initiating and conducting disciplinary proceedings.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Executive"	A *Dealer Member's* partner, *Director* or *officer* who is involved in the *Dealer Member's* senior management, including anyone fulfilling the role of chair or vice-chair of the board of directors, chief executive officer, president, chief administrative officer, *Chief Financial Officer*, *Chief Compliance Officer*, member of an executive management	Rule 11.3 of UMIR references "executive" in terms of IIROC's executive, but does not define it: **11.3 Review or Appeal of Market Regulator Decisions** Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator	"Executive" means a Dealer Member's partner, Director or ~~Officer of a Dealer Member~~officer who is involved in the Dealer Member's senior management ~~of the Dealer Member~~, including anyone fulfilling the role of chair or ~~a~~ vice-chair of the board of directors, chief executive officer, president, chief administrative officer, ~~chief financial officer, chief compliance officer~~Chief Compliance Officer, Chief Financial Officer, member of an executive

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	committee, any *individual* in a managerial position who has significant authority over daily operations, or any position that the *Dealer Member* designates as an executive position.	made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal. The term "executive" in Rule 11.3 of UMIR will not be amended .	management committee, any ~~person~~individual in a managerial position who has significant authority over daily operations, or any position ~~designated by a~~that the Dealer Member designates as ~~being~~ an ~~Executive~~executive position.; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"hearing"	A hearing in connection with a proceeding, proposed proceeding, or other matter under *Corporation requirements*, other than a prehearing conference.	~~"hearing" means a disciplinary and enforcement proceeding commenced by a Market Regulator to determine whether a person has contravened a Requirement or is liable for the contravention of a Requirement and includes any procedural applications or motions in relation to those proceedings.~~ ***[Note: This UMIR 1.1 definition will be repealed.]***	~~"Hearing" means any hearing conducted pursuant to Dealer Member Rule 20.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"hearing committee"	A hearing committee of a *District* appointed under Rule 8300 (Hearing Committees).	~~"Hearing Committee" means a standing committee of a Market Regulator comprised of persons selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 — Hearing Committees and Hearing Panels Rule.~~ ***[Note: This UMIR 1.1 definition will be repealed***	~~"Hearing Committee" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"hearing panel"	A panel selected by the *National Hearing Coordinator* to conduct a hearing or prehearing conference.	~~"Hearing Panel" means the particular members of the Hearing Committee selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 — Hearing Committees and Hearing Panels Rule to hear a particular disciplinary and enforcement proceeding.~~ ***[Note: This UMIR 1.1 definition will be repealed.]***	~~"Hearing Panel" means a Panel presiding over individual approval review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13.~~ ***[Note: This ROP 1.3 definition will be repealed.]***
"individual"	A natural person.	Not defined in UMIR.	"Individual" means a natural person~~, other than an individual who is a Dealer Member~~; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"industry member"	A current or former director, officer, partner, or employee of a *Member* or *Regulated*	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	Person, or an *individual* who is otherwise suitable and qualified for appointment to a *hearing committee*.	RULE as follows: ~~"Industry Member" means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ***[Note: This Definition will be repealed.]***	RULE as follows: ~~"Industry Member" means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ***[Note: This Definition will be repealed.]***
"Investment Representative" or "IR"	An *individual*, approved by the *Corporation*, to trade in, but not advise on, securities, *options*, *futures contracts* or *futures contract options*, on the *Dealer Member's* behalf, including an Investment Representative (mutual funds).	Not defined in UMIR.	"Investment Representative" means ~~any person who trades~~an individual, approved by the Corporation, to trade in, but ~~does~~ not advise on, ~~trades in~~ securities, options, futures contracts or futures contract options ~~with the public in Canada, other than a person who trades exclusively in securities of or guaranteed by the government of Canada or any province of Canada or any municipality in Canada, and shall include an investment representative (mutual funds) approved pursuant to Rule 18.7~~, on the Dealer Member's behalf, including an Investment Representative (mutual funds); ***[Note: This Dealer Member Rule 1.1 definition will not be repealed.]***
"investor of a Dealer Member"	A person who has beneficial ownership in a *Dealer Member*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"laws" or "applicable laws"	All laws, statutes, ordinances, regulations, rules, judgments, decrees or orders, applicable to a *Regulated Person* or its employees, partners, directors or officers, including *Approved Persons*, in the conduct of their business.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Marketplace"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows:	This is defined in General By-law No. 1, Section 1.1, as follows:

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		"Marketplace" means a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, each as defined in National Instrument 21-101. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]*** This is in UMIR as follows: **"**marketplace**"** means: (a) an Exchange; (b) a QTRS; and (c) an ATS. ***[Note: This UMIR 1.1 definition will not be repealed.]***	"Marketplace" means a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, each as defined in National Instrument 21-101. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Marketplace Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]***
"monitor"	A *person* appointed under section 8209 or 8212 to monitor a *Regulated Person's* business and affairs and to exercise powers granted by a *hearing panel*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"National Hearing Coordinator"	A *person* appointed by the *Corporation* who is responsible for the administration of enforcement and other proceedings under *Corporation requirements* and other	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"National Hearing Coordinator" means the~~	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"National Hearing Coordinator" means the~~

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	employees of the *Corporation* to whom the *person* delegates the performance of such functions.	~~secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***	~~secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***
"officer"	A *Dealer Member's* chair and vice-chair of the board of directors, chief executive officer, president, chief administrative officer, *Chief Compliance Officer*, *Chief Financial Officer*, chief operating officer, vice-president, secretary, any other person designated an officer of a *Dealer Member* by law or similar authority, or any person acting in a similar capacity on behalf of a *Dealer Member*.	Not defined in UMIR.	"Officer" means ~~the~~a Dealer Member's chair and vice-chair of the board of directors, ~~president, vice-president,~~ chief executive officer, president, chief ~~financial~~administrative officer, Chief Compliance Officer, Chief Financial Officer, chief operating officer, vice-president, secretary, any other person designated an officer of a Dealer Member by law or similar authority, or any person acting in a similar capacity on behalf of a Dealer Member; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"party"	A party to a proceeding under *Corporation Requirements*, including *Enforcement Staff* and *Corporation* staff.	Not defined in UMIR.	~~"Party" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant.~~ ***[Note: This Dealer Member Rules of Practice 1.3 definition will be repealed.]***
"person"	An *individual*, a partnership, a corporation, a government or any of its departments or agencies, a trustee, an incorporated or unincorporated organization, an incorporated or unincorporated syndicate or an *individual's* heirs, executors, administrators or other legal representatives.	In Rule 1.2 (2) of UMIR it indicates that the term "person" shall be as defined by applicable securities legislation except that: "person" includes any corporation, incorporated association, incorporated syndicate or other incorporated organization. ***[Note: This UMIR 1.2(2) definition will not be repealed.]***	"Person" means an individual, a partnership, ~~or~~a corporation, a government or any ~~department or agency thereof~~of its departments or agencies, a trustee, ~~any~~an incorporated or unincorporated organization ~~and the~~, an incorporated or unincorporated syndicate or an individual's heirs, executors, administrators or other legal representatives ~~of an individual.~~; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"public member"	public member in relation to a *hearing*	This is defined in SCHEDULE C.1 TO TRANSITION RULE	This is defined in SCHEDULE C.1 TO TRANSITION RULE

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	committee means: (i) a current or retired member of the law society of a province, other than Quebec, who is in good standing at the law society, or (ii) in Quebec, a current or retired member of the Barreau du Québec, who is in good standing at the Barreau.	NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***	NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: ~~"Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ***[Note: This Transition Rule 1 definition will be repealed.]***
"records"	Books, records, client files and information and other documentation, including electronic documents, related to the *Regulated Person's* business.	Not defined in UMIR, however there is a definition of "document": includes a sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device. ***[Note: This UMIR 1.1 definition will not be repealed.]***	Not defined in Dealer Member Rules.
"Registered Representative" or "RR"	An *individual*, approved by the *Corporation*, to trade, or advise on trades, in securities, *options*, *futures contracts*, or *futures contract options* with the public in Canada, on the *Dealer Member's* behalf, including a Registered Representative (mutual funds) and a Registered Representative (non-retail).	Not defined in UMIR.	"Registered Representative" means ~~any person who trades or advises~~an individual, approved by the Corporation, to trade, or advise on trades, in securities, options, futures contracts, or futures contract options with the public in Canada~~ other than a person who trades or advises on trades exclusively in securities of or guaranteed by the government of Canada or any province of Canada or any municipality in Canada, and shall include a registered representative (mutual funds) approved pursuant to Rule 18.7 and a registered representative~~, on the Dealer Member's behalf, including a Registered Representative (mutual funds) and a Registered Representative (non-retail)~~ ~~approved pursuant to Rule 18.8~~; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Regulated Persons"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows:	This is defined in General By-law No. 1, Section 1.1, as follows:

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		"Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]*** In UMIR "Regulated Persons" is also defined. As the scope of the definition is different and in order to avoid confusion this UMIR term will be renamed "Subject Persons".	"Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. ***[Note: This General By-law No. 1, Section 1.1 definition will not be repealed***
"respondent"	A *person* who is the subject of a proceeding or settlement under *Corporation* Rules.	Not defined in UMIR.	~~"Respondent" means: an Approved Person or Dealer Member who is the subject of a disciplinary hearing, settlement hearing, expedited hearing, or appeal hearing under Rule 20.~~ ***[Note: This Dealer Member Rule 20.1 definition will be repealed.]***
"Rules of Practice"	The rules of practice and procedure under Rule 8400.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"sanction"	A penalty imposed by a *hearing panel* or a penalty or other measure imposed under a *settlement agreement*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"securities legislation" or "applicable securities legislation"	Any legislation about trading, distributing or advising in securities, commodities contracts, or *derivatives* in Canada enacted by the government of Canada or any province or territory in Canada and includes all regulations, rules, orders and other regulatory directions made under that legislation by an authorized body, including a *securities regulatory authority*.	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National Instrument 14-101, namely, for the local jurisdiction, the statute and other instruments listed in Appendix B to National Instrument 14-101, opposite the name of the local jurisdiction. ***[Note: This UMIR 1.2 Interpretation will not be repealed.]***	Not defined in Dealer Member Rules.
"securities regulatory	The commission, *person* or other authority in Canada that is authorized to administer any	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National	Not defined in Dealer Member Rules.

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authority"	legislation about (i) the offering or sale of securities, commodities contracts, or *derivatives* to the public or (ii) the registration or licensing of *persons* trading in securities, commodities contracts, or *derivatives*; or any tribunal empowered under such legislation to review decisions of a *hearing panel* or *District Council* panel.	Instrument 14-101, namely, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C to National Instrument 14-101, opposite the name of the local jurisdiction. ***[Note: This UMIR 1.2 Interpretation will not be repealed.]***	
"settlement agreement"	A written agreement between *Corporation* staff and a *respondent* to settle a proceeding or proposed proceeding under Rule 8200.	Not separately defined in UMIR but referred to in Policy 10.8 – Practice and Procedure, which will be repealed.	~~"Settlement Agreement" means: an agreement reached by the Corporation and the Respondent whereby the parties agree to disciplinary charges, facts and penalty.~~ ***[Note: This Dealer Member Rule 20.1 definition will be repealed.]***
"settlement hearing"	A *hearing* relating to a *settlement agreement*.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"subsidiary"	Subsidiary of an entity means: (i) an entity it *controls*; (ii) a corporation it *controls* and one or more corporations *controlled* by that corporation; or (iii) a corporation *controlled* by two or more corporations it *controls*. and includes a corporation that is a subsidiary of another subsidiary of a corporation.	Not defined in UMIR.	"Subsidiary"~~, in respect of a corporation and another corporation, means the first mentioned corporation if~~ of an entity means: (i) ~~It is controlled by:~~an entity it *controls*; ~~(a) That other; or~~ (~~b) That other~~ii) a corporation it *controls* and one or more corporations ~~each of which is~~ *controlled* by that ~~other~~corporation; or (~~c) Two~~iii) a corporation *controlled* by two or more corporations ~~each of which is controlled by that other; or~~it *controls*. ~~(ii) It is a subsidiary of~~and includes a corporation that is ~~that other's subsidiary~~a subsidiary of another subsidiary of a corporation; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Supervisor"	An *individual* given responsibility and authority by a *Dealer Member*, and approved by the *Corporation*, to manage the activities	Not defined in UMIR.	"Supervisor" means ~~a person to whom a Dealer Member has~~an individual given responsibility and authority by a Dealer Member, and ~~who is~~ approved by the Corporation, to manage the activities of the Dealer Member's other

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	of the *Dealer Member's* other *employees*, partners, *Directors* and *officers*, to ensure they comply with *Corporation requirements* and *securities legislation* in conducting their and the *Dealer Member's* securities-related activities.		employees, partners, Directors and officers, ~~Officers, employees or agents of the Dealer Member so as~~ to ensure ~~their compliance with laws and regulations governing~~they comply with Corporation requirements and securities legislation in conducting their and the Dealer Member's securities-related activities; ***[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]***
"Trader"	An *individual*, approved by the *Corporation* as a Trader, whose activity is restricted to trading through a *Marketplace Member*'s trading system who may not advise the public.	Not defined in UMIR.	Not defined in Dealer Member Rules
"Ultimate Designated Person" or "UDP"	An *individual* approved by the *Corporation* to be responsible for the conduct of a designated *Dealer Member* and the supervision of its employees and to perform the functions for an ultimate designated person described in *Corporation requirements*.	Not defined in UMIR.	Not defined in Dealer Member Rules.

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Rule 1400 **Standards of Conduct**		
1401. Introduction (1) This Rule sets out the general standards of conduct that apply to *Regulated Persons*.	New	New
1402. Standards of Conduct (1) A *Regulated Person* (i) must observe high standards of ethics and conduct and must transact business openly and fairly and in accordance with just and equitable principles of trade, and (ii) must not engage in any conduct that is unbecoming or detrimental to the public interest. (2) Without limiting the generality of the foregoing, any business conduct that: (i) is negligent; (ii) fails to comply with a legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a *Regulated Person*; (iii) displays an unreasonable departure from standards that are expected to be observed by a *Regulated Person*; or (iv) is likely to diminish investor confidence in the integrity of securities, commodities or derivatives markets may be conduct that contravenes one or more of the standards set forth in subsection 1402(1).	~~**2.1 Just and Equitable Principles**~~ ~~(1) A Participant shall transact business openly and fairly and in accordance with just and equitable principles of trade when:~~ ~~(a) trading on a marketplace; or~~ ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~ ~~(2) An Access Person shall transact business openly and fairly when:~~ ~~(a) trading on a marketplace; or~~ ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~	~~29.1. Dealer Members and each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member (i) shall observe high standards of ethics and conduct in the transaction of their business, (ii) shall not engage in any business conduct or practice which is unbecoming or detrimental to the public interest, and (iii) shall be of such character and business repute and have such experience and training as is consistent with the standards described in clauses (i) and (ii) or as may be prescribed by the Board.~~ ~~For the purposes of disciplinary proceedings pursuant to the Rules, each Dealer Member shall be responsible for all acts and omissions of each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member; and each of the foregoing individuals shall comply with all Rules required to be complied with by the Dealer Member.~~
1403. Applicability (1) For purposes of *Corporation requirements*: (i) *Dealer Members* are responsible for all acts and omissions of their *employees*, partners, *Directors* and *officers*; (ii) non-*Dealer Member* users and subscribers to a *Marketplace* for which the *Corporation* is the regulation services provider are responsible for all acts and omissions of their employees, partners, directors, and officers.	~~**10.3 Extension of Responsibility**~~ ~~(1) A Participant or Access Person may be found liable by the Market Regulator for the conduct of any director, officer, partner, employee or individual holding a similar position with the Participant or Access Person and be subject to any penalty or remedy as if the Participant or Access Person had engaged in that conduct.~~	See Dealer Member Rule 29.1 above.

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(2) In addition to complying with all *Corporation requirements* that expressly apply to him or her: (i) an *Approved Person* must avoid any act or omission that would cause his or her *Dealer Member* to violate any *Corporation requirement*; and (ii) an employee, partner, director or officer of a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider must avoid any act or omission that would cause the user or subscriber to violate any *Corporation requirement*. (3) For purposes of section 1402, the obligation of *Regulated Persons* that are non-*Dealer Member* users or subscribers of a *Marketplace* for which the *Corporation* is the regulation services provider is limited to the obligation to transact business openly and fairly when trading on a *Marketplace* or otherwise dealing in securities that are eligible to be traded on a *Marketplace*.	~~(2) Any partner or director of a Participant or Access Person may be found liable by the Market Regulator for the conduct of the Participant or Access Person and be subject to any penalty or remedy as if such person had engaged in that conduct.~~ ~~(3) Any officer or employee of a Participant or Access Person who has authority over, supervises or is responsible for an employee may be found liable by the Market Regulator for the conduct of the supervised employee and be subject to any penalty or remedy as if such person had engaged in that conduct.~~ ~~(4) Any officer or employee of a Participant or Access Person or any individual holding a similar position with a Participant or Access Person who engages in conduct that results in the Participant or Access Person contravening a Requirement may be found liable by the Market Regulator for the conduct and be subject to any penalty or remedy as if such person was the Participant or Access Person.~~ ~~(5) The imposition of any penalty or remedy against any person who engaged in conduct that contravened a Requirement or against any person to whom responsibility for the conduct has been extended by this section does not prevent or limit in any manner the imposition by the Market Regulator of any penalty or remedy against any other person who engaged in the conduct or to whom responsibility for the conduct has been extended by this section.~~	
Rule 8100 **Enforcement Investigations**		
8101. Introduction	New	New

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(1) This Rule sets out the powers of the *Corporation* to initiate and conduct enforcement investigations ("investigations") and the rights and obligations of *Regulated Persons* with respect to such investigations. **8102. Conducting Investigations** (1) *Enforcement Staff* may investigate the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements*, *applicable laws,* or trading or advising in respect of securities, commodities contracts or derivatives.	~~**10.2 Investigations**~~ ~~(1) The Market Regulator may, at any time, whether or not on the basis of a complaint or other communication in the nature of a complaint, investigate the conduct of a Regulated Person other than an Exchange or QTRS and upon the commencement of such investigation, the Market Regulator may provide written notice to the Regulated Person which outlines the subject matter of the investigation and the period or periods of time which are covered by the investigation.~~	~~19.1. The Corporation shall make such examinations of and investigations into the conduct, business or affairs of any Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director or officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules as he or she considers necessary or desirable in connection with any matter relating to compliance by such person with (i) the Rules or Rulings of the Corporation, (ii) any legislation applicable to such person concerning trading in securities or commodity contracts, including any rulings, policies, regulations or directives of any securities commission, or (iii) the by-laws, rules, regulations and policies of any self-regulatory organization. The Dealer Member shall require all employees to comply with Rule 19.~~ ~~19.2. Any examination or investigation made pursuant to Rule 19.1 may be instituted upon the basis of (i) a complaint received by or directed to the Corporation, (ii) the direction of the Board of Directors, (iii) the request of a securities commission having jurisdiction, or (iv) any information received or obtained relating to the conduct, business or affairs of the Dealer Member or person involved.~~

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8103. Investigation Powers (1) In connection with an investigation, *Enforcement Staff* may, by written or electronic request, require a *Regulated Person*, an employee, partner, director or officer of a *Regulated Person*, an *investor* of a *Dealer Member*, or, where authorized by law, another *person* to: (i) provide a written report with respect to any matter, (ii) produce for inspection any *records* and documents in the *person's* possession or control that *Enforcement Staff* believe may be relevant to the investigation, whether written, electronically stored or recorded, (iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Enforcement Staff* requests, or (iv) attend and answer questions under oath or otherwise, and any such attendance may be transcribed, recorded electronically, audio-recorded or video-recorded, as *Enforcement Staff* determines. (2) If *Enforcement Staff* requires production of original documents in a request made under subsection 8103(1), they must provide a receipt for any original documents received. (3) In connection with an investigation, *Enforcement Staff* (i) may, with or without prior notice, enter the *business location* of any *Regulated Person* during business hours, (ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer hard drives of the *Regulated Person*, that are not subject to legal privilege, and (iii) may remove the original of any document or *record* obtained under clause 8103(3)(ii), and where an original document or *record* is removed from the premises, *Enforcement Staff* must provide a receipt for the removed document or *record*.	~~**10.2 Investigations**~~ ~~(2) Upon the written or electronic request of the Market Regulator, a Regulated Person shall, within such time period specified by the Market Regulator:~~ ~~(a) provide any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation and such information, document or records shall be provided in such manner and form, including electronically, as may be required by the Market Regulator;~~ ~~(b) allow the inspection of, and permit copies to be taken of, any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation; and~~ ~~(c) provide a statement, in such form and manner and at a time and place specified by the Market Regulator on such issues as the Market Regulator determines may be relevant to a matter under investigation provided that in the case of a person other than an individual, the statement shall be made by an appropriate officer, director, partner or employee or other individual associated with the person as is acceptable to the Market Regulator.~~ ~~(3) For the purposes of subsection (2), the Market Regulator may specify that a statement be given in writing or by an electronic recorded means and that any~~	~~19.5. For the purpose of any examination or investigation pursuant to this Rule 19, a Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director, officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules, may be required by the Corporation:~~ ~~(a) To submit a report in writing with regard to any matter involved in any such investigation;~~ ~~(b) To produce for inspection and provide copies of any books, records, accounts and documents, that are in the possession or control of the Dealer Member or the person, that the Corporation determines may be relevant to a matter under examination or investigation and such information, books, records and documents shall be provided in such manner and form, including electronically, as may be required by the Corporation; and~~ ~~(c) To attend and give information respecting any such matters;~~ ~~And the person shall be obliged to submit such report, to permit such inspection, provide such copies and to attend, accordingly. Any person subject to an investigation conducted pursuant to this Rule 19 shall be advised in writing of the matters under investigation and may be invited to make submission by statement in writing, by producing for inspection books, records and accounts and by attending before the persons conducting the investigation. The person~~

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	~~statement be given under oath.~~ ~~(4) If a Market Regulator has provided notice to a Regulated Person pursuant to subsection (1), the Regulated Person shall, notwithstanding any policy or procedure of the Regulated Person with respect to the retention of information, documents or records, retain any document or record in the possession or control of the Regulated Person that is relevant to the investigation by the Market Regulator until the later of:~~ ~~(a) the first date the document could be destroyed in accordance with the policies of the Participant or Access Person;~~ ~~(b) the date on which an order of a Hearing Panel in respect of a hearing for which the document is relevant becomes final and may not be subject to any further review or appeal by any person, body or court; and~~ ~~(c) 7 years following the date on which the document or record was created unless the Market Regulator notifies the Regulated Person in writing that no proceeding pursuant to Rule 10.5 shall be commenced by the Market Regulator.~~ **10.12 Retention ~~and Inspection~~ of Records and Instructions** (1) A Participant shall retain: (a) the record of each order as required by Rule 10.11; and (b) sufficient information to identify the beneficial owner of each account for which a record of an order is retained, for a period of not less than seven years from	~~conducting the investigation may, in his or her discretion, require that any statement given by any person in the course of an investigation be recorded by means of an electronic recording device or otherwise and may require that any statement be given under oath.~~ ~~19.6. For the purpose of any examination or investigation pursuant to this Rule 19, the Corporation shall be entitled to free access to, and to make and retain copies of, all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the person concerned, and no such person shall withhold, destroy or conceal any information, documents or thing reasonably required for the purpose of such examination or investigation.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	the creation of the record of the order, and for the first two years, such record and information shall be kept in a readily accessible location. (2) ~~A Participant shall allow the Market Regulator of~~) An Access Person shall keep information respecting an order on the marketplace: ~~(a) of which the Participant is a member, user or subscriber;~~ ~~(b) on which the Participant entered the order; or~~ ~~(c) on which the order of the Participant was executed,~~ ~~to inspect and make copies of the record of an order, any record related to the order required to be maintained by the Participant in accordance with applicable securities legislation or the requirements of any self-regulatory organization of which the Participant is a member and information on the beneficial owner of the account at any time during ordinary business hours during the period that such record and information is required to be retained by the Participant.~~ ~~(3) An Access Person shallallow the Market Regulator of the marketplace:~~ (a) of which the Access Person is a subscriber; or (b) on which the order of the Access Person was executed, ~~to inspect and make copies of any information respecting an order at any time during ordinary business hours~~ during the period of not less than seven years from the date of the origination of the order, and for	

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	the first two years, such information shall be kept in a readily accessible location.	
8104. Obligations of Regulated Persons and Other Persons (1) A *person* who receives a request made under section 8103 must comply with the request within the time specified in it. (2) If *Enforcement Staff* make a request under clause 8103(1)(i) or 8103(1)(iv) to a corporation, partnership or other organization, compliance with the request may be fulfilled by an *employee* of the corporation, partnership or organization who is acceptable to *Enforcement Staff,* taking into account the employee's position and knowledge. (3) A *person* must cooperate with *Enforcement Staff* who are conducting an investigation, and a *Regulated Person* must require its employees, partners, directors and officers to cooperate with *Enforcement Staff* conducting an investigation and to comply with a request made under section 8103. (4) A *person* who is aware that *Enforcement Staff* are conducting an investigation must not conceal or destroy any *record*, document or thing that contains information that may be relevant to the investigation or to any subsequent proceeding relating to the subject matter of the investigation or ask or encourage another *person* to do so.	See UMIR 10.2(2)(c) above.	See Dealer Member Rules 19.1, 19.5, and 19.6 above.
8105. Right to Counsel (1) A *person* who attends in response to a request under clause 8103(1)(iv) may be represented by counsel. (2) A *person* who receives a request under clause 8103(1)(iv) is not entitled to refuse to attend and answer questions because his or her counsel is not available to attend with the *person* on any of the dates specified in the request.	New	New
8106. Confidentiality of Investigations (1) A *person* who (i) receives a request under subsection 8103(1), (ii) is present at or informed of an entry by *Enforcement Staff* under subsection 8103(3), or (iii) who is informed by	New	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(a) *Enforcement Staff* or other *Corporation staff*, or (b) a *person* permitted to do so under subsection (2) or (3) of an investigation being conducted must not disclose, except to the *person's* counsel or another individual who represents the person or as required by law, (iv) the nature or content of the investigation or request, (v) the fact of the entry, (vi) the fact that any report, *record*, other document or thing was requested, produced, provided, inspected, copied or taken, (vii) the name of any *person* required to attend and answer questions, or (viii) any questions asked or any answers given on an attendance. (2) Subsection 8106(1) does not prohibit disclosure of information relating to an investigation (i) by any *person* of any fact that the person became aware of otherwise than as a result of the conduct of the investigation, (ii) to which *Enforcement Staff* consents, which consent may be on terms and conditions, or (iii) with the consent of a *hearing panel* on a motion under section 8413, if the *hearing panel* determines that disclosure of information that is subject to subsection 8106(1) would not impede the conduct of the investigation and is otherwise justifiable, subject to any terms and conditions that the *hearing panel* considers appropriate. (3) Clauses 8106(1)(iv) to (vii) do not prohibit disclosure of information relating to an investigation (i) that is required to fulfill an obligation of the *person* under a *Corporation requirement*, (ii) unless otherwise requested by *Enforcement Staff*, that is required to fulfill a fiduciary obligation of the person to a *Regulated Person* or to fulfill a contractual obligation of the		

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person to comply with the policies of a *Regulated Person*, (iii) unless otherwise requested by *Enforcement Staff*, (a) by a *person* who has been informed by *Enforcement Staff* that he or she is the subject of the investigation or has received a request from *Enforcement Staff* to testify or otherwise provide information, who discloses the information to the *Regulated Person* that is his or her employer by informing an employee of the *Regulated Person* with supervisory authority over the *person*, or (b) by the person or employee to other employees of the *Regulated Person* who are senior to the employee, or (iv) by a *Dealer Member* or other *Regulated Person*, or an employee of the *Dealer Member* or other *Regulated Person*, in connection with the imposition of restrictions on a *person* who is a subject of the investigation, but only to the extent necessary to implement the restrictions.		
8107. Continuing Jurisdiction (1) A *Regulated Person* remains subject to this Rule for six years following the date on which they cease to be: (i) a *Dealer Member*, (ii) a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider, or (iii) an employee, partner, director officer or any other representative designated in *Corporation requirements* of a (a) a *Dealer Member*, or (b) a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider.	New	New
Rule 8200 **Enforcement Proceedings**		
8201. Introduction (1) This Rule sets out the authority of the *Corporation* and *hearing panels* to hold hearings for enforcement purposes.	New	~~**Part 10 – Enforcement Hearings**~~ ~~**INITIATION OF ENFORCEMENT HEARINGS**~~ ~~**20.30**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(2) Enforcement proceedings are intended to ensure compliance with and to enforce *Corporation requirements*, *securities legislation*, and other requirements relating to trading or advising in respect of securities, commodities contracts or derivatives.		~~(1) The Corporation may hold hearings, as set out under this Rule, in order to ensure compliance with and enforcement of the Rules and Rulings and federal or provincial statutes, regulations, rulings or policies relating to trading or advising in respect of securities or commodities.~~ ~~(2) The categories of enforcement hearings under Rule 20 are: disciplinary hearings; settlement hearings and expedited hearings. Enforcement hearings shall be conducted in accordance with this Rule and the Corporation Practice and Procedure.~~
8202. Definitions (1) In this Rule, "decision" means a determination made by a *hearing panel* under this Rule and includes a *sanction* and other order or ruling. "investigation" means an investigation under Rule 8100 (Enforcement Investigations).	New	~~**20.1 In this Rule:**~~ ~~"**Applicant**" means:~~ ~~an individual or Firm that applies for approval or membership pursuant to Part 7 of this Rule or an Approved Person or Dealer Member that applies for an exemption pursuant to Part 8 of this Rule.~~ ~~"**Business days**" means:~~ ~~a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded.~~ ~~"**Calendar days**" means:~~ ~~all days in a calendar year. In calculating the number of calendar days, the days on which the events happen are excluded.~~ ~~"**Decision**" means:~~ ~~a determination, including reasons, arrived at after consideration of facts and/or law by a Decision-maker pursuant to this Rule. Decision includes rulings and orders.~~

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		~~"**Decision-maker**" means:~~ ~~the person or body making the decision under the respective provision of Rule 20. The Decision-maker can be: Corporation Staff (20.18 Part 7 Rule 20, 20.24 Part 8 Rule 20); the District Council or a sub-committee of the District Council (20.18 and 20.20 Part 7 Rule 20, 20.24 and 20.25 Part 8 Rule 20); the Board of Directors; (20.21 Part 7 Rule 20), a Board Panel; (20.22 Part 7 Rule 20), a District Council Panel; (20.26 Part 8 Rule 20) and a Hearing Panel.~~ ~~"**Disciplinary Hearing**" means:~~ ~~A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1).~~ ~~"**Former Judge**" means:~~ ~~an individual who has served as a judge in any provincial or federal court in Canada or an individual who is or has been qualified to practice law and has served as an adjudicator on an administrative tribunal in Canada.~~ ~~"**Hearing Panel**" means:~~ ~~a panel that is appointed pursuant to the Hearing Committees and Hearing Panels Rule to perform an approval review hearing (20,19 Part 8 Rule 20), an early warning level 2 review hearing (20.29 Part 9 Rule 20), a Disciplinary Hearing (20.33 and 20.34 Part 10 Rule 20), a settlement hearing (20.36 Part 10 Rule 20), an expedited hearing (20.45 and 20,46 Part 10 Rule 20), or an expedited review hearing (20.47 Part 10 Rule 20).~~ ~~"**Monitor**" means:~~ ~~a Monitor appointed pursuant to Rule 20.46 to~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~monitor the company's business and financial affairs and to act in furtherance of powers granted by a Hearing Panel.~~ ~~"**Panel**" means:~~ ~~a Hearing Panel, a District Council Panel (20.26 Part 8 Rule 20).~~ ~~"**Release of Decision**" means:~~ ~~when a decision made under this Rule is made available to the Respondent, Applicant, Approved Person or Dealer Member pursuant to the Corporation Practice and Procedure.~~ ~~"**Respondent**" means:~~ ~~an Approved Person or Dealer Member who is the subject of a disciplinary hearing, settlement hearing, expedited hearing, or appeal hearing under Rule 20.~~ ~~"**Settlement Agreement**" means:~~ ~~an agreement reached by the Corporation and the Respondent whereby the parties agree to disciplinary charges, facts and penalty.~~ ~~Terms used in this Rule 20 which are not defined herein shall have the same meanings as used or defined in the Hearing Committees and Hearing Panels Rule.~~
PART A - GENERAL		
8203. Hearings (1) A *hearing* must be conducted in accordance with this Rule and the *Rules of Practice.* (2) A *hearing panel* may hold any *hearing* and make any *decision* that is authorized under this Rule and the *Rules of Practice*. (3) A *hearing panel* may admit as evidence in a *hearing* any oral testimony and any document or other thing that is relevant and not subject to privilege, whether or not given or proven under oath or affirmation or admissible as evidence in a court. (4) A *hearing panel* may require testimony or other evidence to be	~~**10.6 Exercise of Authority**~~ ~~A Hearing Panel shall make any determination, hold any hearing and make any order or interim order required or permitted of a Market Regulator under this Part.~~	See Dealer Member Rule 20.30(2) above. ~~**Part 2 – General Authority of Panels**~~ ~~**20.2 Exercise Of Authority**~~ ~~(1) A Panel may make any determination, hold any hearing and make any decision, order, interim order or impose any terms required to implement such order, required or permitted under Rule 20 or under the Corporation Practice and Procedure.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
given or proven under oath or affirmation. (5) Subject to subsections 8203(6) and 8203(7), a *hearing* under this Rule must be open to the public, unless it is: (i) a *settlement hearing*, in which case it will be opened to the public only after a *settlement agreement* has been accepted by the *hearing panel*, or (ii) a *hearing* to consider a temporary order under section 8211. (6) A *hearing* or part of a *hearing* may be held in the absence of the public where the *hearing panel* is of the opinion that the desirability of avoiding disclosure of intimate, personal or other matters outweighs the desirability of adhering to the principle in subsection 8203(5). (7) A *hearing* held in Quebec must be open to the public, unless the *hearing panel*, on its own initiative or on the request of a *party*, orders the *hearing* or part of the *hearing* to be closed or prohibits the publication or release of documents in the interest of good morals or public order. (8) A *party* to an *enforcement proceeding* may be represented by counsel or an agent. (9) A *hearing panel* must provide written reasons for a *decision* made by it, including a *decision* accepting or rejecting a *settlement agreement* under section 8215, but not including an evidentiary or other procedural ruling, made in the course of a *hearing,* that is not dispositive of the issues raised in the hearing.		~~(2) A Panel is not bound by any legal or technical rules of evidence and may admit as evidence in a hearing, whether or not given or proven under oath or affirmation, anything that is relevant to the proceedings.~~ ~~(3) A Panel may require presentation of evidence or testimony under oath or affirmation.~~ **~~Part 11 – Public Hearings~~** **~~20.50 Public Hearings~~** ~~(1) The following types of hearings shall be open to the public subject to subsection (2):~~ ~~(a) settlement hearings, after a Settlement Agreement has been accepted by Hearing Panel, pursuant to Rule 20.36;~~ ~~(b) disciplinary hearings pursuant to Rule 20.33 and Rule 20.34; and~~ ~~(c) expedited review hearings pursuant to Rule 20.47.~~ ~~(2) The hearings prescribed in subsection (1) shall be held in the absence of the public where the Hearing Panel is of the opinion that the desirability of avoiding disclosure, of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be public.~~ ~~(3) Notwithstanding subparagraph (1) and (2), in Quebec, any disciplinary panel must be public. However, such disciplinary panel may on its own initiative or on request, order a closed-door hearing or prohibit the publication or release of information or documents in the interest of good morals or public order.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~**Rules of Practice8.10 Public Domain**~~ ~~All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the exclusion of the public.~~ ~~An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that motions be public.~~
8204. Application and Effective Date of Decisions (1) A *decision* under this Rule applies in all *Districts*, unless the *hearing panel* orders otherwise or unless the application of the *decision* is limited by *law*. (2) A *decision*, other than a ruling in the course of a *hearing*, is effective on the date the *decision* is dated by the *National Hearing Coordinator*, unless this Rule or the *decision* provides otherwise, in which case the *decision* is effective on the date so provided. (3) A *sanction*, other than a fine or disgorgement, takes effect on the effective date of the *decision* imposing it, unless the *decision* provides otherwise. (4) A fine, disgorgement and costs imposed by a *decision* are payable when the *decision* is effective, unless the *decision* provides or the *parties* agree otherwise.	New	~~**Part 3 Decision-Making and Effectiveness of Decisions**~~ ~~**20.4 Territorial Application of Decisions**~~ ~~(1) Any decision made under this Rule shall have effect in all of the Districts, unless otherwise ordered by the Decision-maker or unless such extension or application of the decision is limited by law.~~ ~~**20.5 Effective Date of Decision**~~ ~~(1) Any decision made pursuant to Rule 20 shall become effective on the date that the decision is made, unless it provides otherwise.~~ ~~(2) Notwithstanding subsection (1), a decision made pursuant to Rule 20.28 shall become effective as prescribed in Rule 20.29(3).~~ ~~**20.6 Effective Date of Penalties**~~ ~~(1) Suspensions, bars, expulsions, restrictions or other conditions or terms imposed on approval or Membership commence as of the effective date of the decision, unless otherwise determined by the Decision-maker.~~ ~~(2) Any fine imposed on a Respondent shall be~~

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		~~payable immediately when the decision becomes effective unless otherwise agreed by the parties.~~
8205. Commencement of Enforcement Proceedings (1) The *Corporation* may commence proceedings and hold *hearings*, as provided in this Rule, to ensure compliance with and to enforce *Corporation requirements*, *securities legislation,* and other requirements relating to trading or advising in respect of securities, commodities contracts and derivatives. (2) A proceeding under this Rule must be commenced by application or notice of hearing in accordance with the *Rules of Practice*.	See UMIR 10.6 above.	See Dealer Member Rule 20.30 above.
8206. Limitation (1) A *Regulated Person* remains subject to this Rule for six years following the date on which they cease to be: (i) a *Dealer Member*, (ii) a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider, or (iii) an employee, partner, director officer or any other representative designated in *Corporation requirements* of a (a) a *Dealer Member*, or (b) a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider. (2) The Corporation may commence a proceeding under this Rule against a *Regulated Person* up to six years after the date of the occurrence of the last event on which the proceeding is based. (3) If a proceeding is commenced within the limitation period in subsection 8206(1) or 8206(2), the *respondent* remains subject to the requirements of this Rule until the proceeding, including any review or appeal, is completed.	New	Based on currently outstanding limitation period proposal. Existing Rule: ~~**20.7 Former Dealer Members and Approved Persons**~~ ~~(1) For the purposes of Rule 19 and Rule 20, any Dealer Member and any Approved Person shall remain subject to the jurisdiction of the Corporation for a period of five years from the date on which such Dealer Member or Approved Person ceased to be a Dealer Member or an Approved Person of the Corporation, subject to subsection (2).~~ ~~(2) An enforcement hearing under Part 10 of this Rule may be brought against a former Approved Person who re-applies for approval under Part 7 of this Rule, notwithstanding expiry of the time period set out in subsection (1).~~ ~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or~~

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		~~terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~
8207. Amounts Owing to the Corporation (1) A *person* remains liable to the *Corporation* for all amounts owing to the Corporation.	New	~~**20.7 Former Dealer Members and Approved Persons**~~ . . ~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~
8208. Powers of Compulsion (1) A *hearing panel* may require a *Regulated Person,* an employee, partner, director or officer of a *Regulated Person* or the *Corporation*, including *Corporation* staff, and, if authorized by *law*, any other *person* to attend and give evidence or produce *records* and documents in connection with a *hearing* under this Rule. (2) A *Regulated Person* must, upon receipt of an order of a *hearing panel* or a notice from the *National Hearing Coordinator* so requiring, (i) attend and give evidence, and (ii) produce for inspection and provide copies of any *records* or documents in the *Regulated Person's* possession or control. (3) If a *hearing panel* requires an employee, partner, director or officer of a *Regulated Person,* who is not an *Approved Person,* to attend at a hearing, the *Regulated Person* must direct the individual to attend and give evidence.	New	~~**POWERS OF COMPULSION**~~ ~~**20.31 Dealer Members, Approved Persons and Corporation Staff**~~ ~~(1) Every Dealer Member, Approved Person and Corporation Staff member shall:~~ ~~(a) attend and give evidence respecting any matter relevant to hearings pursuant to Rule 20.33, Rule 20.34 or Rule 20.42 upon receipt of notice from the National Hearing Coordinator or his or her designate or order of a Hearing Panel; and~~ ~~(b) produce for inspection and provide copies of any books, records, accounts and documents that are in the possession or control of the Dealer Member or Approved Person, to a Hearing Panel upon receipt of notice from the National Hearing Coordinator or order of the Hearing Panel.~~ ~~(2) Failure to comply with subsections 1(a) or (b) constitutes a contravention of the Rules and~~

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		~~may result in disciplinary action under Rule 20.33 or Rule 20.34.~~ ~~**20.32 Partners, Directors, Officers and Employees of Members**~~ ~~(1) Where a Hearing Panel requires the attendance before it of any partner, director, officer or employee of a Dealer Member, who is not an Approved Person, the Dealer Member shall direct such employee to attend and to give information or make such production of documents as can be required of a person referred to in Rule 20.31.~~ ~~(2) Failure by the Dealer Member to comply with subsection (1) constitutes a contravention of the Rules and may result in disciplinary action under Rule 20.34.~~
PART B - Disciplinary Proceedings		
8209. Sanctions for Dealer Members (1) If, after a *hearing*, a *hearing panel* finds that a *Dealer Member* has contravened a *Corporation requirement*, a *securities legislation* requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the *hearing panel* may impose one or more of the following *sanctions*: (i) a reprimand (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention, (iii) a fine not exceeding the greater of (a) $5,000,000 for each contravention, and (b) an amount equal to three times the profit made or loss avoided by the *Dealer Member*, directly or indirectly, as a result of the contravention, (iv) suspension of membership in the *Corporation* or of any	**10.5 ~~Powers and Remedies~~ Suspension or Restriction of Access** (1~~)~~ ~~The Market Regulator may, following a hearing and a determination that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has contravened a Requirement or is liable for the contravention of a Requirement in accordance with Rule 10.3, by an order impose on such person one or more of the following penalties or remedies as the Market Regulator considers appropriate in the circumstances:~~ ~~(a) a reprimand;~~ ~~(b) a fine not to exceed the greater of:~~ ~~(i) $1,000,000, and~~ ~~(ii) an amount equal to triple the financial benefit which accrued to~~	~~**20.34 Dealer Members**~~ ~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at Rule 20.34(2) if, in the opinion of the Hearing Panel, the Dealer Member:~~ ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~ ~~(b) failed to comply with the provisions of any Rule or Ruling of the Corporation;~~ ~~(c) failed to carry out an agreement or undertaking with the Corporation; or~~ ~~(d) failed to meet liabilities to another Dealer Member or to the public.~~ ~~(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the~~

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right or privilege associated with membership, including a direction to cease dealing with clients, for any period of time and on any terms and conditions, (v) imposition of any terms or conditions on the *Dealer Member's* continued membership, including on access to a *Marketplace*, (vi) expulsion from membership and termination of the rights and privileges of membership, including access to a *Marketplace*, (vii) permanent bar to membership in the *Corporation*, (viii) appointment of a *monitor*, and (ix) any other *sanction* determined to be appropriate under the circumstances. (2) A *Dealer Member* may be sanctioned under subsection 8209(1) based on the conduct of an *employee*, partner, *Director* or *officer*. (3) A sanction imposed under subsection 8209(1) relating to access to a *Marketplace* applies to all *Marketplaces*.	~~the person as a result of committing the contravention;~~ ~~(c) the restriction of access to the marketplace for such period and upon such terms and conditions, if any, considered appropriate;~~ ~~(d) the suspension of access to the marketplace for such period and upon such terms and conditions, if any, considered appropriate;~~ ~~(e) the revocation of access to the marketplace; and~~ ~~(f) any other remedy determined to be appropriate under the circumstances.~~ ~~(2)~~ If the Market Regulator has determined that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has engaged in, or may engage in, any course of conduct that is or may be a contravention of a Requirement, the Market Regulator may, if the Market Regulator considers it is necessary for the protection of the public interest by an interim order without notice or hearing, order the restriction or suspension of access to the marketplace upon such terms and conditions, if any, considered appropriate provided such interim order shall expire 15 days after the date on which the interim order is made unless: (a) a hearing is commenced pursuant to Rule8200 (Enforcement Proceedings) within that period of time to confirm or set aside the interim order; (b) the person against which the interim order is made consents to an extension	~~following penalties upon the Dealer Member:~~ ~~(a) a reprimand;~~ ~~(b) a fine not exceeding the greater of:~~ ~~(i) $5,000,000 per contravention; and~~ ~~(ii) an amount equal to three times the profit made or loss avoided by the Dealer Member by reason of the contravention;~~ ~~(c) suspension of the rights and privileges of the Dealer Member (and such suspension may include a direction to the Dealer Member to cease dealing with the public) for any period of time and upon any conditions or terms;~~ ~~(d) terms and conditions of continued Membership;~~ ~~(e) termination of the rights and privileges of Membership;~~ ~~(f) expulsion of the Dealer Member from membership in the Corporation; or~~ ~~(g) any other fit remedy or penalty.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	of the interim order until a hearing of the matter is held; or (c) an applicable securities regulatory authority directs that the interim order be rescinded or extended. (~~3~~2) For the purposes of this section, the restriction, suspension or revocation of access of a person to a marketplace may be imposed directly on the person and, if the person is an individual, the restriction, suspension or revocation of access may also be imposed in respect of their capacity as a director, officer, partner, employee or associate of a person with access to a marketplace. (~~4~~3) For greater certainty, any enforcement or disciplinary proceeding or any order or interim order as against a person by a Market Regulator for contravention of a Requirement shall not affect or limit any enforcement or disciplinary action as against the person by any securities regulatory authority, self-regulatory entity or other Market Regulator with jurisdiction over the person. (~~5~~4) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace in accordance with this section, such person shall be denied access to any other marketplace and shall have any access to any other marketplace automatically restricted, suspended or revoked unless the applicable securities regulatory authority otherwise determines in a review or appeal of the order or interim order of the Market Regulator undertaken in accordance with Rule 11.3. (~~6~~5) If a Market Regulator restricts, suspends or revokes the access of any person to a	

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	marketplace, the Market Regulator shall provide notice forthwith of such restriction, suspension or revocation to: (a) the person whose access has been restricted, suspended or revoked; (b) each marketplace; (c) each Market Regulator; and (d) each applicable securities regulatory authority.	
8210. Sanctions for Regulated Persons other than Dealer Members (1) If after a *hearing*, a *hearing panel* finds that an *Approved Person*, a non-*Dealer Member* user or subscriber of a *Marketplace* for which the *Corporation* is the regulation services provider or an employee, partner, director or officer of such a user or subscriber has contravened a *Corporation requirement*, a *securities legislation* requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the *hearing panel* may impose on such *person* one or more of the following sanctions: (i) a reprimand (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention, (iii) a fine not exceeding the greater of (a) $5,000,000 for each contravention, and (b) an amount equal to three times the profit made or loss avoided by the *person*, directly or indirectly, as a result of the contravention, (iv) suspension of the *person's* approval or any right or privilege associated with such approval, including access to a *Marketplace*, for any period of time and on any terms and conditions, (v) imposition of any terms or conditions on the *person's*	See UMIR 10.3 and 10.5 above.	~~**20.33 Approved Persons**~~ ~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at 20.33(2) if, in the opinion of the Hearing Panel, the Approved Person:~~ ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~ ~~(b) failed to comply with the provisions of any Rule or Ruling of the Corporation; or~~ ~~(c) failed to carry out an agreement or undertaking with the Corporation.~~ ~~(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the following penalties upon the Approved Person:~~ ~~(a) a reprimand;~~ ~~(b) a fine not exceeding the greater of:~~ ~~(i) $1,000,000 per contravention; and~~ ~~(ii) an amount equal to three times the profit made or loss avoided by such Approved Person by reason of the contravention.~~ ~~(c) suspension of approval for any period of~~

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continued approval or continued access to a *Marketplace*, (vi) prohibition of approval in any capacity, for any period of time, including access to a *Marketplace*, (vii) revocation of approval, (viii) a permanent bar to approval in any capacity or to access to a *Marketplace*, (ix) a permanent bar to employment in any capacity by a *Regulated Person*, and (x) any other *sanction* determined to be appropriate under the circumstances. (2) A *sanction* imposed under subsection 8210(1) relating to access to a *Marketplace* applies to all *Marketplaces*. (3) A director or officer of a *Regulated Person* may be sanctioned under subsection 8210(1) based on the conduct of the *Regulated Person* with which he or she is associated. (4) A *Regulated Person* must not employ, hire, retain, or otherwise engage, in any capacity, a *person* who is sanctioned under clause 8210(1)(ix).		~~time and upon any conditions or terms;~~ ~~(d) terms and conditions of continued approval;~~ ~~(e) prohibition of approval in any capacity for any period of time;~~ ~~(f) termination of the rights and privileges of approval;~~ ~~(g) revocation of approval;~~ ~~(h) a permanent bar from approval with the Corporation; or~~ ~~(i) any other fit remedy or penalty.~~
8211. Temporary Orders (1) On application by *Enforcement Staff,* if a *hearing panel* is satisfied that the length of time required to conclude a *hearing* could be prejudicial to the public interest, the *hearing panel* may, without notice to the *respondent*, make a temporary order that suspends or restricts a *Regulated Person's* rights and privileges and may impose terms and conditions that the *hearing panel* considers appropriate. (2) A temporary order that is made without notice under subsection 8211(1) expires fifteen calendar days after the date on which it is made, unless: (i) a *hearing* is commenced within that period to confirm or set aside the temporary order, (ii) the *Regulated Person* consents to an extension of the temporary order, or (iii) a *securities regulatory authority* orders otherwise. (3) The *Corporation* must immediately give written notice of a	New except see above, interim order of Market Regulator (as opposed to hearing panel) may be made under UMIR 10.5 which may then go to a hearing.	See Dealer Member Rule 20.2 above.

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temporary order under subsection 8211(1) to every *person* directly affected by it.		
8212. Protective Orders (1) On application by *Enforcement Staff*, a *hearing panel* may hold a *hearing* to consider a request for an order under subsection 8212(4), following notice to the *respondent* in accordance with subsection 8426(1). (2) After a *hearing* under this section with respect to a Dealer Member, a *hearing panel* may make one or more of the orders set out in subsection 8212(4), if it finds that (i) the *Dealer Member* or a parent corporation or control person of the *Dealer Member* has made a general assignment for the benefit of creditors or an authorized assignment or proposal to its creditors, has been declared bankrupt, or is the subject of a winding-up order, an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, or similar legislation or an application for its liquidation or dissolution, (ii) a receiver or receiver-manager has been appointed in respect of all or part of the *Dealer Member's* undertaking or property or all or part of the undertaking or property of a parent corporation or control person of the *Dealer Member*, (iii) the *Dealer Member* has tendered its resignation, is not carrying on business as an investment dealer or is in the process of winding up or terminating its business as an investment dealer, (iv) the *Dealer Member's* registration as a dealer under *securities legislation* has lapsed or been suspended or terminated, (v) a securities regulatory authority, stock exchange, self-regulatory organization or clearing agency has suspended the *Dealer Member's* membership or privileges, (vi) the *Dealer Member* has been convicted of contravening a *law* relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading,	New	~~**EXPEDITED HEARINGS**~~ ~~**20.41 Expedited Hearings**~~ ~~(1) Expedited hearings are held upon application by Corporation Staff and without notice to the Respondent in the circumstances prescribed in Rule 20.42 and Rule 20.43.~~ ~~**20.42 Types of Expedited Hearings - Members**~~ ~~(1) A Hearing Panel may impose any of the penalties prescribed by Rule 20.45 upon a Dealer Member in any of the following circumstances:~~ ~~**20.43 Types of Expedited Hearings - Approved Persons**~~ ~~(1) A Hearing Panel may impose any of the penalties set out in Rule 20.45 upon an Approved Person in any of the following circumstances:~~ ~~**Suspension or Cancellation of Registration or Approval**~~ ~~(a) the registration or approval of an Approved Person under any statute respecting trading or advising in respect of securities or commodities has lapsed, is suspended or cancelled;~~ ~~(b) a recognized stock exchange, securities commission, securities regulatory authority, self-regulatory organization or recognized trading or quotation system suspends an Approved Person;~~ ~~**Failure to Cooperate With Corporation Compliance Examinations and Investigations**~~ ~~(c) failure to cooperate with Corporation~~

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(vii) the *Dealer Member's* continued operation would create a risk of imminent harm to its clients, *investors*, other *Regulated Persons* or the *Corporation* because the *Dealer Member* (a) is in financial or operating difficulty, or (b) has failed to cooperate in respect of an *investigation* under Rule 8100 (Enforcement Investigations), or (viii) the *Dealer Member* has not complied with terms or conditions of a *sanction* or a prohibition under Dealer Member Rule 30 (early warning level 2) to which it is subject. (3) After a *hearing* under this section with respect to a *Regulated Person*, other than a *Dealer Member*, a *hearing panel* may make one or more of the orders set out in subsection 8212(4), if it finds that: (i) the *person's* registration under *securities legislation* has lapsed or been suspended or terminated, (ii) a securities regulatory authority has made an order prohibiting the *person* from trading in securities, acting as a director or officer of a market participant or as a promoter, or engaging in investor relations activities, or has denied the *person* the use of an exemption under *securities legislation*, (iii) a stock exchange, self-regulatory organization or clearing agency has suspended the *person* or the *person's* privileges, (iv) the *person* has been convicted of contravening a *law* relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, (v) the *person's* continued approval would create a risk of imminent harm to clients, investors, other *Regulated Persons* or the *Corporation* because the *person* has failed to cooperate in respect of an *investigation* under Rule 8100 (Enforcement Investigations), or (vi) the *person* has not complied with terms or conditions of a		~~compliance examinations and investigations pursuant to Rule 19 and the Hearing Panel determines that the Approved Person cannot be permitted to continue to be an Approved Person without risk of imminent harm to the public, other Dealer Members or the Corporation;~~ ~~**Criminal Charges**~~ ~~(d) where an Approved Person has been charged with a criminal offence relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, and such criminal charge likely brings the capital markets into disrepute;~~ ~~**Non-Compliance With Conditions**~~ ~~(e) where an Approved Person fails to comply with terms or conditions imposed pursuant to Rule 20.33, Rule 20.34, or Rule 20.38.~~ ~~**20.45 Powers Of Hearing Panel**~~ ~~(1) A Hearing Panel has the power to impose any of the following penalties upon a Respondent who is an Approved Person or Dealer Member in the circumstances prescribed in Rule 20.42 and Rule 20.43:~~ ~~(a) suspension of approval or Membership;~~ ~~(b) imposition of terms or conditions on a suspension of approval or Membership;~~ ~~(c) imposition of terms or conditions on continued approval or Membership;~~ ~~(d) direction to immediately cease dealing~~

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sanction to which the *person* is subject. (4) After a *hearing* under this section, a *hearing panel* may make an order: (i) suspending membership, approval or access to a *Marketplace* on any terms and conditions, (ii) with terms and conditions, requiring a *Dealer Member* that is suspended under this section to take steps to facilitate the orderly transfer of its client accounts to another *Dealer Member*, (iii) imposing terms and conditions on continued membership, approval or access to a *Marketplace*, (iv) directing immediate cessation of any or all dealing with clients or any other *persons*, (v) expelling a *Dealer Member* from the *Corporation* and terminating the rights and privileges of membership, (vi) revoking approval or access to a *Marketplace*, or (vii) appointing a *monitor* over a *Dealer Member's* business and affairs. (5) A *person* may request, in writing, a review by a *hearing panel* of a *decision* made after a *hearing* under this section, within thirty *days* after the effective date of the *decision*. (6) A *hearing* shall be held as soon as practicable, and no later than twenty-one *days*, after a review is requested under subsection 8212(5), unless the *person* requesting the review and *Enforcement Staff* agree otherwise. (7) A member of a *hearing panel* whose *decision* is the subject of a review under this section may not be a member of the *hearing panel* on the review. (8) A *hearing panel* may stay an order made under subsection 8212(4), subject to any terms and conditions it considers appropriate. (9) On a review under this section, a *hearing panel* may: (i) affirm the order, (ii) quash the *decision*, (iii) vary the *decision* or order, or		~~with the public;~~ ~~(e) an order with terms and conditions to facilitate the orderly transfer of client accounts from a Dealer Member suspended under this Rule;~~ ~~(f) termination of the rights and privileges of approval or Membership;~~ ~~(g) expulsion of an Approved Person or Dealer Member from the Corporation; or~~ ~~(h) imposition of a Monitor pursuant to Rule 20.46.~~ ~~**Part 9 – Early Warning Review Proceedings**~~ ~~**20.28 Imposition of Prohibitions - Early Warning Level 2**~~ ~~(1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30, be prohibited from:~~ ~~(a) opening any new branch offices;~~ ~~(b) hiring any new registered representative, or investment representative;~~ ~~(c) opening any new customer accounts; or~~ ~~(d) changing, in any material respect, the inventory positions of the Dealer Member.~~ ~~(2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member.~~ ~~**20.47 Review Hearing**~~ ~~(1) The Respondent may file a written request for review of any decision made pursuant to Rule 20.45 within thirty calendar days after release of the decision of the Hearing Panel.~~

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(iv) make any order authorized by subsection 8212(4).		~~(2) If a request for review is made, pursuant to subsection (1), a hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after filing of the written request for review unless otherwise agreed by the parties.~~ ~~(3) No member of a Hearing Panel who presided over a hearing held pursuant to Rule 20.45 shall sit on a Hearing Panel constituted for review of that decision.~~ ~~(4) If a Respondent does not request a review within the time period prescribed in subsection (1), the Hearing Panel decision shall become final.~~ ~~(5) Unless the Hearing Panel orders otherwise, a request for a review shall not operate as a stay from a decision made pursuant to Rule 20.45.~~ ~~(6) A review decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~ ~~**20.48 Powers of The Hearing Panel - Review Hearing**~~ ~~(1) The Hearing Panel presiding over the review hearing may:~~ ~~(a) affirm any decision;~~ ~~(b) quash any decision;~~ ~~(c) vary any decision or penalty; and~~ ~~(d) make any decision that could have been made by a Hearing Panel pursuant to Rule 20.45.~~
8213. Monitor (1) If a *hearing panel* appoints a *monitor* under section 8209 or section 8212 with respect to the business and affairs of a *Dealer Member*, the *monitor* has authority to supervise and monitor the	Not applicable in UMIR.	~~**20.46 Powers Of Hearing Panel To Impose A Monitor**~~ ~~(1) A Hearing Panel may order the imposition of a Monitor, on such terms and conditions as it~~

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Dealer Member's business and affairs in accordance with the terms and conditions imposed by the *hearing panel*. (2) A *hearing panel* may impose any terms and conditions, and any time periods, on a *monitor's* authority with respect to a *Dealer Member's* business and affairs that the *hearing panel* considers appropriate, including authority to: (i) enter the *Dealer Member's* premises and conduct day-to-day monitoring of the *Dealer Member's* business activities, (ii) monitor and review accounts receivable, accounts payable, client accounts, margin, client free credits, banking arrangements and transactions, trading conducted by the *Dealer Member* for clients and for its own account, payment of debts, creation of new debt and the *Dealer Member's* books and *records*, (iii) make copies of any *records* or other documents and provide copies of such *records* and documents to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority, (iv) report the *monitor's* findings or observations, on an ongoing or other basis, to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority, (v) monitor the *Dealer Member's* compliance with any terms or conditions imposed on the *Dealer Member* by the *Corporation* or any other regulatory or self-regulatory authority or by the *hearing panel*, including compliance with any early warning terms and conditions, (vi) verify and assist with the preparation of any regulatory filings, including the calculation of *risk adjusted capital*, (vii) conduct or have conducted an appraisal of the *Dealer Member's* net worth or a valuation of any of the *Dealer Member's* assets, (viii) assist the *Dealer Member's employees* in facilitating the orderly transfer of the *Dealer Member's* client accounts, and (ix) pre-authorize cheques issued or payments made by or on behalf of the *Dealer Member* or distribution of any of the *Dealer Member's* assets.		~~deems just and appropriate, where it is in the interest of the public, and the Hearing Panel determines that:~~ ~~(a) the Dealer Member is at financial risk and may become insolvent;~~ ~~(b) client accounts are at risk of financial loss due to a Dealer Member's financial condition, inadequate internal controls or deficient operating procedures;~~ ~~(c) the Dealer Member has failed to maintain regulatory capital requirements as prescribed by the Rules or any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities; or~~ ~~(d) the securities firm has been suspended by the Corporation or other regulatory or self-regulatory organization for failure to meet regulatory capital requirements.~~ ~~(2) A Monitor appointed pursuant to subsection (1) shall monitor the Dealer Member's business and financial affairs in accordance with the terms and conditions specified by the Hearing Panel.~~ ~~(3) A Hearing Panel may assign any of the following terms and conditions to the Monitor, for such period of time as the Hearing Panel determines is just and appropriate in the circumstances:~~ ~~(a) to enter and re-enter the Dealer Member's premises and to remain on site to conduct day-to-day monitoring of all of the Dealer Member's business activities, including but not limited to, monitoring and review of accounts receivable, accounts payable, client~~

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(3) A *Dealer Member* must cooperate with the *monitor*, require its *employees*, partners, *Directors* and *officers* to cooperate with the *monitor* and take all reasonable steps to have its *affiliates* and service providers cooperate with the *monitor* with respect to the exercise by the *monitor* of its authority under this section. (4) The *Dealer Member* must pay all expenses relating to a *monitor* appointed to monitor the *Dealer Member's* business and affairs, including the *monitor's* fees. (5) *Corporation* staff or the *monitor* may at any time apply to a *hearing panel* for directions concerning the *monitor's* authority or the conduct of the *monitor's* activities. (6) On an application under subsection 8213(5), a *hearing panel* may make any order it considers appropriate.		~~accounts, margin, client free credits, the Dealer Member's banking, any books or records of the Dealer Member, trading conducted by or on behalf of the Dealer Member for its' own account or the account of its' clients, payment of any debts or the creation of new debt and any reconciliation required to be completed by the Dealer Member;~~ ~~(b) to make copies of information and to provide copies of such information to Corporation Staff or any other agency the Hearing Panel determines appropriate;~~ ~~(c) to provide ongoing reporting of the Monitor's findings or observations to Corporation Staff or any other agency the Hearing Panel determines appropriate;~~ ~~(d) to monitor compliance by the Dealer Member with any terms or conditions which have been imposed on the Dealer Member by the Corporation or any other regulator, including but not limited to, compliance with early warning terms and conditions;~~ ~~(e) to verify and assist with the preparation of any regulatory filings, including but not limited to, the calculation of risk adjusted capital;~~ ~~(f) to conduct or have conducted an appraisal of the Dealer Member's net worth or valuation of any part of the Dealer Member's assets;~~ ~~(g) to assist the staff of the Dealer Member to facilitate the orderly transfer of client~~

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		~~accounts;~~ ~~(h) to pre-authorize any issuance of cheques or payments made by or on behalf of the Dealer Member or distribution of any of the Dealer Member's assets; or~~ ~~(i) any other such terms or conditions that the Hearing Panel determines is just and appropriate to assign to the Monitor.~~ ~~(4) The expenses related to a Monitor appointed pursuant to Rule 20.46 shall be borne by the Dealer Member.~~
8214. Costs (1) After a *hearing* under this Rule, other than a *hearing* under section 8211, a *hearing panel* may order a *person* who is the subject of a *sanction* to pay any costs incurred by or on behalf of the *Corporation* in connection with the *hearing* and any *investigation* related to the *hearing*. (2) Costs ordered under subsection 8214(1) may include: (i) costs for time spent by *Corporation* staff, (ii) fees paid by the *Corporation* for legal or accounting services or for services rendered by an expert witness, (iii) witness fees and expenses, (iv) costs of recording and transcribing evidence and preparation of transcripts, and (v) disbursements, including travel costs.	~~**10.7 Assessment of Expenses**~~ ~~(1) Any order made under this Part may assess the person against whom the order is made any one or more of the following expenses incurred by the Market Regulator as a result of the investigation and the proceedings resulting in the order:~~ ~~(a) recording or transcription fees;~~ ~~(b) expenses of preparing transcripts;~~ ~~(c) witness fees and reasonable expenses of witnesses;~~ ~~(d) professional fees for services rendered by expert witnesses, legal counsel or accountants retained by the Market Regulator;~~ ~~(e) expenses of staff time incurred by the Market Regulator;~~ ~~(f) travel costs;~~ ~~(g) disbursements; or~~ ~~(h) any other expenses determined to be appropriate under the circumstances.~~ ~~(2) Where the Market Regulator conducts an investigation of a complaint or other communication in the nature of a complaint~~	~~**ASSESSMENT OF COSTS**~~ ~~**20.49 Assessment of Costs**~~ ~~(1) In addition to imposing any of the penalties set out in Rule 20.33, Rule 20.34 or Rule 20.45, the Hearing Panel may assess and order any Corporation Staff investigation and prosecution costs determined to be appropriate and reasonable in the circumstances.~~ ~~(2) Costs shall not be assessed where the Hearing Panel has not made a finding against the Respondent based on any of the grounds set out at Rule 20.33(1) or Rule 20.34(1) or where an expedited decision is quashed upon review pursuant to Rule 20.48(1).~~

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	~~that was made by a Regulated Person and the Market Regulator, acting reasonably, determines that the complaint or other communication in the nature of a complaint was frivolous, the Market Regulator may assess the expenses incurred by the Market Regulator as a result of the investigation against that person.~~	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
8215. Settlements and Settlement Hearings (1) *Enforcement Staff* may agree in a *settlement agreement* to settle a proceeding or proposed proceeding against a *Regulated Person* at any time prior to the conclusion of a *disciplinary hearing*. (2) A *settlement agreement* must contain: (i) a statement of the contraventions agreed to by the *respondent,* with references to the relevant *Corporation requirements* and *laws,* (ii) the agreed facts, (iii) the sanctions and costs to be imposed on the *respondent,* (iv) a waiver by the *respondent* of all rights to any further *hearing*, appeal and review, (v) a provision that *Enforcement Staff* will not initiate any further action against the *respondent* in relation to the matter addressed in the *settlement agreement*, (vi) a provision that the *settlement agreement* is conditional on acceptance by a *hearing panel*, (vii) a provision that the *settlement agreement* and its terms are confidential, unless and until it has been accepted by a *hearing panel*, (viii) a provision that the *parties* will not make any public statement that is inconsistent with the *settlement agreement*, and (ix) any other provision not inconsistent with clauses 8215(2)(i) to 8215(2)(viii). (3) Discussions relating to settlement are on a without prejudice basis to *Enforcement Staff* and any other *person* participating in the discussions and must not be used as evidence or referred to in any proceeding. (4) A *settlement agreement* may impose any obligations on a *respondent* to which the *respondent* agrees, whether or not they could be imposed by a *hearing panel* under this Rule. (5) After a *settlement hearing*, a *hearing panel* may accept or reject a *settlement agreement*. (6) A *settlement agreement* becomes effective and binding on the	~~**Policy 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 3 – Offers of Settlement and Settlement Agreements**~~ ~~**3.1 Provision of Offer of Settlement**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~ ~~**3.2 Contents of Offer of Settlement**~~ ~~An Offer of Settlement must:~~ ~~(a) be in writing;~~ ~~(b) be signed by the President of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~ ~~(c) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~ ~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~ ~~(f) contain a statement that if the Offer of Settlement is accepted by the person on whom it is served:~~ ~~(i) he resulting Settlement Agreement is conditional upon the approval of the~~	~~**SETTLEMENT HEARINGS**~~ ~~**20.35 Negotiation of Settlement Agreements**~~ ~~(1) Corporation Staff may negotiate a Settlement Agreement with any Approved Person or Dealer Member.~~ ~~(2) The parties to a Settlement Agreement may agree to the imposition of any of the penalties prescribed by Rule 20.33 or Rule 20.34.~~ ~~(3) Settlement discussions may occur at any time until the conclusion of a settlement hearing or a disciplinary hearing.~~ ~~(4) All negotiations of a Settlement Agreement are conducted on a without prejudice basis to the Corporation and all other persons involved in the negotiations and cannot be used as evidence or referred to in any proceedings.~~ ~~**20.36 Hearing Panel Powers**~~ ~~(1) Upon conclusion of a settlement hearing, the Hearing Panel may either:~~ ~~(a) accept the Settlement Agreement; or~~ ~~(b) reject the Settlement Agreement.~~ ~~(2) Settlement Agreements shall become effective and binding upon Corporation Staff and an Approved Person or Dealer Member upon acceptance by a Hearing Panel. An Approved Person or Dealer Member shall be deemed to have been penalized pursuant to Rule 20.33 or Rule 20.34 upon acceptance of a Settlement Agreement by a Hearing Panel.~~ ~~**20.37 Acceptance Of Settlement Agreement**~~ ~~(1) A decision of the Hearing Panel accepting a Settlement Agreement is a final decision for which no further review or appeal is provided~~

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parties to it upon acceptance by a *hearing panel*. (7) If a *settlement agreement* is accepted by a *hearing panel*, any *sanction* imposed under it is deemed to have been imposed under this Rule. (8) If a *settlement agreement* is rejected by a *hearing panel*, (i) either: (a) the *parties* may agree to enter another *settlement agreement*, or (b) *Enforcement Staff* may proceed to a *disciplinary hearing* based on the same or related allegations and charges, and (ii) the *hearing panel's* reasons for rejecting the *settlement agreement* must be made available to a *hearing panel* considering a subsequent *settlement agreement* based on the same or related allegations and charges, but must not be made public or referred to in a subsequent *disciplinary hearing*. (9) A member of a *hearing panel* that rejects a *settlement agreement* may not be a member of a *hearing panel* that considers a subsequent *settlement agreement* or conducts a *disciplinary hearing* based on the same or related allegations.	~~Hearing Panel, and~~ ~~(ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~ ~~**3.3 Acceptance of Offer of Settlement**~~ ~~An Offer of Settlement may be accepted by a person upon whom it has been served by that person or such other individual authorized to sign on behalf of that person:~~ ~~(a) executing the Offer of Settlement; and~~ ~~(b) serving the executed document on the Market Regulator on or before the date specified in the Offer of Settlement.~~ ~~**3.4 Submission of Settlement Agreement for Approval**~~ ~~A Settlement Agreement shall be submitted to a Hearing Panel within 20 days following the acceptance of the Offer of Settlement and the Hearing Panel may:~~ ~~(a) approve the Settlement Agreement; or~~ ~~(b) reject the Settlement Agreement.~~ ~~**3.5 Without Prejudice Negotiations**~~ ~~All negotiations of an Offer of Settlement or a Settlement Agreement are without prejudice to the Market Regulator and all other persons involved in the negotiations and the negotiations may not be used as evidence or referred to in any proceedings.~~ ~~**3.6 Approval of Settlement Agreement**~~ ~~If the Settlement Agreement is approved by the Hearing Panel:~~ ~~(a) the Hearing Panel shall issue an order in accordance with the terms of the Settlement~~	~~in the Rules.~~ ~~**20.38 Rejection of Settlement Agreement -- Proceeding to a Subsequent Settlement Hearing**~~ ~~(1) If a Settlement Agreement is rejected by a Hearing Panel, the parties may agree to enter into another Settlement Agreement.~~ ~~(2) No member of the Hearing Panel that presided over the initial settlement hearing shall sit on the Hearing Panel presiding over the subsequent settlement hearing.~~ ~~(3) The reasons for rejecting a Settlement Agreement shall not be made public upon rejection of the initial settlement hearing, but shall be made available to a Hearing Panel presiding over the subsequent settlement hearing.~~ ~~**20.39 Rejection of Settlement Agreement -- Proceeding to A Disciplinary Hearing**~~ ~~(1) If a Settlement Agreement or a subsequent Settlement Agreement is rejected by a Hearing Panel, the Corporation may proceed to a disciplinary hearing based on the same or related disciplinary charges pursuant to Rule 20.33 or Rule 20.34.~~ ~~(2) No member of the Hearing Panel that presided over the settlement hearing or subsequent settlement hearing shall sit on a Hearing Panel constituted for a disciplinary hearing on the same or related disciplinary charges.~~ ~~**20.40 Rejection of Settlement Agreement**~~ ~~(1) A decision of the Hearing Panel rejecting a Settlement Agreement is a final decision for which no further review of appeal is provided~~

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	~~Agreement;~~ ~~(b) the matter becomes final and no party to the Settlement Agreement may appeal or seek a review of the matter;~~ ~~(c) the disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that accepted the Offer of Settlement;~~ ~~(d) the Market Regulator shall publish a summary of:~~ ~~(i) the Requirement contravened,~~ ~~(ii) the facts, and~~ ~~(iii) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed,~~ ~~and such summary shall specify that any person may obtain or inspect a copy of the Settlement Agreement in the form approved by the Hearing Panel; and~~ ~~(e) the Market Regulator shall publish the Settlement Agreement in the form approved by the Hearing Panel and this obligation may be satisfied by the posting of the Settlement Agreement to any website maintained by the Market Regulator.~~ **~~3.7 Rejection of Settlement Agreement~~** ~~If the Settlement Agreement is rejected by the Hearing Panel, the Market Regulator may proceed with a hearing of the matter and any member of the Hearing Panel that reviewed the Settlement Agreement must not participate further in any way in the matter.~~	~~in the Rules.~~ **~~Rules of Practice~~** **~~14.1 Contents of Settlement Agreements~~** ~~A Settlement Agreement pursuant to Dealer Member Rule 20.35 shall be in writing, signed by or on behalf of the parties and contain:~~ ~~(a) a statement of the violations admitted to by the Respondent with reference to specific Dealer Member Rules, or any applicable statutory provisions;~~ ~~(b) a statement of the relevant facts;~~ ~~(c) a statement of the penalties and costs to be imposed upon the Respondent;~~ ~~(d) a statement that the Respondent waives all rights to any further hearing, appeal and review;~~ ~~(e) a statement that the Settlement Agreement is conditional upon the acceptance of the Hearing Panel; and~~ ~~(f) such other matters not inconsistent with subsections (a) to (e).~~
8216. Failure to Pay Fine or Costs (1) If a *Regulated Person* does not pay a fine, costs or other amount ordered to be paid by a *hearing panel* or required to be paid	New	**~~20.44 Non-payment of Fines or Costs~~** ~~(1) In the event that a fine or costs imposed by a Hearing Panel are not paid within the~~

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under a *settlement agreement*, the *Corporation* may, seven *days* after sending written notice, summarily suspend the membership of the *Dealer Member* and all rights and privileges of the *Regulated Person* relating to approval or access to a *Marketplace*, until the fine, costs or other amount has been paid.		~~prescribed time, the Corporation may summarily, without further notice, suspend a Dealer Member or Approved Person, until such fine or costs are paid.~~
8217. Review by a Securities Regulatory Authority (1) A *party* to a proceeding under this Rule may apply to the *securities regulatory authority* in the relevant *District* for review of a final *decision* in the proceeding. (2) A *person* who is entitled to request a review of a *decision* under section 8212 or is the subject of a *decision* making a temporary order under section 8211 may not apply to a *securities regulatory authority* for review of the *decision*, unless the *person* has requested a review or other *hearing* by a *hearing panel* and the *hearing panel* has made a final *decision*. (3) For purposes of subsection 8217(1), *Enforcement Staff* is directly affected by a *decision* in a proceeding in which *Enforcement Staff* is a *party*.	New	New
Rule 8300 **Hearing Committees**		
8301. Introduction (1) This Rule requires a *hearing committee* in each *District* from which *hearing panels* must be selected for enforcement and other proceedings and sets out the process for appointing and removing members of *hearing committees*.	~~**SCHEDULE C.1**~~ ~~**TO TRANSITION RULE NO. 1**~~ ~~**HEARING COMMITTEES AND HEARING PANELS RULE**~~	~~**SCHEDULE C.1**~~ ~~**TO TRANSITION RULE NO. 1**~~ ~~**HEARING COMMITTEES AND HEARING PANELS RULE**~~
8302. Definitions (1) In this Rule, "Corporate Governance Committee" means the Corporate Governance Committee established by the *Corporation's* Board of Directors. "public member nominating committee" means, in each *District*, a committee composed of the chair of the *Corporate Governance Committee*, the chair of the *District Council* and the President of the *Corporation*.	~~**Part A. DEFINITIONS**~~ ~~**1.1.** In this Rule:~~ ~~**"Dealer Member Rules"** means the Dealer Member Rules adopted pursuant to Transition Rule No. 1.2.2 of the Corporation.~~ ~~**"Enforcement Proceeding"** means a disciplinary hearing, a settlement hearing, and an expedited hearing under UMIR and Rule 20.30, Rule 20.33, Rule 20.34, Rule 20.42, and Rule 20.43 of the Dealer Member Rules, and~~	~~**Part A. DEFINITIONS**~~ ~~**1.1.** In this Rule:~~ ~~**"Dealer Member Rules"** means the Dealer Member Rules adopted pursuant to Transition Rule No. 1.2.2 of the Corporation.~~ ~~**"Enforcement Proceeding"** means a disciplinary hearing, a settlement hearing, and an expedited hearing under UMIR and Rule 20.30, Rule 20.33, Rule 20.34, Rule 20.42, and Rule 20.43 of the Dealer Member Rules, and~~

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8303. Hearing Committees (1) A *hearing committee* must be appointed for each *District*. (2) A member of a *hearing committee* of a *District* must reside in the *District*. (3) Two thirds of the members of a *hearing committee*, to the extent practicable, must be *industry members*. (4) One third of the members of a *hearing committee*, to the extent practicable, must be *public members*. (5) The chair of a *hearing committee* must be a *public member*. **8304. Nominations** (1) A *District Council* must nominate *individuals* to be *industry members* of the *hearing committee* in its *District*. (2) A *Marketplace Member* must nominate *individuals* to be *industry members* of the *hearing committee* in a *District* in which the *Marketplace Member* (i) is recognized or exempt from recognition as an Exchange or QTRS under applicable *securities legislation*, or (ii) if an ATS, is registered under applicable *securities legislation*. (3) The *public member nominating committee* in each *District* must nominate *individuals* to be *public members* of the *hearing committee* in the *District*. (4) To the extent practicable, two thirds of the *individuals* who are nominated in a *District* must be nominated by a *District Council* or a *Marketplace Member* and one third must be nominated by the *public member nominating committee*. **8305. Appointment** (1) The *Corporate Governance Committee* must appoint to the *hearing committee* of each *District* a number of suitable and qualified *individuals* sufficient to conduct enforcement and other hearings in the *District*. (2) In considering the suitability and qualifications of an *individual* who is nominated for membership on a *hearing committee*, the *Corporate Governance Committee* must take into account the *individual's*	~~includes any procedural applications or motions in relation to these proceedings.~~ ~~**"Industry Member"** means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ~~**"National Hearing Coordinator"** means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ~~**"Practice and Procedure"** means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~ ~~**"Public Member"** means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ~~**"Review Proceeding"** means an approval application review proceeding, an early warning level 2 review proceeding, and an expedited hearing review under Rule 20.19, Rule 20.29, and Rule 20.47 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"UMIR"** means the provisions of the Universal Market Integrity Rules adopted pursuant to Transition Rule No.~~	~~includes any procedural applications or motions in relation to these proceedings.~~ ~~**"Industry Member"** means an individual who is:~~ ~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~ ~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~ ~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~ ~~**"National Hearing Coordinator"** means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~ ~~**"Practice and Procedure"** means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~ ~~**"Public Member"** means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~ ~~**"Review Proceeding"** means an approval application review proceeding, an early warning level 2 review proceeding, and an expedited hearing review under Rule 20.19, Rule 20.29, and Rule 20.47 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~ ~~**"UMIR"** means the provisions of the Universal Market Integrity Rules adopted pursuant to Transition Rule No.~~

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(i) general knowledge of business practices and *securities legislation*, (ii) experience, (iii) regulatory background, (iv) availability for hearings, (v) reputation in the securities industry, (vi) ability to conduct hearings in French or English, and (vii) *Districts* in which *individuals* would be entitled to serve. (3) An *individual* who (i) is currently or has been within the previous eighteen months an employee of a *Member*, a *Regulated Person*, or an *affiliate* of a *Member* or *Regulated Person*, (ii) represents any *parties* to enforcement or other proceedings under *Corporation requirements* or any *person* in connection with *Corporation requirements*, or (iii) would otherwise raise a reasonable apprehension of bias with respect to matters that may come before a *hearing panel*, is not eligible for appointment or membership as a *public member* of a *hearing committee*. (4) The *Corporate Governance Committee* must appoint a chair of each *hearing committee*. **8306. Term of Appointment** (1) Appointment of an *individual* to a *hearing committee* is for a three-year term. (2) A *hearing committee* member may be reappointed to successive terms. (3) If a *hearing committee* member's term expires without reappointment during a *hearing* in which the member is serving on the *hearing panel*, the member's term is extended automatically until the completion of the *hearing* or if the *hearing* is a *hearing* on the merits, the proceeding. **8307. Removal** (1) The *Corporate Governance Committee* may remove a *hearing*	~~1.1.2 of the Corporation.~~ ~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~ ~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing Committees and Hearing Panels~~ ~~Rule shall prevail.~~ ~~**PART B. HEARING COMMITTEES**~~ ~~**1.2. Nomination of Candidates to the Hearing Committee**~~ ~~(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.~~ ~~(2) From time to time, each Marketplace Member shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District:~~ ~~(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and~~ ~~(b) in the case of an ATS, registered in accordance with applicable securities legislation.~~ ~~(3) To the extent practicable, one-third of the individuals nominated by a District Council or a Marketplace Member in each District shall~~	~~1.1.2 of the Corporation.~~ ~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~ ~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing Committees and Hearing Panels~~ ~~Rule shall prevail.~~ ~~**PART B. HEARING COMMITTEES**~~ ~~**1.2. Nomination of Candidates to the Hearing Committee**~~ ~~(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.~~ ~~(2) From time to time, each Marketplace Member shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District:~~ ~~(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and~~ ~~(b) in the case of an ATS, registered in accordance with applicable securities legislation.~~ ~~(3) To the extent practicable, one-third of the individuals nominated by a District Council or~~

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committee member who (i) ceases to reside in the *hearing committee's District*, (ii) is precluded from acting as a *hearing committee* member by a statutory requirement applicable in the *District*, (iii) in the *Corporate Governance Committee*'s opinion, will raise a reasonable apprehension of bias with respect to matters that may come before a *hearing panel*, or (iv) for any other reason, ceases to be suitable or qualified to be a *hearing committee* member. (2) An *individual* who is removed by the Corporate Governance Committee must not continue to serve on a *hearing panel* in any proceeding.	~~be Public Members.~~ ~~(4) To the extent practicable, two-thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry Members.~~ **~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~** ~~(1) The Corporate Governance Committee shall review the suitability and qualifications of individuals nominated for membership on the hearing committee and in such review shall consider:~~ ~~(a) general knowledge of business practices and securities legislation,~~ ~~(b) experience,~~ ~~(c) regulatory background,~~ ~~(d) availability for hearings,~~ ~~(e) reputation in the securities industry,~~ ~~(f) ability to conduct hearings in either French or English, and~~ ~~(g) Districts in which the individual would be entitled to serve.~~ ~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~ ~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~ ~~(4) To the extent practicable, the Corporate Governance Committee shall ensure that two-thirds of the members of the hearing~~	~~a Marketplace Member in each District shall be Public Members.~~ ~~(4) To the extent practicable, two-thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry Members.~~ **~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~** ~~(1) The Corporate Governance Committee shall review the suitability and qualifications of individuals nominated for membership on the hearing committee and in such review shall consider:~~ ~~(a) general knowledge of business practices and securities legislation,~~ ~~(b) experience,~~ ~~(c) regulatory background,~~ ~~(d) availability for hearings,~~ ~~(e) reputation in the securities industry,~~ ~~(f) ability to conduct hearings in either French or English, and~~ ~~(g) Districts in which the individual would be entitled to serve.~~ ~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~ ~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~ ~~(4) To the extent practicable, the Corporate Governance Committee shall ensure that~~

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	committee of each District shall be Industry Members. (5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee. (6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing. **1.4. Appointment of Hearing Committee Chairs** (1) For each District, the Corporate Governance Committee shall appoint a Public Member to serve as the chair of that District's hearing committee. (2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator. **1.5. Appointment to and removal from Hearing Committees** (1) Each individual appointed to the hearing committee shall serve for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms. (2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three-year term and the individual is not re-appointed to the hearing committee, the	two-thirds of the members of the hearing committee of each District shall be Industry Members. (5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee. (6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing. **1.4. Appointment of Hearing Committee Chairs** (1) For each District, the Corporate Governance Committee shall appoint a Public Member to serve as the chair of that District's hearing committee. (2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator. **1.5. Appointment to and removal from Hearing Committees** (1) Each individual appointed to the hearing committee shall serve for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms. (2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three-year term and the individual is

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	~~term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~ ~~(3) The Corporate Governance Committee may remove from the hearing committee prior to the expiration of their term any individual who:~~ ~~(a) ceases to be a resident of the District in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(b) is precluded from acting in such capacity by reason of any statutory requirement applicable to the jurisdiction in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or~~ ~~(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.~~ ~~(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.~~ ~~**PART C. HEARING PANELS**~~ ~~**1.6. Selection of Hearing Panel**~~ ~~(1) Any Enforcement Proceeding or Review Proceeding pursuant to Rules of the Corporation shall be heard by a Hearing Panel selected by the National Hearing Co-ordinator~~	~~not re-appointed to the hearing committee, the term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~ ~~(3) The Corporate Governance Committee may remove from the hearing committee prior to the expiration of their term any individual who:~~ ~~(a) ceases to be a resident of the District in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(b) is precluded from acting in such capacity by reason of any statutory requirement applicable to the jurisdiction in respect of which the individual was appointed to serve on the hearing committee;~~ ~~(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or~~ ~~(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.~~ ~~(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.~~ ~~**PART C. HEARING PANELS**~~ ~~**1.6. Selection of Hearing Panel**~~ ~~(1) Any Enforcement Proceeding or Review~~

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	~~comprised of two Industry Members and one Public Member appointed to the hearing committee of the applicable District subject to subsection (2).~~ ~~(2) Hearing committee members may serve on Hearing Panels in other Districts where both chairs of the respective hearing committees consent. Notwithstanding the foregoing sentence or any other provision of the By-laws or Rules, Hearing Panels considering matters that relate to the conduct or activities in the Province of Quebec shall be composedmainly of persons residing in Quebec.~~ ~~(3) The National Hearing Coordinator shall not select any individual to be a member of any Hearing Panel with respect to any matter if the member:~~ ~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~ ~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~ ~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~ ~~(d) is precluded from acting in such capacity by reason of any statutory requirement applicable to the District in which the hearing will be held;~~ ~~(e) is the chair of the Hearing Committee of the District and the National Hearing~~	~~Proceeding pursuant to Rules of the Corporation shall be heard by a Hearing Panel selected by the National Hearing Co-ordinator comprised of two Industry Members and one Public Member appointed to the hearing committee of the applicable District subject to subsection (2).~~ ~~(2) Hearing committee members may serve on Hearing Panels in other Districts where both chairs of the respective hearing committees consent. Notwithstanding the foregoing sentence or any other provision of the By-laws or Rules, Hearing Panels considering matters that relate to the conduct or activities in the Province of Quebec shall be composedmainly of persons residing in Quebec.~~ ~~(3) The National Hearing Coordinator shall not select any individual to be a member of any Hearing Panel with respect to any matter if the member:~~ ~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~ ~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~ ~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~ ~~(d) is precluded from acting in such capacity by reason of any statutory~~

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	~~Coordinator consulted the chair with respect to the selection of the Hearing Panel; or~~ ~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the Corporation, is precluded from acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~ ~~**1.7. Chair of Hearing Panels**~~ ~~(1) A Public Member of a hearing committee shall be appointed to serve as the chair of the Hearing Panel.~~ ~~**1.8. Provisions for Hearing Panels**~~ ~~(1) If a member (including the chair) of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make provided that the Hearing Panel may only continue to deal with any matter with the consent of all parties to the hearing.~~ ~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~ ~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and~~	~~requirement applicable to the District in which the hearing will be held;~~ ~~(e) is the chair of the Hearing Committee of the District and the National Hearing Coordinator consulted the chair with respect to the selection of the Hearing Panel; or~~ ~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the Corporation, is precluded from acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~ ~~**1.7. Chair of Hearing Panels**~~ ~~(1) A Public Member of a hearing committee shall be appointed to serve as the chair of the Hearing Panel.~~ ~~**1.8. Provisions for Hearing Panels**~~ ~~(1) If a member (including the chair) of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make provided that the Hearing Panel may only continue to deal with any matter with the consent of all parties to the hearing.~~ ~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~

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	~~Procedure, the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule 1.6.~~ ~~**PART D. TRANSITIONAL PROVISIONS**~~ ~~**1.9. Enforcement Proceedings**~~ ~~(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:~~ ~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement~~	~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and Procedure, the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule 1.6.~~ ~~**PART D. TRANSITIONAL PROVISIONS**~~ ~~**1.9. Enforcement Proceedings**~~ ~~(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:~~ ~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced, except that despite any~~

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	~~Proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding is commenced.~~ **~~1.10. Review Proceedings~~** ~~(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request:~~ ~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies,~~	~~provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding is commenced.~~ **~~1.10. Review Proceedings~~** ~~(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request:~~

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	~~regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~ **~~1.11 Continuing Membership of Hearing Committees~~** ~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire~~	~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~ ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~ ~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~ **~~1.11 Continuing Membership of Hearing Committees~~**

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	~~on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~	~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~
Rule 8400 **Rules of Practice and Procedure**		
GENERAL		
8401. Introduction (1) The Rules of Practice and Procedure set out the rules that govern the conduct of the *Corporation's* enforcement proceedings and regulatory review hearings to secure fair and efficient proceedings and just determinations.	~~**UMIR 10.8 Practice and Procedure**~~ ~~The practice and procedure governing hearings pursuant to this Part shall be made by Policy.~~	New
8402. Definitions (1) The following terms have the meaning set out when used in this Rule: "application" means an application that commences a proceeding under Rule 8200 (Enforcement Proceedings) and includes an application for a temporary order or a protective order. "commencing notice" means a notice of hearing, notice of application, notice of motion, notice of prehearing conference and notice of request for review. "decision" means a determination made by a *hearing panel*. "document" includes a *record*, sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any electronic or other device. "electronic hearing" means a *hearing* held by conference telephone or another form of electronic technology that allows	~~**POLICY 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 1 – General Procedure and Practice**~~ ~~**1.1 Definitions**~~ ~~In this Policy, unless the subject matter or context otherwise requires:~~ ~~**"applicant"** means the party who instituted the proceedings for a written hearing.~~ ~~**"document"** – repealed~~ ~~**"electronic hearing"** means a hearing held by conference telephone or some other form of electronic technology allowing persons to hear one another.~~ ~~**"oral hearing"** means a hearing at which the parties or their counsel or agents attend before the Hearing Panel in person.~~ ~~**"party"** includes the staff of the Market Regulator.~~	~~**Rules of Practice1.3 Definitions**~~ ~~In these Rules:~~ ~~**"Appeal Panel"** means a panel presiding over an appeal as set out in Dealer Member Rule 20.50.~~ ~~**"Appellant"** means a party bringing an appeal.~~ ~~**"Corporation"** means the Investment Industry Regulatory Organization of Canada.~~ ~~**"Board Panel"** means a Panel presiding over a membership approval review hearing as set out in Dealer Member Rule 20.22(3).~~ ~~**"Chair"** means a public member of the Hearing Panel.~~ ~~**"Commencing document,"** means Notice of Hearing, Notice of Application, Notice of Motion, Notice of Request for Review and Notice of Appeal.~~ ~~**"District Council Panel"** means a panel

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persons to hear one another. "file" means file with the *National Hearing Coordinator* in accordance with section 8406. "oral hearing" means a *hearing* at which the *parties* or their counsel or agents attend before a *hearing panel* in person. "prehearing conference" means a prehearing conference held pursuant to section 8416 of the *Rules of Practice*. "regulatory decision" means a decision made under sections 9204, 9206 or 9207 (Approvals and Regulatory Supervision) or Dealer Member Rule 30 (early level warning 2 prohibitions). "requesting party" means a *person* who requests a review *hearing* under sections 8427 or 8430 of the *Rules of Practice*. "responding party" means a *person* responding to a motion or to a request for a review hearing under sections 8427 or 8430 of the *Rules of Practice*. "written hearing" means a *hearing* held by means of an exchange of documents, whether in hard copy or by electronic means.	~~**"Secretary"** means the Secretary of the Market Regulator or other officer, employee or agent of the Market Regulator designated in writing from time to time by the Secretary to perform the functions of the Secretary for the purposes of this Policy as may be specified in the designation by the Secretary.~~ ~~**"written hearing"** means a hearing held by means of the exchange of documents, whether in written form or by electronic means.~~	~~presiding over an exemption review hearing as set out in Dealer Member Rule 20.26(4).~~ ~~"**Document**" means any information recorded or stored by means of any device including audiotape, videotape, chart or graph.~~ ~~"**Hearing**" means any hearing conducted pursuant to Dealer Member Rule 20.~~ ~~"**Hearing Committee**" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels.~~ ~~"**Hearing Panel**" means a Panel presiding over individual approval review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13.~~ ~~"**Holiday**" shall include:~~ ~~(i) any Saturday or Sunday;~~ ~~(ii) any federal statutory holiday;~~ ~~(iii) any Provincial Civic holiday (applicable to the jurisdiction of the matter in consideration);~~ ~~(iv) any special holiday proclaimed by the Governor General or the Lieutenant Governor.~~ ~~"**Member**" means a member firm of the Corporation.~~ ~~"**National Hearing Coordinator**" means the individual responsible for the administration of all proceedings including being responsible for the selection of the Panels, the scheduling of hearings, and custody and control of documents.~~ ~~"**Panel**" means a Hearing Panel, District Council~~

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		~~Panel, Board Panel or Appeal Panel.~~ ~~"**Party**" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant.~~ ~~"**Presiding Officer**" means a public member of the Hearing Committee appointed to hear a motion or Pre-hearing Conference.~~ ~~"**Proceedings**" means all steps in enforcement, registration, appeal or early warning matters, from the issuance of the commencing document to the final disposition of the matter.~~ ~~"**Requesting Party**" means a party requesting any review hearing pursuant to Dealer Member Rule 20.~~ ~~"**Respondent**" means an approved individual or Dealer Member named in a Notice of Hearing, Settlement Agreement, Notice of Application or a party named in the Notice of Appeal against whom the appeal is brought.~~ ~~"**Responding Party**" means a party responding to a Request for Review or a Notice of Motion.~~ ~~"**Rules**" means the Corporation Rules of Practice and Procedure.~~ ~~**1.4 Interpretation of Rules**~~ ~~For the purpose of these Rules any term in the singular includes the plural and any term in the plural includes the singular, if such use would be appropriate.~~
8403. General Principles (1) The *Rules of Practice* shall be interpreted and applied to secure a fair hearing and just determination of a proceeding on its merits and the most expeditious and least expensive conduct of the proceeding. (2) No proceeding, *document* or *decision* in a proceeding is invalid by reason of a defect or other irregularity in form. (3) Subject to a requirement in the *Rules of Practice*, a *hearing panel*	~~**1.2 Procedural Power of Hearing Panel**~~ ~~(1) A Hearing Panel may:~~ ~~(a) exercise any power under this Policy on its own initiative or at the request of a party;~~ ~~(b) issue general or specific procedural directions at any time before or during a hearing; and~~	~~**1.2 General Principle**~~ ~~These Rules shall be interpreted and applied to secure a fair hearing and a just determination in the interests of justice, with a view to securing such result in a timely and cost effective manner.~~ ~~**1.5 Procedural Power of the Panel**~~ ~~A Panel may:~~ ~~(a) make any determination, hold any hearing~~

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has authority to control the process of a proceeding before it and may exercise any of its powers on its own initiative or at the request of a *party*, including (i) issuing procedural directions or orders with respect to the application of the *Rules of Practice* in respect of any proceeding, (ii) imposing terms or conditions in a direction or order, (iii) admitting or requiring presentation of evidence on oath, affirmation or otherwise, (iv) waiving or varying any *Rule of Practice* in respect of a proceeding, (v) requiring *parties* to *file documents* electronically, and (vi) at the request of a *party*, making an interim *decision* or order, including a *decision* or order that is subject to terms and conditions. (4) At the request of a *party*, a *hearing panel* may provide for any procedural matter that is not provided for in *Corporation requirements* or the *Rules of Practice* by analogy to the *Rules of Practice* or by reference to the rules of practice of another self-regulatory organization or professional association or to the rules applicable to a *securities regulatory authority* or superior court in the *District* in which the proceeding occurs.	~~(c) waive any procedural requirement with the consent of the parties.~~ ~~(2) A Hearing Panel may hear such evidence relating to a matter that the Hearing Panel deems relevant and the Hearing Panel is not bound by the legal or technical rules of evidence.~~ ~~(3) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.~~ ~~(4) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.~~ ~~**1.3 Irregularity in Form**~~ ~~No determination, document, hearing, order or interim order is invalid by reason only of a defect or other irregularity in form.~~	~~and make any decision, order, interim order or impose any terms required to implement such order, required or permitted under these Rules;~~ ~~(b) admit as evidence in a hearing, whether or not given or proven under oath or affirmation, anything that is relevant to the proceedings;~~ ~~(c) require presentation of evidence or testimony under oath or affirmation; and~~ ~~(d) waive any procedural requirement set out in these Rules upon the request of one or both parties.~~ ~~**1.6 Irregularity of Form**~~ ~~No document, hearing, or decision in a proceeding is invalid only because of a defect or irregularity in form.~~
8404. Time (1) When computing time under the *Rules of Practice*, (i) the number of days between two events are counted by excluding the day on which the first event occurs and including the day on which the second event occurs, (ii) if a period of less than seven days is prescribed, only *business days* are to be counted, (iii) if the time for doing an act expires on a day that is not a *business day*, the act may be done on the next *business day*, and (iv) a document that is served or filed after 4 p.m. in the time zone of the recipient is deemed to have been served or filed on the next *business day*.	~~**1.5 Service and Filing**~~ . . ~~(6) Extension or Abridgment of Time - Any time period prescribed by this Policy may be extended or abridged as follows:~~ ~~(a) upon order of the Hearing Panel or after expiration of a prescribed time period on such terms as the Hearing Panel considers appropriate; or~~ ~~(b) on consent of the parties before the expiration of a prescribed time period.~~	~~**RULE 2: TIME**~~ ~~**2.1 Computation of Time**~~ ~~In the computation of time under these Rules:~~ ~~(a) if a period of less than 7 days is prescribed, holidays are not counted;~~ ~~(b) if the time for doing an act under these Rules expires on a holiday, the act may be done on the next day that is not a holiday.~~ ~~**2.2 Extension or Abridgment of Time**~~ ~~Any time period prescribed by these Rules may be extended or abridged as follows:~~ ~~(a) on consent of the parties before the~~

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(2) A time period prescribed by the *Rules of Practice* may be extended or abridged (i) before its expiration, on consent of the *parties,* or (ii) before or after its expiration, by a *hearing panel* on any terms and conditions the *hearing panel* considers appropriate.		~~expiration of a prescribed time period; or~~ ~~(b) upon order of the Panel before or after the expiration of a prescribed time period, on such terms and conditions as the Panel considers appropriate.~~
8405. Appearance and Representation (1) A *party* in a proceeding may be self-represented or may be represented by counsel or an agent. (2) A self-represented *party* must *file* and keep current during a proceeding the *party*'s address, telephone number, facsimile number and email address, as applicable. (3) A *person* who appears as counsel or agent for a *party* in a proceeding must *file* and keep current during the proceeding the *person's* address, telephone number, facsimile number and email address, as applicable, and the name and address of the *party* represented. (4) A *party* who is represented by counsel or an agent may (i) change the counsel or agent by serving on the counsel or agent and on every other *party*, and *filing*, a notice of change giving the name, address, telephone number, facsimile number and email address of the new counsel or agent, as applicable, or (ii) elect to act in person by serving on the counsel or agent and on every other *party,* and *filing*, a notice of intention to act in person, giving the *party's* address, telephone number, facsimile number and email address, as applicable. (5) A *party* who appoints a new counsel or agent in the course of a proceeding must comply with clause 8405(4)(i). (6) Counsel or an agent for a *party* may withdraw as counsel or agent by serving on the *party* and other *parties* and *filing* a written notice of withdrawal. (7) If counsel or an agent for a *party* seeks to withdraw as counsel or agent less than thirty days prior to the date on which a matter is scheduled to be heard by a *hearing panel*, the counsel or agent	New	~~**RULE 3: APPEARANCE AND REPRESENTATION**~~ ~~**3.1 Representation before a Panel**~~ ~~In any proceeding before a Panel, a party may appear on her/his own behalf or may be represented by counsel or agent.~~ ~~**3.2 Change in Representation**~~ ~~A party may change representation by serving and filing written notice pursuant to Rule 5.~~ ~~**3.3 Withdrawal by Counsel or Agent**~~ ~~1. Counsel or agent for a party may withdraw as counsel or agent by serving and filing written notice pursuant to Rule 5 and by serving notice on the subject party.~~ ~~2. Where counsel or agent for a party seeks to withdraw as counsel or agent less than 30 days prior to the matter being heard by a Panel, leave must be obtained on motion brought pursuant to Rule 8.~~ ~~3. Where leave is granted and a party appoints new counsel or agent, the party shall then comply with Rule 3.2.~~

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may withdraw only with leave of the *hearing panel* obtained on a motion. (8) Where a *party* is represented by counsel or an agent, (i) *documents* served on the *party* must be served on the *party's* counsel or agent, unless the *Rules of Practice* require otherwise, (ii) communications with the *party* must be with the *party's* counsel or agent, and (iii) the *party* must address a *hearing panel* through the *party's* counsel or agent.		
8406. Service and Filing (1) A document required to be served under the *Rules of Practice* must be served on all *parties* to the proceeding. (2) A notice of hearing under section 8414, a notice of application under section 8425 or 8426, a notice of request for review from a *decision* made under Rule 9200 (Approvals and Regulatory Supervision) and a *decision* of a *hearing panel* on the merits of such a proceeding that is served on an *Approved Person* must, for information purposes, be sent concurrently to the *Dealer Member* that employs the *Approved Person*. (3) Subject to subsection 8406(4), a *document* required to be served must be served by one of the following methods: (i) personal delivery to the *party*, (ii) delivery to the *party's* counsel or agent, (iii) delivery to an adult person at the *party's* place of residence, employment or business or the place of business of the *party's* counsel or agent, (iv) if the *party* is a corporation, delivery to an officer, director or agent of the corporation or a *person* at any place of business of the corporation who appears to be in control or management of the place of business, (v) if the *party* is a partnership, delivery to a partner or a *person* at any place of business of the partnership who appears to be in control or management of the place of business, (vi) mail or courier to the last known address of the *party* or the	~~**Policy 10.8 - PRACTICE AND PROCEDURE 1.5 - Service and Filing**~~ ~~(1) **Service** - A document required under this Policy to be served must be served by one of the following methods:~~ ~~(a) personal service on an individual, by leaving a copy of the document with the individual;~~ ~~(b) personal service on any corporation, by leaving a copy of the document with an officer or director of the corporation, or with an individual at any place of business of the corporation who appears to be in control or management of the place of business;~~ ~~(c) service by sending a copy of the document by mail, courier or telephone transmission to the last known address or fax number of the party to be served;~~ ~~(d) service on a party who is represented by a solicitor or an agent by,~~ ~~(i) acceptance of a copy of the document on behalf of the solicitor or the agent,~~ ~~(ii) sending a copy of the document by~~	~~**RULE 5: SERVICE AND FILING**~~ ~~**5.1 Parties to be Served**~~ ~~Any document required to be served under these Rules shall be served on every adverse party to the proceeding.~~ ~~**5.2 Manner of Service - Notice of Hearing**~~ ~~A Notice of Hearing shall be served by one of the following methods:~~ ~~(a) by personal service on the Respondent;~~ ~~(b) by delivering a copy of the Notice of Hearing by registered mail to the Respondent's last known address as recorded in the Organization's Registration file; or~~ ~~(c) where a Respondent is represented by counsel, by delivering a copy of the Notice of Hearing to the Respondent's counsel with the consent of counsel.~~ ~~**5.3 Manner of Service - Other Documents**~~ ~~Where these Rules require a document other than a Notice of Hearing to be served, it may be served by mail, courier, facsimile, or by any other means effective to deliver a copy of the document.~~ ~~**5.4 Effective Date of Service**~~ ~~Service of a document is deemed effective:~~

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party's counsel or agent, (vii) electronic transmission to the facsimile number or e-mail address of the *party* or the *party's* counsel or agent, or (viii) by any other means authorized by a *hearing panel*. (4) A notice of hearing and a notice of application must be served by (i) personal delivery to the *party*, (ii) registered mail to the *party's* last known address, (iii) delivery to the *party's* counsel or agent, with the consent of counsel or the agent, (iv) any other method set out in subsection 8406(3) to which the *party* consents, or (v) any other means authorized by a *hearing panel*. (5) Service of a *document* is deemed to be effective, when delivered no later than 4 p.m. in the time zone of the recipient, (i) by delivery, on the day of delivery, (ii) by mail, on the fifth day after mailing, (iii) electronically, on the day of transmission, (iv) by courier, on the earlier of the day noted on the delivery receipt or the second day after the day on which it was given to the courier, or (v) by any other means authorized by a *hearing panel*, on the day the *document* is served by the means so authorized. (6) Service of a *document* may be proved by an affidavit of the *person* who served it. (7) A *document* required to be *filed* under the *Rules of Practice* must be *filed* by delivering or sending by mail, courier or facsimile transmission four copies of the *document*, with proof of service, to the *National Hearing Coordinator* at the *Corporation's* offices in the *District* in which the proceeding is conducted. (8) The *National Hearing Coordinator* may (i) require more or permit fewer than four copies of a *document* to be *filed*, and (ii) permit or require *filing* of a *document* by e-mail, provided	~~mail, courier or telephone transmission to the officer of the solicitor or agent, or~~ ~~(iii) depositing a copy of the document at a document exchange of which the solicitor or agent is a member or subscriber; or~~ ~~(e) service by any other method permitted by the Hearing Panel.~~ ~~(2) Proof of Service - The Hearing Panel may accept proof of service of a document by an affidavit of the person who served it.~~ ~~(3) Filing - A document required to be filed with the Hearing Panel under this Policy must be filed by either personal delivery of a copy or sending a copy by mail, courier or telephone transmission to the Secretary.~~ ~~(4) Effective Date of Service or Filing - Service or filing of a document is deemed to be effective:~~ ~~(a) if served personally, on the same day as service;~~ ~~(b) if sent by mail, on the fifth day after the day of mailing;~~ ~~(c) if sent by telephone transmission, on the same day as the transmission unless received after 5 p.m., in which case the document will be deemed to have been served or filed on the next day that is not a holiday;~~ ~~(d) if sent by courier, on the second day after the day on which the document was given to the courier by the party serving or filing, unless the second day is a holiday, in which case the effective date is the next day which is not a~~	~~(a) if served personally, on the same day of service;~~ ~~(b) if sent by mail, on the fifth day after the day of mailing;~~ ~~(c) if sent by facsimile, on the same day as the transmission unless received after 4 p.m., in which case the document will be deemed to have been served on the next day that is not a holiday; or~~ ~~(d) if sent by courier, on the second day after the day on which the document was given to the courier.~~ ~~**5.5 Proof of Service**~~ ~~The Hearing Panel may accept proof of service of a document by a sworn statement of the person who served the document.~~ ~~**5.6 Filing**~~ ~~A document required to be filed under these Rules shall be filed by delivering four (4) copies to the National Hearing Coordinator or his/her designate by personal delivery, mail, courier, or facsimile.~~ ~~**5.7 Required Information - Service and Filing**~~ ~~A party serving or filing a document shall include the following information:~~ ~~(a) the name of the proceeding to which the document relates;~~ ~~(b) the party's name, address, telephone number and facsimile number, unless the party has counsel or an agent;~~ ~~(c) if the party has counsel or an agent, the name, address, telephone number and fax number of the counsel or agent; and~~ ~~(d) the name of the party, counsel or agent to be served with the document.~~

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that the *party* also *files* four printed copies forthwith. (9) A *party* who serves or *files* a *document* must include with it (i) the *party's* name, address, telephone number, facsimile number and e-mail address, as applicable, or (ii) if the *party* is represented by counsel or an agent, the name, address, telephone number, facsimile number and e-mail address of the *party's* counsel or agent, (iii) the name of the proceeding to which the *document* relates, and (iv) the name of each *party*, counsel or agent served with the *document*. (10) Subject to *Corporation requirements*, a *document* that is *filed* must be made available by the *National Hearing Coordinator* for public inspection during the *Corporation's* normal business hours, unless confidentiality is requested and a *hearing panel* applying the standard in Rule 8203(6) or 8203(7) (Enforcement Proceedings) orders otherwise.	~~holiday;~~ ~~(c) if deposited at a document exchange, on the first day after the day on which the document was deposited, unless the first day is a holiday, in which case the effective date is the next day which is not a holiday; or~~ ~~(f) as otherwise ordered by the Hearing Panel.~~ ~~(5) Required Information on Documents - A party serving or filing a document shall include the following information:~~ ~~(a) the party's name, address, telephone number and fax number;~~ ~~(b) the style of cause of the hearing to which the document relates;~~ ~~(c) the name, address, telephone and fax number of the party's solicitor or agent; and~~ ~~(d) the name of the party or solicitor or agent with whom the document is being served or filed.~~	
8407. National Hearing Coordinator (1) The *National Hearing Coordinator* administers all proceedings brought pursuant to the *Rules of Practice*, including (i) the selection of members of *hearing panels*, (ii) scheduling and arranging *hearings* and *prehearing conferences*, (iii) care, custody and distribution to members of *hearing panels* of *filed documents*, (iv) maintaining a *hearing* record, including original exhibits, (v) dating and distributing written *hearing panel decisions* and reasons to *parties* to a proceeding, (vi) issuing and serving a notice or summons to attend and testify or produce *documents*, where so authorized by a	See also above SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE To be repealed.	~~**ROP RULE 4: NATIONAL HEARING CO-ORDINATOR**~~ ~~**4.1 Role of National Hearing Coordinator**~~ ~~The National Hearing Coordinator shall, pursuant to Dealer Member Rule 20.14, administer all proceedings brought in accordance with these Rules.~~ ~~**4.2 Parties to follow Practice Direction**~~ ~~The parties shall communicate and file documents with the National Hearing Coordinator or her/his designate in accordance with these Rules and the Notes and Practice Direction contained in Schedule "A".~~ ~~**SCHEDULE "A" – NOTES & PRACTICE DIRECTION**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
decision of a *hearing panel*, and (vii) any other administrative functions that are reasonably necessary for the efficient conduct of a proceeding. (2) The *National Hearing Coordinator* acts as liaison between members of a *hearing panel* and *parties* to a proceeding and, other than in the course of an *oral hearing* or *electronic hearing*, a *party* must communicate to a *hearing panel* through the *National Hearing Coordinator* and serve all other *parties* with the communication. (3) The *National Hearing Coordinator* may seek the advice of the chair of a *hearing committee* with respect to legal, administrative or procedural issues. (4) The *National Hearing Coordinator*, after consultation with the chairs of the *hearing committees* in all *Districts*, may publish on the *Corporation's* website guidelines concerning practices to be followed under the *Rules of Practice*. (5) The *National Hearing Coordinator* may prescribe the form and format of *documents* and forms that are required to be *filed* under the *Rules of Practice*. (6) The *National Hearing Coordinator* may designate individuals to perform the functions for which the *National Hearing Coordinator* is responsible under the *Rules of Practice*.		~~**RE: NATIONAL HEARING COORDINATOR**~~ ~~***A. DUTIES***~~ ~~**A.1 Admission of Proceedings**~~ ~~The National Hearing Coordinator is responsible for the administration of all proceeds brought pursuant to Dealer Member Rule 20, which includes the following:~~ ~~(a) the selection of Panel Members;~~ ~~(b) the scheduling and arrangement of Pre-hearing Conferences, motions, hearings and appeals;~~ ~~(c) the care, custody and distribution to panel members of all documents required to be filed pursuant to the Rules of Practice and Procedure;~~ ~~(d) the maintenance of the hearing record including original exhibits;~~ ~~(e) distribution of written panel decisions to all parties to the proceeding; and~~ ~~(f) any other administrative duties reasonably necessary for the efficient operation of a proceeding.~~ ~~**Transition Rule No. 1, Schedule C.1**~~ ~~**1.4. Appointment of Hearing Committee Chairs**~~ ~~.~~ ~~.~~ ~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~ ~~1.3 **HEARING COMMITTEES AND PANELS**~~
8408. Hearing Panels (1) The *National Hearing Coordinator* is responsible for the selection		

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of members of a *hearing panel* from members of a *hearing committee*. (2) In connection with the selection of a *hearing panel*, the *National Hearing Coordinator* may consult with or seek the advice of the chair of a *hearing committee*. (3) For a *hearing* under sections 8209, 8210, 8215 (Enforcement Proceedings) or Rule 9300 (Regulatory Review Proceedings), the *National Hearing Coordinator* must, subject to subsections 8408(4) and 8408(6), select two *industry members* and one *public member* from the *hearing committee* of the applicable *District* as members of the *hearing panel*. (4) If the chairs of both *hearing committees* consent, the *National Hearing Coordinator* may select a member of a *hearing committee* in one *District* to serve on a *hearing panel* in another *District*, but a *hearing panel* that considers a matter that relates to conduct in Quebec must have a majority of members who reside in Quebec. (5) The *National Hearing Coordinator* must appoint a *public member* as the chair of a *hearing panel*, and if the matter relates to conduct in Quebec, the chair must be a *public member* of the *hearing committee* in the Quebec District. (6) The *National Hearing Coordinator* may select a *public member* of a *hearing committee* to serve as the *hearing panel* in a proceeding under section 8211 (Temporary Orders) or section 8212 (Protective Orders), a motion or *prehearing conference*, or to act as case manager of a proceeding. (7) The *National Hearing Coordinator* must not select an *individual* to be a member of a *hearing panel*, if the *individual* (i) is an officer, partner, director, employee or *associate* of, or is providing services to, a *party* or if a *party* is an affiliate, *associate* or employee of another *person* with whom the individual is in such a relationship, (ii) has or had another relationship to a *party* or matter that may create a reasonable apprehension of bias, (iii) is precluded from acting as a member of the *hearing panel* by a *Corporation requirement*, any statutory requirement		~~1.3.1 **General**~~ ~~This Transition Rule No. 1.3 is made to provide for the manner and basis on which Hearing Committees and Hearing Panels of the Corporation shall be constituted. The intention of this Transition Rule No. 1.3 is that such Hearing Committees and Hearing Panels shall be constituted~~ ~~in the same manner with respect to any Enforcement Proceeding or Review Proceeding, as defined in Schedule C.1 to this Transition Rule No. 1, involving any Regulated Persons of the Corporation, whether such Regulated Persons be subject to UMIR or the Dealer Member Rules.~~ ~~1.3.2 **Hearing Committee and Hearing Panel Rules**~~ ~~The rules set out in Schedule C.1 to this Transition Rule No. 1 are hereby made as Rules of the Corporation, subject to the terms and conditions provided for in Transition Rule No. 1.~~ See Schedule C.1 to Transition Rule No. 1 – Hearing Committees and Hearing Panels Rule, above.

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applicable in the *District* in which the *hearing* is held or by the recognition order or registration under applicable securities legislation of a *Marketplace* whose rules are the subject of the *hearing*, or (iv) was consulted by or advised the *National Hearing Coordinator* in connection with the selection of the *hearing panel*. (8) The *National Hearing Coordinator* may not select an *individual* who is a member of a *hearing panel* in a proceeding under sections 8211 or 8212 as a member of a *hearing panel* on a subsequent *hearing* relating to the same matter, including a motion for a stay of a sanction imposed under section 8212 (Enforcement Proceedings), unless all *parties* consent to the selection of the member. (9) The *National Hearing Coordinator* may not select a member of a *hearing panel* who participates in a *prehearing conference* or who case manages a proceeding to be a member of the *hearing panel* on the merits, unless all *parties* consent to the selection of the member. (10) If a member of a *hearing panel* becomes unable to continue to serve as a member of the *hearing panel* for any reason, the remaining members may continue to hear the matter and render a *decision*, but only with the consent of all *parties*, and if neither of the remaining members is the chair, the *hearing panel* may retain its own legal counsel to advise it on legal and procedural issues, but not on the merits of the proceeding. (11) A *decision* of a *hearing panel* must be made by a majority of its members, and if the *hearing panel* consists of two members, must be unanimous.		
8409. Form of Hearings (1) Subject to subsections 8409(2) to 8409(9), a *hearing panel* may conduct a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*. (2) Subject to subsections 8409(3) to 8409(9), a *written hearing* may be held only for (i) a motion relating to procedural issues,	~~**Policy 10.8 – PRACTICE AND PROCEDURE**~~ ~~**Part 5 – Form of Hearing**~~ ~~**5.1 Factors in Determining to Hold Oral, Electronic or Written Hearing**~~ ~~In deciding whether to hold an oral hearing, written hearing or electronic hearing, the Hearing~~	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(ii) a *hearing* on agreed facts, and (iii) any other motion or *hearing* that a *hearing panel* considers appropriate. (3) In determining whether to hold a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*, a *hearing panel* may consider any relevant factors, including (i) the nature of the *hearing*, the subject matter of the *hearing*, and the issues to be addressed, including whether they are issues of fact, law or procedure, (ii) the evidence to be presented, including whether facts are in dispute and credibility is an issue, (iii) the cost, efficiency and timeliness of the *hearing* or the proceeding, (iv) the fairness of the *hearing* process to, and the convenience of, each of the *parties*, and (v) accessibility to the public. (4) A *party* may request an *electronic hearing* or *written hearing* in a *commencing notice*. (5) If an *electronic hearing* or *written hearing* is requested, (i) in a notice of hearing, a *party* may object to the requested form of *hearing* in the *party's* response or by bringing a motion, (ii) in a *commencing notice* other than a notice of hearing, a *party* may object to the requested form of *hearing* by serving and *filing* a notice of objection within three days after the *commencing notice* is served on the *party*. (6) A notice of objection must state the reasons for the objection, including any prejudice the requested form of *hearing* may cause the *party* and the facts on which the *party* relies and may be accompanied by any evidence on which the *party* relies for the objection. (7) A *hearing panel* that receives a notice of objection may (i) accept the objection and refer the matter to the *National Hearing Coordinator* to set a date for an *oral hearing* or, with the consent of all *parties*, set a date for an *electronic hearing*	~~Panel shall take into account any relevant factors, which may include:~~ ~~(a) the suitability of the hearing format considering the subject matter of the hearing, including the extent to which matters are in dispute;~~ ~~(b) whether the nature of the evidence is appropriate for the hearing format, including whether credibility is an issue and the extent to which the facts are in dispute;~~ ~~(c) the extent to which the matters in dispute are questions of law;~~ ~~(d) the convenience of the parties;~~ ~~(e) the cost, efficiency and timeliness of the proceedings;~~ ~~(f) avoidance of unnecessary length or delay;~~ ~~(g) ensuring a fair and understandable process;~~ ~~(h) the desirability or necessity of public participation or public access to the Hearing Panel's process; and~~ ~~(i) any other consideration which may be taken into account in accordance with applicable legislation.~~ ~~**5.2 Notice of Objection**~~ ~~(1) A party who objects to a hearing being held as an electronic or as a written hearing shall file and serve on all other parties a Notice of Objection within 5 days after receiving the Notice of Hearing.~~ ~~(2) Despite subsection (1), a party may not object to the Hearing Panel conducting an electronic hearing to deal with procedural matters.~~ ~~**5.3 Contents of Notice of Objection**~~ ~~A Notice of Objection shall be in writing and shall:~~	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
or schedule for a *written hearing*, (ii) reject the objection, or (iii) order a *written hearing* to consider the objection and provide other *parties* an opportunity to respond to the notice of objection in a manner and time that the *hearing panel* directs. (8) If a notice of objection is filed, the *hearing panel* must render its *decision* on the form of *hearing* in writing as expeditiously as possible, taking into consideration the date and nature of the *hearing* and proceeding and the needs of the *parties* to present evidence and prepare and serve submissions and responding submissions. (9) Unless a *party* objects, a *hearing panel* may, on its own motion, at any stage of a proceeding make an order continuing (i) an *electronic hearing* or *written hearing* as an *oral hearing*, (ii) an *oral hearing* or a *written hearing* as an *electronic hearing*, and (iii) an *oral hearing* or an *electronic hearing*, as a *written hearing*. (10) A *hearing panel* that orders an *electronic hearing* may require one or more of the *parties* (i) to make the arrangements for the *hearing*, and (ii) to pay all or part of the costs of conducting the *hearing* as an *electronic hearing*.	~~(a) state whether the holding of an electronic or written hearing is likely to cause the party significant prejudice;~~ ~~(b) set out reasons for the objection; and~~ ~~(c) state all facts upon which the party relies and provide the evidence on which the party relies in relation to the objection.~~ ~~**5.4 Procedure When Objection Made**~~ ~~If the Hearing Panel receives a Notice of Objection, the Hearing Panel shall:~~ ~~(a) accept the objection, cancel the form of hearing and either schedule an oral hearing or, with consent of the parties, schedule a written hearing or an electronic hearing as the case may be;~~ ~~(b) if permitted by applicable law, reject the objection provided the Hearing Panel is satisfied that there will not be significant prejudice to the objecting party, inform every other party that they are not required to respond to the Notice of Objection and proceed with the form of hearing specified in the Notice of Hearing; or~~ ~~(c) notify all other parties that they may respond to the Notice of Objection by serving on every other party and filing a written response in such form and within such time as is directed by the Hearing Panel and, after considering the objection and all responses, proceed with the form of hearing specified in the Notice of Hearing, schedule an oral hearing, or, with consent of the parties, schedule a written hearing or an electronic hearing as the case may be.~~ ~~**5.5 Converting Type of Hearing**~~	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	~~(1) Subject to any applicable statutory requirements, the Hearing Panel may continue:~~ ~~(a) a written or electronic hearing as an oral hearing;~~ ~~(b) an oral or written hearing as an electronic hearing; or~~ ~~(c) an oral or electronic hearing as a written hearing, unless a party objects.~~ ~~(2) If the Hearing Panel decides to convert the type of hearing that was specified in the Notice of Hearing, the Hearing Panel shall notify the parties of its decision and may supply directions as to the holding of that hearing and any procedures for such hearing.~~	
8410. Hearing Panel Decisions (1) A *decision* of a *hearing panel* and the reasons for the *decision* must be dated by the *National Hearing Coordinator* and served on each *party* in accordance with subsection 8406(3) of the *Rules of Practice*. (2) The *Corporation* must publish on its website a summary of the *decision* of a *hearing panel*, except a *decision* in a *prehearing conference*, containing (i) the *Corporation requirement* or *law* that was contravened, (ii) the essential facts, (iii) the *decision*, including any sanction and costs, and (iv) except where the *decision* rejects a *settlement agreement*, a statement that a copy of the *decision* may be obtained on the *Corporation's* website. (3) The *Corporation* must publish on its website a *decision* of a *hearing panel* and the reasons for the *decision*, except a *decision* and reasons rejecting a *settlement agreement*. (4) A *decision* made by a *hearing panel* on the merits of a proceeding must be recorded in the record maintained by the *Corporation* with respect to the *respondent*.	~~**9.6 Disposition**~~ ~~(1) The Hearing Panel shall give its final decision and order, if any, in a hearing in writing and shall give reasons in writing.~~ ~~(2) The Hearing Panel shall send to each party to the hearing a copy of its final decision and order, if any, including the reasons therefor if any have been given by any method of service permitted under section 1.4 of this Policy.~~ ~~(3) The disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that is the subject of the hearing.~~ ~~(4) The Market Regulator shall publish a summary of the decision and order, including:~~ ~~(a) the Requirement contravened or alleged to be contravened;~~ ~~(b) the facts;~~	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(5) In addition to a *decision* accepting a *settlement agreement* and the reasons for it, the *Corporation* must publish and record information concerning the accepted *settlement agreement* in accordance with subsections 8410(2) to 8410(4), as if the *settlement agreement* were a *decision* on the merits.	~~(c) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed; and~~ ~~(d) a statement that any person may obtain or inspect a copy of the decision and order of the Hearing Panel.~~ ~~(5) The Market Regulator shall publish the decision and order of the Hearing Panel and this obligation may be satisfied by the posting of the decision and order to any website maintained by the Market Regulator.~~	
8411. Language of Hearings and Interpreters (1) A *hearing* may be conducted in English or French or partly in English or French. (2) A *hearing* in a *District* other than Quebec must be conducted in English, unless the *parties*, with the consent of a *hearing panel*, agree that it be conducted in French. (3) A *hearing* in Quebec must be conducted in French, unless the *parties*, with the consent of a *hearing panel,* agree that it be conducted in English. (4) A *party* who wishes a *hearing* to be conducted in French, or in Quebec in English, must *file* a notice requesting the consent of a *hearing panel*, accompanied by the agreement of the other *parties*, as soon as possible after the proceeding is commenced and no later than thirty days before the commencement of the *hearing*. (5) A *party* who requires an interpreter for a language other than the language in which a hearing is to be conducted, whether to assist the *party* or for the testimony of a witness to be called by the *party*, must notify the *National Hearing Coordinator* at least thirty days before the commencement of the *hearing*. (6) An interpreter must be competent and independent and must swear or affirm to interpret accurately.	~~**1.4 Language of Proceedings**~~ ~~(1) If, in accordance with any applicable statutory requirement, a person would have a right to a hearing conducted in the French language then, upon the request of such person in writing to the Secretary or in such other manner as provided by law, all documents prepared by or on behalf of the Market Regulator and served or delivered on such person shall be in French and any hearing or other proceeding shall be conducted in French.~~ ~~(2) Despite subsection (1), any document to be disclosed in accordance with section 8.1(1) of this Policy shall be provided in the language that the document was originally written.~~	
8412. Commencement and Abandonment of Proceedings (1) A proceeding, and a step in a proceeding that requires a notice,	See also below UMIR 10.8 Part 2 and Part 4 re Notice of Allegations and Notice of Hearing.	~~**RULE 6: COMMENCEMENT OF PROCEEDINGS**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
is commenced upon the issuance by the *National Hearing Coordinator* of a *commencing notice* at the request of a *party*. (2) A *party* who requests the issuance of a *commencing notice* must first obtain a date from the *National Hearing Coordinator* for (i) if the *commencing notice* is a notice of hearing, an initial appearance before a *hearing panel*, (ii) if the *commencing notice* is a notice of application, the *hearing* of the application, (iii) if the *commencing notice* is a notice of motion, the *hearing* of the motion, (iv) if the *commencing notice* is a notice of prehearing conference, the *prehearing conference*, or (v) if the *commencing notice* is a notice of request for review pursuant to sections 8427 or 8430 of the *Rules of Practice,* the review *hearing*, and must submit a copy of the *commencing notice* to the *National Hearing Coordinator* with a request that it be issued. (3) A request under subsection 8412(2) to the *National Hearing Coordinator* for a date or the issuance of a *commencing notice* must be made on a form prescribed by the *National Hearing Coordinator*. (4) If a *hearing panel* sets a date for a *prehearing conference*, or other *hearing* other than in connection with a *commencing notice*, the *National Hearing Coordinator* must give written notice of the date to the *parties* by mail or electronic transmission in accordance with clause 8406(3)(vi) or 8406(3)(vii). (5) Upon issuing a *commencing notice* or other notice of a *hearing*, the *National Hearing Coordinator* must place a copy of the *commencing notice* or other notice in a file maintained for the proceeding. (6) The *Corporation* must publish on the *Corporation's* website an announcement of and copy of a *commencing notice* or other notice as soon as practicable after it is issued by the *National Hearing Coordinator*, unless the *commencing notice* is for an application under section 8211 made without notice to the *respondent* or is a notice of prehearing conference.		~~**6.1 Notice of Hearing**~~ ~~Discipline proceedings pursuant to Dealer Member Rule 20.30 shall be commenced by a Notice of Hearing.~~ ~~**6.2 Designation of Track**~~ ~~When issuing a Notice of Hearing, the Organization shall designate the discipline proceeding as on a Standard Track or Complex Track, considering the factors set out in Rule 6.3.~~ ~~**6.3 Factors to Consider Regarding Track Designation**~~ ~~In designating a discipline proceeding as on the Standard Track or Complex Track, the Organization shall consider:~~ ~~(a) the complexity of the factual and legal issues;~~ ~~(b) the anticipated number of documents to be introduced at the hearing;~~ ~~(c) the anticipated number of witnesses at the hearing;~~ ~~(d) the likelihood of expert evidence at the hearing;~~ ~~(e) the anticipated duration of the hearing; and~~ ~~(f) any other factors that the Organization considers relevant to the procedural or substantive complexity of the proceeding.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(7) A *party* who initiates a proceeding or a step in a proceeding that requires a notice may abandon the proceeding or step before it has been decided by a *hearing panel* by serving and filing a notice of abandonment. (8) If a proceeding or a step in a proceeding is abandoned, the *Corporation* must publish on the *Corporation's* website an announcement of and a copy of the notice of abandonment as soon as practicable after it is *filed*, unless the *commencing notice* for the proceeding or step has not been so published.		
8413. Motions (1) A motion must be commenced by a notice of motion. (2) A motion may be brought (i) with the consent of a *hearing panel* prior to, or (ii) at any time after the commencement of a proceeding. (3) A *party* who brings a motion must serve and *file* a motion record at least fourteen days prior to the date of the motion, unless the motion is brought during a *hearing*, in which case the *hearing panel* may determine the procedure to be followed for the motion. (4) A *hearing panel* may permit a *party* to bring a motion without notice to the *respondent*, if the nature of the motion or the circumstances make service of a notice of motion impractical. (5) A notice of motion must contain: (i) the date, time and location of the *hearing* of the motion, (ii) the relief sought, (iii) a summary of the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*, (iv) a list of evidence and other materials to be relied on, and (v) whether it is proposed that the motion be heard as an *oral hearing*, *electronic hearing* or *written hearing*. (6) A motion record must contain (i) the notice of motion, and (ii) copies of the evidence, including affidavits and other	~~**Part 6 - Motions**~~ ~~**6.1 Notice of Motion**~~ ~~Where a party intends to bring a motion before the Hearing Panel at a hearing, written notice shall be served on all other parties and filed with the Hearing Panel at least 5 days before the day the motion is to be heard.~~ ~~**6.2 Contents of Notice of Motion**~~ ~~The Notice of Motion must contain the relief sought, the grounds for the motion and the evidence to be relied upon.~~ ~~**6.3 Hearing Date for Notice of Motion**~~ ~~Except when a motion is to be heard on a scheduled hearing date or is to be argued in writing, the party bringing the motion shall, before serving the Notice of Motion, file a copy of the Notice of Motion with the Secretary and obtain a date for the Hearing Panel to hear the motion.~~	~~**RULE 8: MOTIONS**~~ ~~**8.1 Notice of Motion**~~ ~~Motions shall be commenced by a Notice of Motion.~~ ~~**8.2 Timing of Motion**~~ ~~A motion may be brought at any time prior to or after the commencement of a proceeding.~~ ~~**8.3 Motions - To Whom to be Made**~~ ~~A motion shall be heard by a Presiding Officer prior to the commencement of the proceeding and shall be heard by the Hearing Panel after the commencement of the proceeding.~~ ~~A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the proceeding unless all parties consent in writing.~~ ~~**8.4 Motion Hearing Date**~~ ~~Prior to serving the Notice of Motion, the party bringing the motion shall obtain a date from the National Hearing Coordinator.~~ ~~**8.5 Contents of Notice of Motion**~~ ~~The Notice of Motion shall state:~~ ~~(a) the date of the motion;~~ ~~(b) whether the motion is to be heard by a Presiding Officer or the Hearing Panel;~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
materials relied on. (7) A *responding party* may serve and *file* a responding record at least nine days prior to the date of the motion, unless the motion is brought during a *hearing* and the *hearing panel* orders otherwise. (8) A responding record must contain (i) the order requested by the *responding party*, including a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (9) A *party* who is served with a responding record that contains affidavit evidence may serve and *file* a reply record containing additional affidavit evidence at least seven days before the date of the motion. (10) A *party* who *files* an affidavit in connection with a motion must make the affiant reasonably available to be cross-examined by an adverse *party* prior to the *hearing* of the motion. (11) A *party* who brings a motion may serve and *file* a memorandum of fact and law at least five days before the date of the motion. (12) A *responding party* may serve and *file* a memorandum of fact and law at least two days before the date of the motion. (13) A motion must be heard by a *hearing panel*. (14) A *hearing panel* may, on any terms and conditions it considers appropriate, permit oral testimony to be adduced at the *hearing* of a motion on any matter in issue and allow cross-examination of an affiant. (15) A *hearing panel* may (i) grant the relief requested in a motion, (ii) dismiss or adjourn the motion in whole or in part, with or without terms, or (iii) make another *decision* it considers appropriate, including adjourning the motion to be heard by the *hearing panel* that hears the proceeding on its merits.		~~(c) the specific relief sought;~~ ~~(d) the grounds for the relief sought, including reference to any Organization Dealer Member Rules, and statutory provisions; and~~ ~~(e) the list of evidence to be relied upon.~~ ~~**8.6 Motion Record**~~ ~~A Motion Record shall contain:~~ ~~(a) the notice of motion; and~~ ~~(b) copies of the evidence to be relied upon.~~ ~~**8.7 Service and Filing of Motion Record**~~ ~~Subject to Rule 8.7(2), a Motion Record shall be served and filed at least 14 days prior to the date of the motion.~~ ~~When a motion is brought to determine an issue arising during the hearing, the period of notice shall be at the direction of the Hearing Panel.~~ ~~**8.8 Response to Notice of Motion**~~ ~~The Responding Party may serve and file a Responding Record, at least 7 days prior to the date of the motion, subject to Rule 8.7 (2).~~ ~~**8.9 Contents of Responding Record**~~ ~~The Responding Record shall contain:~~ ~~(a) a statement of the reasons the relief ought not to be granted; and~~ ~~(b) copies of additional evidence or other materials to be relied upon.~~ ~~**8.10 Public Domain**~~ ~~All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the exclusion of the public.~~ ~~An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding~~

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		~~disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that motions be public.~~
ENFORCEMENT PROCEEDINGS		
8414. Commencement of Disciplinary Proceedings (1) Forthwith after a proceeding pursuant to section 8209 or 8210 (Enforcement Proceedings) is commenced, *Enforcement Staff* must serve the *respondent* with, and *file*, the notice of hearing and a statement of allegations. (2) A notice of hearing must contain: (i) the date, time and location of an initial appearance before a *hearing panel*, (ii) a statement of the purpose of the proceeding, (iii) a statement that the allegations on which the proceeding is based are contained in the statement of allegations, (iv) a reference to the *Corporation requirements* under which the proceeding is brought, (v) the nature of the sanctions that may be imposed, (vi) if the notice of hearing states that the *hearing* is to be an *electronic hearing* or *written hearing*, a statement that the *respondent* may object to the type of *hearing* and the procedure to be followed for an objection, (vii) a statement that the *respondent* must provide a response to the notice of hearing in accordance with section 8415, the time within which a response must be served and *filed* and the consequences of failing to do so, (viii) a statement that the initial appearance will be followed immediately by an initial *prehearing conference*, for which a *prehearing conference* form must be *filed* in accordance with subsection 8416(5), and (ix) any other information that *Enforcement Staff* considers advisable. (3) A statement of allegations may accompany or comprise part of a notice of hearing and must contain:	~~**Part 2 – Statement of Allegations**~~ ~~**2.1 Provision of Statement of Allegations**~~ ~~If the Market Regulator is of the opinion that a person described in subsection (1) of Rule 10.2 has contravened a Requirement or a person is liable for the contravention of a Requirement in accordance with Rule 10.3, the Market Regulator may serve a Statement of Allegations on such person.~~ ~~**2.2 Contents of Statement of Allegations**~~ ~~A Statement of Allegations must contain:~~ ~~(a) a reference to the Requirement that the Market Regulator is of the opinion has been contravened;~~ ~~(b) the facts alleged and intended to be relied upon by the Market Regulator; and~~ ~~(c) the conclusions drawn by the Market Regulator based on the alleged facts.~~ ~~**Part 4 – Notice of Hearing**~~ ~~**4.1 Provision of Notice of Hearing**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve a Notice of Hearing on such person concurrent with or at any time after the serving of the Statement of Allegations provided that a Notice of Hearing may not be issued:~~ ~~(a) if the Market Regulator has served an Offer of Settlement, until after the date specified in the Offer of Settlement by which the Offer of Settlement may be accepted; and~~	~~**6.4 Service of Notice of Hearing**~~ ~~For a discipline proceeding designated on the Standard Track, the Organization shall serve a Notice of Hearing at least 45 days prior to the date of the hearing.~~ ~~For a discipline proceeding designated on the Complex Track, the Organization shall serve a Notice of Hearing at least 10 days before a first appearance before a Hearing Panel for purposes of setting a date for the hearing and considering any other scheduling matters.~~ ~~**6.5 Contents of Notice of Hearing**~~ ~~A Notice of Hearing shall state:~~ ~~(a) the purpose of the hearing;~~ ~~(b) the designation of the proceeding as on the Standard Track or Complex Track;~~ ~~(c) the date, time and location of the hearing or a first appearance to set a date for a hearing;~~ ~~(d) the alleged violations of Organization Dealer Member Rules and any applicable statute or regulations thereof;~~ ~~(e) the facts in support of the alleged violations;~~ ~~(f) that, the Respondent shall provide a Response to the Notice of Hearing in accordance with Rule 7;~~ ~~(g) that, if the Respondent does not provide a Response in accordance with Rule 7, the Hearing Panel may proceed without the Respondent's participation and the Respondent will not be entitled to any further~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(i) a reference to the *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (ii) the facts alleged in support of the alleged contraventions, and (iii) the conclusions of *Enforcement Staff* based on the alleged facts. (4) The date of an initial appearance set out in a notice of hearing must not be less than 45 days after the notice of hearing is served, unless the *respondent* consents to an earlier date.	~~(b) if an Offer of Settlement has been accepted, until the Settlement Agreement has been rejected by a Hearing Panel.~~ ~~**4.2 Contents of Notice of Hearing**~~ ~~A Notice of Hearing must contain:~~ ~~(a) details about the manner in which the hearing will be held including, if applicable to the form of hearing, the date, time and place of the hearing;~~ ~~(b) a reference to the statutory or other authority under which the hearing will be held;~~ ~~(c) a statement as to the purpose of the hearing;~~ ~~(d) a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) if the Notice of Hearing specifies that the hearing is to be an electronic or a written hearing, a statement that the party notified may object to holding the hearing as an electronic or a written hearing and the procedure to be followed for that purpose;~~ ~~(f) a statement respecting the effect of section 9.4 of this Policy; and~~ ~~(g) any other information the Market Regulator or the Hearing Panel considers advisable.~~ ~~**4.3 Date of Hearing**~~ ~~(1) Unless the party on whom the Notice of Hearing is served has consented in writing, the date of the initial hearing specified in the Notice of Hearing shall not be earlier than 45 days after the date the Notice of Hearing has been served.~~	~~notice of the hearing;~~ ~~(h) the type and range of penalties that may be imposed by the Hearing Panel; and~~ ~~(i) any other information the Organization may consider advisable.~~
8415. Response to a Notice of Hearing (1) A *respondent* must serve and *file* a response within 30 days from	~~**UMIR 10.8 - Policy 10.8**~~ ~~**Part 9 – Conduct of Hearing**~~	~~**RULE 7: RESPONSE TO NOTICE OF HEARING**~~ ~~**7.1 Service of Response**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
the date of service of a notice of hearing. (2) A response must contain a statement of: (i) the facts alleged in the statement of allegations that the *respondent* admits, (ii) the facts alleged that the *respondent* denies and the grounds for the denial, and (iii) all other facts on which the *respondent* relies. (3) A *hearing panel* may accept as proven any facts alleged in a statement of allegations that are not specifically denied or for which grounds for the denial are not provided in a response. (4) If a *respondent* who has been served with a notice of hearing does not serve and *file* a response in accordance with subsection 8415(1), *Enforcement Staff* may proceed with the hearing of the matter on its merits on the date of the initial appearance set out in the notice of hearing, without further notice to and in the absence of the *respondent*, and the *hearing panel* may accept as proven the facts and contraventions alleged in the statement of allegations and may impose sanctions and costs pursuant to section 8209 or 8210 (Enforcement Proceedings), as applicable.	~~**9.1 Particular Practice and Procedure for Oral Hearing**~~ ~~(1) A person served with a Notice of Hearing shall, within 20 days from the date of service, serve on the Market Regulator a Reply signed by the person or by an individual authorized to sign on behalf of the person that specifically denies, with the particulars of the supporting facts and arguments, any or all of the facts alleged or the conclusions drawn by the Market Regulator as set out in the Statement of Allegations.~~ ~~(2) The Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the Market Regulator in the Statement of Allegations that are not specifically denied, with the particulars of the supporting facts and arguments, in the Reply.~~	~~For a discipline proceeding designated on the Standard Track, the Respondent shall serve a Response within 20 days from the effective date of service of the Notice of Hearing.~~ ~~For a discipline proceeding designated on the Complex Track, the Respondent shall serve a Response within 30 days from the effective date of service of the Notice of Hearing.~~ ~~**7.2 Failure to Serve Response**~~ ~~If a Respondent served with a Notice of Hearing fails to serve a Response in accordance with Rule 7.1:~~ ~~(a) the Organization may proceed with the hearing of the matter as set out in the Notice of Hearing without further notice to and in the absence of the Respondent; and~~ ~~(b) the Hearing Panel may, accept as proven the facts and violations alleged by the Organization in the Notice of Hearing, and may impose penalties and costs pursuant to Dealer Member Rules 20.33, 20.34 and 20.49.~~ ~~**7.3 Contents of Response**~~ ~~A Response shall state:~~ ~~(a) the facts alleged in the Notice of Hearing which the Respondent admits;~~ ~~(b) the facts alleged in the Notice of Hearing which the Respondent denies and the grounds for denial; and~~ ~~(c) all other facts relied upon by the Respondent.~~ ~~**7.4 Deficient Response**~~ ~~Where the Respondent fails to:~~ ~~(a) specifically deny a fact; or~~ ~~(b) provide grounds for denial of a fact,~~

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8416. Prehearing Conferences (1) At any time prior to commencement of the *hearing* of a proceeding on the merits, (i) a *hearing panel* may order a *prehearing conference*, or (ii) a *party* may request a *prehearing conference* by serving and *filing* a notice of prehearing conference at least fourteen days before the date of the *prehearing conference*. (2) A notice of prehearing conference must contain: (i) the date, time, location and purpose of the *prehearing conference*, (ii) any order of a *hearing panel* concerning the obligations of the *parties* with respect to the *prehearing conference*, including (a) any requirement concerning the exchange or *filing* of *documents* or submissions pursuant to subsection 8416(7), and if so the issues to be addressed and the date by which the *documents* and/or submissions must be exchanged and *filed*, (b) whether the *parties* must attend in person, (iii) a statement that the *parties* may be represented by counsel or an agent who, if a *party* is not required to attend, must have authority to make agreements and undertakings on the *party's* behalf, (iv) whether it is proposed that the *prehearing conference* is to be heard orally, electronically or in writing, (v) a statement that if a *party* does not attend in person or by counsel or an agent, the *hearing panel* may proceed with the *prehearing conference* in the *party's* absence, and (vi) a statement that any orders made by the *hearing panel* will be binding on the *parties*. (3) If a *hearing panel* orders a *prehearing conference*, the *National Hearing Coordinator* must set a date for the *prehearing*	~~**Part 7 - Pre-Hearing Conferences**~~ ~~**7.1 Order for a Pre-Hearing Conference**~~ ~~At any time prior to a hearing, the Hearing Panel on its own initiative, or at the request of one or more of the parties, may order the parties to attend a pre-hearing conference.~~ ~~**7.2 Composition of the Hearing Panel at the Pre-Hearing Conference**~~ ~~(1) A pre-hearing conference shall be held before the chairman of the Hearing Panel and any other member of the Hearing Panel who may be required to assist the chairman.~~ ~~(2) The members of the Hearing Panel presiding at the pre-hearing conference shall not preside at the hearing of the proceeding unless all parties consent in writing or on the record;~~ ~~**7.3 Issues to be Considered**~~ ~~At a pre-hearing conference the Hearing Panel may consider any appropriate issue, including:~~ ~~(a) the settlement of any or all of the issues;~~ ~~(b) the identification and simplification of the issues;~~ ~~(c) the disclosure of documents;~~ ~~(d) facts or evidence that may be agreed upon;~~ ~~(e) evidence to be admitted on consent;~~ ~~(f) the identification of any preliminary objections;~~ ~~(g) procedural issues including the dates by which any steps in the hearing are to be taken or begun, the estimated duration of the~~	~~(c) the Hearing Panel may accept as proven any facts alleged by the Organization in the Notice of Hearing.~~ ~~**RULE 9: PRE-HEARING CONFERENCES**~~ ~~**9.1 Initiation of Pre-hearing Conference**~~ ~~At any time prior to the date of a hearing, a party may request a Pre-hearing Conference by serving and filing a Request for a Pre-hearing Conference.~~ ~~A Request for a Pre-hearing Conference shall include the party's proposal as to the form of the Pre- hearing Conference pursuant to Rule 9.3.~~ ~~If an adverse party objects to the proposed form of the Pre-hearing Conference, the adverse party shall advise all parties and the National Hearing Coordinator of the objection within 48 hours from the effective date of service of the Request for a Pre-hearing Conference.~~ ~~No subsequent Pre-hearing Conference shall take place unless by consent of the parties.~~ ~~**9.2 Presiding Officer**~~ ~~A Pre-hearing Conference shall be held before a Presiding Officer.~~ ~~A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the same proceeding unless all parties consent in writing.~~ ~~**9.3 Form of Pre-hearing Conference**~~ ~~A Pre-hearing Conference may be held in person or by telephone.~~ ~~If the parties are unable to agree to the form of the Pre-hearing Conference, the Pre-hearing Conference shall be held in person.~~ ~~**9.4 Pre-hearing Conference Date**~~ ~~Notice of the date, time, location (if applicable)~~

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conference, if necessary, and serve a notice of prehearing conference on the *parties* with a copy of the *decision* of the *hearing panel*. (4) If a *respondent* has served and *filed* a response in accordance with subsection 8415(1), the initial appearance provided in a notice of hearing must be followed immediately by an initial *prehearing conference*, for which no notice of prehearing conference is required. (5) If a response has been served and *filed*, the *parties* must serve and *file* a *prehearing conference* form, in a form prescribed by the *National Hearing Coordinator*, at least five days before the date of the initial appearance specified in the notice of hearing. (6) At a *prehearing conference*, a *hearing panel* may consider any issue that may assist in a just and expeditious resolution of the proceeding, including (i) identification, simplification and clarification of the issues, (ii) disclosure of *documents*, including expert reports, (iii) facts or evidence on which the *parties* agree, (iv) admissibility of evidence, including evidence to be admitted on consent and identification of objections, (v) scheduling of motions, (vi) procedural issues, including identifying and setting dates by which steps in the proceeding are to be commenced or taken, the estimated duration of a *hearing* and the dates on which the *hearing* will commence and be conducted, (vii) settlement of any or all issues in the proceeding, and (viii) any other procedural or substantive matters. (7) A *hearing panel* at a *prehearing conference* may (i) set a timetable for steps preceding a *hearing* and for the *hearing*, (ii) schedule further *prehearing conferences*, preliminary motions and the *hearing* of the proceeding on its merits, (iii) amend an existing schedule or timetable, (iv) set the issues to be addressed at a further *prehearing conference* or in a motion,	~~hearing, and the date that the hearing will begin; and~~ ~~(h) any other issue that may assist in the just and most expeditious disposition of the hearing.~~ **~~7.4 Notice of Pre-Hearing Conference~~** ~~(1) **Notice to Parties and Others** - The Secretary shall give notice of any pre-hearing conference to the parties and to such other persons as the Hearing Panel directs.~~ ~~(2) **Contents of Notice** - The notice of any pre-hearing conference must include:~~ ~~(a) the date, time, place and purpose of the pre-hearing conference;~~ ~~(b) whether parties are required to exchange or file documents or pre-hearing submissions in accordance with section 7.5 of this Policy and, if so, the issues to be addressed and the date by which the documents or pre-hearing submissions must be exchanged and filed;~~ ~~(c) whether parties are required to attend in person, and~~ ~~(i) if so, that they may be represented by counsel or agent, or~~ ~~(ii) if not, that their counsel or agent must be given authority to make agreements and undertakings on their behalf respecting the matters to be addressed at the pre-hearing conference;~~ ~~(d) a statement that if a party does not attend in person or by counsel or an agent at the pre-hearing conference, the Hearing Panel may proceed in the absence of that party; and~~	~~and the form of the Pre-hearing Conference will be provided to the parties by the National Hearing Coordinator.~~ **~~9.5 Issues to be Considered~~** ~~The Presiding Officer may consider any issue that may assist in the just and expeditious disposition of the proceeding including the following:~~ ~~(a) settlement of the proceeding;~~ ~~(b) simplification or clarification of any issues;~~ ~~(c) disclosure of documents;~~ ~~(d) agreed statements of fact;~~ ~~(e) admissibility of evidence;~~ ~~(f) identification and scheduling of motions;~~ ~~(g) identification and scheduling of anticipated steps in the proceeding; and any other procedural or substantive matters.~~ **~~9.6 Orders at Pre-hearing Conference~~** ~~The Presiding Officer may make such order with respect to the conduct of the proceeding, as she/he deems appropriate.~~ ~~Any orders made by the Presiding Officer shall be in writing and binding on all parties.~~ ~~The Presiding Officer shall provide the order to the National Hearing Coordinator who shall then distribute copies of the order to the parties.~~ **~~9.7 Inaccessible to the Public~~** ~~A Pre-hearing Conference shall be held in the absence of the public.~~ **~~9.8 No Communication to Hearing Panel~~** ~~Communications made at a Pre-hearing Conference shall not be disclosed to the Hearing Panel presiding over the hearing of the proceeding except those communications that are disclosed in an order made pursuant to Rule 9.6.~~

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(v) order the *parties* to exchange or *file* by a specified date *documents* or submissions for purposes of a further *prehearing conference* or a motion,

(vi) order that the proceeding be case managed by the *hearing panel* or another *hearing panel* to be selected by the *National Hearing Coordinator*, with or without the consent of the *parties*,

(vii) exercise the authority conferred by section 8208 (Powers of Compulsion) to require a *person* to attend and give evidence or produce *documents* at a *hearing*, and

(viii) with the consent of the *parties*, make an order resolving any matter, including matters relating to

(a) facts or evidence agreed on,

(b) disclosure of *documents* or evidence,

(c) the resolution of any or all of the issues in the proceeding, and

(ix) make any other procedural order that the *hearing panel* believes will further the just and expeditious conduct of the proceeding.

(8) A *hearing panel* that case manages a proceeding must preside over all *prehearing conferences* and preliminary motions in the proceeding, unless the *hearing panel* orders otherwise.

(9) An order, agreement or undertaking that is made or given at a *prehearing conference* must be recorded in a prehearing memorandum that is

(i) prepared by or under the direction of the *hearing panel* taking into account the principles in subsections 8416(12) and 8416(13),

(ii) circulated to the *parties* for comment,

(iii) approved and signed by the *hearing panel,* and

(iv) distributed to the *parties* and any other *person* that the *hearing panel* directs.

(10) A prehearing memorandum must be *filed* and provided to the *hearing panel* at subsequent *hearings* in the proceeding.

(11) An order, agreement or undertaking recorded in a prehearing

~~(c) a statement that the Hearing Panel presiding at the pre-hearing conference may make orders with respect to the conduct of the proceeding which will be binding on all parties.~~

~~**7.5 Exchange of Documents**~~

~~The Hearing Panel designated to preside at the pre-hearing conference may:~~

~~(a) order the parties to exchange or file by a specified date documents or pre-hearing submissions; and~~

~~(b) set the issues to be addressed in the pre-hearing submissions and at the pre-hearing conference.~~

~~**7.6 Oral, Written or Electronic**~~

~~A pre-hearing conference may be held in person, in writing or electronically as the Hearing Panel may direct.~~

~~**7.7 Inaccessible to the Public**~~

~~(1) **Pre-Hearing Conference** - A pre-hearing conference shall be held in the absence of the public unless the Hearing Panel directs that it be open to the public.~~

~~(2) **Documents and Submissions** - Any pre-hearing documents or pre-hearing submissions ordered under section 7.5 of this Policy shall not be disclosed to the public.~~

~~**7.8 Settlement of Issues**~~

~~If the settlement of any issues is discussed at a pre-hearing conference:~~

~~(a) statements made without prejudice at a pre-hearing conference may not be communicated to the Hearing Panel;~~

~~(b) an agreement to settle any or all of the issues~~

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memorandum is binding on the *parties*, unless a *hearing panel* orders otherwise. (12) Unless recorded in a prehearing memorandum, all statements and written submissions made at a *prehearing conference* are without prejudice and must not be communicated to a *hearing panel*, except at a subsequent *prehearing conference*. (13) A *prehearing conference* must be held in the absence of the public, and subject to subsections 8416(9) and 8416(10), prehearing *documents*, exhibits, submissions and transcripts must not be disclosed to the public. (14) A prehearing agreement to settle all of the issues in a proceeding is subject to approval by another *hearing panel* pursuant to section 8215 (Settlements and Settlement Hearings).	~~binds the parties to the agreement but is subject to approval by such other panel of the Hearing Panel as is assigned to consider the settlement; and~~ ~~(c) all agreements, orders and decisions which dispose of a proceeding as it affects any party shall be made available to the public unless the Hearing Panel directs otherwise.~~ ~~**7.9 Orders, Agreements, Undertakings**~~ ~~(1) **Preparation of Memorandum** - Any orders, agreements and undertakings made at a pre-hearing conference shall be recorded in a memorandum prepared by or under the direction of the members of the Hearing Panel presiding at the pre-hearing conference.~~ ~~(2) **Provision of Copies** - Copies of this memorandum shall be provided to the parties and to the members of the Hearing Panel presiding at the hearing of the matter and to such other persons as the members of the Hearing Panel presiding at the pre-hearing conference direct.~~ ~~(3) **Binding Effect** - Any orders, agreements and undertakings in the memorandum shall govern the conduct of the hearing and are binding upon the parties at the hearing unless otherwise ordered by the Hearing Panel.~~ ~~**7.10 No Communication to Hearing Panel**~~ ~~Other than any orders, agreements and undertakings recorded in a memorandum prepared in accordance with section 7.9 of this Policy, no information about the pre-hearing conference shall be disclosed to the members of the Hearing Panel who preside at the hearing unless all parties consent in writing or on the record.~~	

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8417. Disclosure (1) As soon as is reasonably practicable after a response is served and *filed*, *Enforcement Staff* must disclose to, and make available for inspection by, a *respondent* all *documents* and things in the *Corporation's* possession or control that are relevant to the proceeding, including *documents* and things that are relevant to the *respondent's* ability to make full answer and defence, other than *documents* that are subject to a legal privilege. (2) *Enforcement Staff* must provide copies to, in hard copy or electronic form, or permit a *respondent* to make copies of all *documents* and things specified in subsection 8417(1) as soon as is reasonably practicable after it makes disclosure and no later than forty days before the commencement of the *hearing* on the merits. (3) As soon as is reasonably practicable after a response is served and *filed*, and no later than forty days before the commencement of the *hearing* on the merits, each *party* to a proceeding must serve every other *party* with (i) all *documents* that the *party* intends to produce or enter as evidence at the *hearing* on the merits, and (ii) a list of items, other than *documents*, that the *party* intends to produce or enter as evidence at the *hearing* on the merits. (4) At any stage of a proceeding, a *hearing panel* may order a *party* to provide to another *party* any *document* or other information that the *hearing panel* considers appropriate, within a time period and on terms and conditions determined by the *hearing panel*. (5) A *party* who does not disclose a *document* or thing in compliance with subsections 8417(3) and 8417(4) may not introduce in evidence or refer to the *document* or thing at a *hearing* on the merits without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	New	New
	~~**Part 8 - Disclosure**~~ ~~**8.1 Procedure for Compliance with Disclosure Obligations**~~ ~~(1) **Documents and Other Things** - Each party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence:~~ ~~(a) deliver to every other party copies of all documents that the party intends to refer to or tender as evidence at the hearing; and~~ ~~(b) make available for inspection by every other party any other things that the party intends to refer to or tender as evidence at the hearing but not including any document a copy of which was delivered to every other party in accordance with clause (a).~~ ~~(2) **By Order of Hearing Panel** - At any stage in a hearing, the Hearing Panel may order a party to provide to another party any other disclosure that the Hearing Panel considers appropriate within a time period and on terms and conditions as specified by the Hearing Panel.~~	~~**RULE 10: EXCHANGE OF DOCUMENTS10.1 Association Duty to Disclose**~~ ~~Nothing in this Rule 10 derogates from the Organization's obligation to disclose all materials as required by common law, as soon as reasonably practicable after the issuance of the Notice of Hearing.~~ ~~**10.2 Obligation to Provide Documents and Other Items - Organization**~~ ~~The Organization shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing:~~ ~~1. serve upon the Respondent:~~ ~~(a) copies of all documents; and~~ ~~(b) a list of items, other than documents intended to be relied upon at the hearing; and~~ ~~2. make available for inspection to the Respondent all items referred to in subsection (a) (ii).~~ ~~**10.3 Obligation to Provide Additional Documents and Other Items - Respondent**~~ ~~The Respondent shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track~~

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	(3) **Disclosure Obligation –** Nothing in this section shall affect the obligation of the Market Regulator or any other party to disclose any document or other thing that may be required under common law or other applicable law. **8.2 Failure to Make Disclosure** If a party fails to make a disclosure of a document or thing in compliance with section 8.1 of this Policy, the party may not refer to the document or thing or tender it as evidence at the hearing without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just. **8.4 Expert Witness** (1) **Notice of Intent to Call Expert** - A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the intent to call the expert witness and the issue on which the expert will be giving evidence. (2) **Provision of Expert's Report** - A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing: (a) the name, address and qualifications of the expert; (b) the substance of the anticipated evidence of the expert; and (c) a list of all the documents, if any, to	proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing: 1. serve upon the Organization: (a) copies of documents; and (b) a list of items, other than documents, not provided by the Organization, that are intended to be relied upon at the hearing; and 2. make available for inspection to the Organization items referred to in subsection (a) (ii). **10.4 Failure to Exchange Documents** If a party fails to provide a document or item pursuant to Rules 10.2 or 10.3, the party may not refer to or tender as evidence at the hearing the document or item without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	~~which the expert will refer.~~ ~~(3) **Failure to Advise of Intent to Call Expert** A party that fails to comply with subsection (1) may not call the expert as a witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~ ~~(4) **Failure to Provide Expert's Report** - A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~	
8418. Witness Lists and Statements (1) Subject to section 8417, as soon as reasonably practicable after a response is served and *filed*, and no later than thirty days before the commencement of the *hearing* on the merits, *Enforcement Staff* must serve (i) a list of the witnesses *Enforcement Staff* intends to call to testify at the *hearing*, and (ii) in respect of each witness named on the list, a summary of the evidence the witness is expected to give at the *hearing*, a witness statement signed by the witness or a transcript of a recorded statement of the witness. (2) Subject to section 8417, as soon as reasonably practicable after a response is served and *filed,* and no later than twenty days before the commencement of the *hearing* on the merits, a *respondent* must serve (i) a list of the witnesses, not including the *respondent*, whom the *respondent* intends to call to testify at the *hearing*, and (ii) in respect of each witness named on the list, a summary of the evidence the witness is expected to give at the *hearing*, a witness statement signed by the witness or a transcript of a recorded statement of the witness, unless the transcript was disclosed by *Enforcement Staff* pursuant to section 8417 or subsection 8418(1).	~~**8.3 Witness Lists and Statements**~~ ~~(1) **Provision of Witness Lists and Statements** Subject to section 8.4 of this Policy, a party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence, provide to every other party:~~ ~~(a) a list of the witnesses the party intends to call to give evidence at the hearing; and~~ ~~(b) in respect of each witness named on the list, either:~~ ~~(i) a witness statement signed by the witness, or~~ ~~(ii) a summary of the anticipated evidence that the witness is expected to give at the hearing.~~ ~~(2) **Contents of Witness Statements** - A witness statement or summary of the anticipated evidence that the witness is~~	~~**RULE 11: WITNESS LISTS AND STATEMENTS**~~ ~~**11.1 Provision of Witness List and Statements** Subject to Rule 12, a party to a proceeding shall serve:~~ ~~(a) a list of the witnesses the party intends to call at the hearing; and~~ ~~(b) in respect of each witness named on the list, either:~~ ~~(i) a witness statement signed by the witness;~~ ~~(ii) a transcript of a recorded statement made by the witness (other than a Respondent); or~~ ~~(iii) if no signed witness statement or transcript referred to in subsection (i) and (ii) is available, a summary of the evidence that the witness is expected to give at the hearing.~~ ~~The Organization shall comply with the requirements of Rule 11.1 (1), at least 10 days in a Standard Track proceeding and at least 45 days in a Complex Track proceeding, prior to the date of~~

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(3) A summary of expected evidence, witness statement or transcript served in accordance with subsection 8418(1) or 8418(2) must contain (i) the substance of the evidence of the witness, (ii) a reference to any *document* the witness will refer to, and (iii) the name, address and telephone number of the witness or of a person through whom the witness can be contacted. (4) A *party* who does not include a *person* in a witness list or disclose the *person's* expected evidence in accordance with subsections 8418(1) to 8418(3) may not call the *person* as a witness at the *hearing* without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just. (5) A witness may not testify to matters not disclosed in accordance with subsection 8418(3) without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	~~expected to give at the hearing must contain:~~ ~~(a) the substance of the evidence of the witness;~~ ~~(b) a reference to all documents, if any, that the witness will refer to; and~~ ~~(c) the name and address of the witness, or in the alternative, the name of a person through whom the witness can be contacted.~~ ~~(3) **Failure to Provide Witness List or Statement**~~ ~~If a party fails to include a witness in the witness list or provide a witness list or a witness statement or a summary of the anticipated evidence as required by subsection (1), the party may not call the witness at the hearing without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~ ~~(4) **Incomplete Witness Statement**~~ ~~A party may not call a witness to testify to matters not disclosed in the witness statement or summary of the anticipated evidence as required by subsection (2), without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~	~~the hearing.~~ ~~The Respondent shall comply with the requirements of Rule 11.1 (1), at least 7 days in a Standard Track proceeding and at least 40 days in a Complex Track proceeding, prior to the date of the hearing.~~ ~~**11.2 Contents of Witness Statements**~~ ~~A witness statement, transcript of a recorded statement or summary of anticipated evidence as required by Rule 11.1 (1) shall contain:~~ ~~(a) the substance of the anticipated evidence of the witness;~~ ~~(b) a reference to documents it is anticipated the witness will refer to; and~~ ~~(c) the name and address of the witness, or in the alternative, the name of a person through whom the witness can be contacted.~~ ~~**11.3 Failure to Provide Witness List or Statement**~~ ~~If a party fails to comply with Rule 11.1, the party may not call the witness at the hearing without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~ ~~**11.4 Incomplete Witness Statement**~~ ~~A party may not call a witness to testify to matters not disclosed pursuant to Rule 11.2 without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~
8419. Expert Witnesses (1) A *party* who intends to call an expert witness at a *hearing* must, at least forty-five days before the commencement of the *hearing*, serve a written report signed by the expert. (2) A *party* who intends to call an expert witness in response to an expert's report served pursuant to subsection 8419(1) must, at least twenty days before the commencement of the *hearing*,	~~**8.4 Expert Witness**~~ ~~(1) **Notice of Intent to Call Expert** - A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the intent to call the expert witness and the issue on which the expert will be giving evidence.~~	~~**RULE 12: EXPERT WITNESS**~~ ~~**12.1 Expert Report**~~ ~~A party that intends to call an expert witness shall serve a written expert report signed by the expert at least 60 days prior to the date of the hearing.~~ ~~**12.2 Expert Report in Response**~~ ~~A party who intends to call an expert witness to~~

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serve a written report signed by the expert. (3) A *party* who intends to call expert evidence to reply to a responding expert's report served pursuant to subsection 8419(2) must, at least ten days before the commencement of the *hearing*, serve a written report in reply signed by the expert. (4) An expert's report must contain (i) the name, address and qualifications of the expert, (ii) the substance of the expert's evidence, and (iii) a reference to any *document* the expert will refer to. (5) A *party* who does not comply with subsection 8419(1), 8419(2) or 8419(4) may not call the expert as a witness or introduce in evidence or refer to the expert's report or opinion at a *hearing,* without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just. (6) If the *party* who calls an expert witness has not complied with subsection 8419(3), the expert witness may not testify to matters for which an expert's report in reply was required, without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.	~~(2) **Provision of Expert's Report** - A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing:~~ ~~(a) the name, address and qualifications of the expert;~~ ~~(b) the substance of the anticipated evidence of the expert; and~~ ~~(c) a list of all the documents, if any, to which the expert will refer.~~ ~~(3) **Failure to Advise of Intent to Call Expert** A party that fails to comply with subsection (1) may not call the expert as a witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~ ~~(4) Failure to Provide Expert's Report - A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~	~~respond to the expert witness of another party shall serve a written expert report at least 20 days prior to the date of the hearing.~~ ~~**12.3 Contents of Expert Report**~~ ~~An expert report shall contain:~~ ~~(a) the name, address and qualifications of the expert; and~~ ~~(b) the substance of the opinion of the expert.~~ ~~**12.4 Failure to Provide Expert's Report**~~ ~~A party that fails to comply with Rules 12.1, 12.2 or 12.3 may not refer to or tender as evidence the expert's report without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~ ~~**12.5 Abridgement of Time in Standard Track Proceeding**~~ ~~In a Standard Track proceeding, a party may seek leave to abridge the time requirements as set out in Rules 12.1 and 12.2.~~
8420. Deemed Undertaking (1) In this section, "information" means evidence and information obtained from a *party* that is required to be disclosed or provided in the course of a proceeding by sections 8416, 8417, 8418 and 8419 prior to a *hearing* on the merits, including evidence and information disclosed or provided in a *prehearing conference*, and any information obtained from such evidence or information. (2) This section does not apply to *information* obtained otherwise	New	New

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than under section 8416, 8417, 8418 or 8419 or in a *prehearing conference*. (3) A *party* and its counsel or agent are deemed to undertake not to disclose or use *information* for any purposes other than those of the proceeding in which the *information* was obtained, without the consent of the *party* who disclosed or provided the *information* or *information* on the basis of which the *information* was obtained. (4) Subsection 8420(3) does not prohibit use of *information* that is (i) *filed* with the *National Hearing Coordinator*, (ii) given or referred to during a *hearing*, or (iii) obtained from *information* referred to in clauses 8420(4)(i) and 8420(4)(ii). (5) Notwithstanding subsection 8420(3), *information* may be used to impeach the testimony of a witness in another proceeding. (6) A *hearing panel* may permit the use of *information* that is subject to this section for purposes other than those of the proceeding in which it was disclosed or provided, if the *hearing panel* is satisfied that the public interest outweighs any prejudice that would result to the *party* who disclosed the *information* or the *person* from whom it was obtained by that *party*, subject to any terms and conditions the *hearing panel* considers just.		
8421. Order to Attend and Issue of Summons (1) At any stage of a proceeding, a *party* may request a *hearing panel* to exercise its authority under section 8208 (Enforcement Proceedings) to require a *person* to attend and give evidence or produce *documents* at a *hearing*. (2) If a *hearing panel* orders a *person* who is subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents*, the *National Hearing Coordinator* must serve a notice, in a prescribed form, by personal service in accordance with clause 8406(3)(i), 8406(3)(iv) or 8406(3)(v) (Service and Filing), requiring the attendance of the *person* to give evidence or produce documents, as ordered by the *hearing panel*.	New	New

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(3) If a *hearing panel* orders an employee, partner, director or officer of a *Regulated Person*, who is not an *Approved Person*, to attend at a *hearing*, the *National Hearing Coordinator* must serve a notice on the *person* in accordance with subsection 8421(2) and on the *Regulated Person* requiring the *Regulated Person* to direct the *person* to comply with the order. (4) If a *hearing panel* orders a person who is not subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents* in a *District* in which the *hearing panel* is authorized by law to do so, the *National Hearing Coordinator* must serve a summons or subpoena in accordance with the procedure prescribed by law for the issue of a summons or subpoena by a court, regulatory tribunal or analogous decision maker in the *District*.		
8422. Adjournments (1) A *party* who decides to request an adjournment of a *hearing* on the merits must immediately so advise the other *parties* and the *National Hearing Coordinator* in writing. (2) If the other *parties* consent to the request for an adjournment, the requesting *party* may serve and *file* a written request for the adjournment stating that it is made on consent, and a *hearing panel* may (i) refuse the request, (ii) reschedule the *hearing* without a *hearing* on the request, or (iii) require a *hearing* on the request. (3) If the *parties* do not consent to a request for an adjournment, the requesting *party* must bring a motion as soon as possible and the notice of motion must contain, (i) the reasons for the adjournment, (ii) the length of time requested for the adjournment, and (iii) if the motion is brought fewer than forty days before the date of the *hearing*, a request for an abridgement of the times specified in section 8413, if necessary. (4) If a motion requesting an adjournment cannot be heard at least	New	New

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twenty days before the date for the commencement of the *hearing* and the *parties* do not consent, the motion must be heard at the commencement of the *hearing* and the requesting *party* must be prepared to proceed if the motion is denied. (5) A *hearing panel* may grant or deny an adjournment on any terms and conditions it considers just. **8423. Conduct of Hearing on the Merits** (1) At a *hearing* on the merits a *respondent* is entitled to be represented by counsel or an agent and to make submissions. (2) At a *hearing* on the merits, other than a *written hearing*, a *respondent* is entitled (i) to attend and be heard in person, (ii) to call and examine witnesses and present documentary and other evidence, and (iii) to cross-examine witnesses as reasonably required for a full and fair disclosure of all matters relevant to the issues in the proceeding. (3) A *hearing* on the merits, other than a *written hearing*, must be conducted in the following order: (i) *Enforcement Staff* may make an opening address, which may be followed by an opening address by the *respondent*, (ii) *Enforcement Staff* must present its evidence and examine its witnesses, who may be cross-examined by the *respondent*, (iii) the *respondent* may make an opening address and must present its evidence and examine its witnesses, who may be cross-examined by other *parties*, (iv) *Enforcement Staff* may present evidence in reply to any evidence presented for the first time by the *respondent* and examine witnesses, who may be cross-examined by the *respondent*, (v) if the *hearing panel* requests or permits, the *parties* may serve and *file*, by dates ordered by the *hearing panel*, submissions in writing on the facts and legal argument with respect to the contraventions alleged in the notice of	~~**Part 9 – Conduct of Hearing**~~ ~~**9.1 Particular Practice and Procedure for Oral Hearing**~~ ~~(3) A person served with a Notice of Hearing is entitled at an oral hearing of the matter:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or an agent;~~ ~~(c) to call and examine witnesses and to present arguments and submissions; and~~ ~~(d) to conduct cross-examinations of witnesses at the hearing reasonably required for a full and fair disclosure of the facts in relation to which they have given evidence.~~ ~~**9.3 Particular Practice and Procedures for Electronic Hearing**~~ ~~The Hearing Panel may, in deciding that a hearing will be held electronically, impose conditions including specifying the party responsible for making the necessary arrangements for the electronic hearing and requiring that a party requesting an electronic hearing pay all or part of the cost of providing the facilities necessary for the conduct of the hearing electronically.~~ ~~**9.4 Failure to Reply, Attend or Participate**~~ ~~If a person served with a Notice of Hearing fails to:~~	~~**RULE 13: CONDUCT OF DISCIPLINARY HEARINGS**~~ ~~**13.1 Rights of Respondent**~~ ~~A Respondent is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or an agent, as set out in Rule 3;~~ ~~(c) to call and examine witnesses;~~ ~~(d) to conduct cross-examination of witnesses; and~~ ~~(e) to make submissions.~~ ~~**13.2 Order of Presentation**~~ ~~The order of presentation at a hearing shall be as follows:~~ ~~(a) the Organization may make an opening address and shall then call evidence;~~ ~~(b) at the conclusion of the Organization 's evidence, the Respondent may make an opening address and shall then call evidence;~~ ~~(c) at the conclusion of the Respondent's evidence, the Organization may call reply evidence;~~ ~~(d) subject to paragraph (c), upon the conclusion of the evidence, the Respondent shall make a closing address, followed by the closing address of the Organization; and~~ ~~(e) if the Respondent calls no evidence, the Organization shall make a closing address, followed by the closing address of the~~

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hearing, which submissions must not be made public prior to the commencement of the *hearing* of the submissions, and, if necessary, the *National Hearing Coordinator* must set a date for the *hearing* of such submissions, (vi) *Enforcement Staff* may make closing submissions, followed by the *respondent's* closing submissions and *Enforcement Staff's* reply to issues raised by the *respondent*, (vii) unless the *parties* agree otherwise, after the *hearing panel* makes its *decision* on the merits of the allegations in the notice of hearing, the *National Hearing Coordinator* must set a date for the presentation of additional evidence, if any, and the *hearing* of submissions on sanctions and costs, and (viii) the *hearing panel* may request or permit the *parties* to serve and *file* written submissions on sanctions and costs, which submissions must not be made public prior to the commencement of the sanctions *hearing*. (4) After cross-examination of a witness, the *party* who called the witness may further examine the witness with respect to matters raised for the first time in cross-examination. (5) Following examination and cross-examination of a witness, a *hearing panel* may ask questions of the witness, subject to the right of the *parties* to ask further questions with respect to matters raised by the *hearing panel*. (6) If two or more *respondents* are separately represented, the *hearing panel* may direct the order of presentation. (7) A *hearing panel* may control the scope and manner of questioning of a witness to protect the witness from undue harassment. (8) A *hearing panel* may order a witness to be excluded from a *hearing* until the witness is called to give evidence, unless the presence of the witness is necessary to instruct a *party's* counsel or agent, in which case the *hearing panel* may require the witness to be called to give evidence before other witnesses are called. (9) If a *hearing panel* orders the exclusion of a witness, evidence	~~(a) in the case of an oral hearing, serve a Reply in accordance with section 9.1 of this Policy;~~ ~~(b) in the case of a written hearing, serve a Response in accordance with section 9.2 of this Policy; or~~ ~~(c) attend or participate at the hearing specified in the Notice of Hearing,~~ ~~the Market Regulator may proceed with the hearing on the matter on the date and at the time and place set out in the Notice of Hearing without further notice to and in the absence of the person, and the Hearing Panel may, unless precluded by law, proceed on the facts alleged or the conclusions drawn by the Market Regulator in the Statement of Allegations and the Hearing Panel may impose any one or more of the penalties or remedies authorized by UMIR and assess expenses as authorized by UMIR.~~	~~Respondent.~~ ~~Where there are two or more Respondents separately represented, the order of presentation shall be as directed by the Hearing Panel.~~ ~~Where a Respondent is represented by counsel or an agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**13.3 Evidence by Witnesses**~~ ~~Subject to Rule 13.4, witnesses at a hearing shall provide oral testimony under oath or solemn affirmation.~~ ~~The Chair of the Hearing Panel shall exercise reasonable control over the scope and manner of questioning of a witness to protect the witness from undue harassment or embarrassment and may reasonably limit further examination or cross-examination of a witness where it is satisfied that the examination or cross-examination has been sufficient to disclose fully and fairly all matters relevant to the issues in the proceeding.~~ ~~**13.4 Evidence by Sworn Statement**~~ ~~The Hearing Panel may allow the evidence of a witness or proof of a particular fact or document to be given by sworn statement, unless an adverse party reasonably requires the attendance of the witness at the hearing for cross-examination.~~ ~~**13.5 Where Respondent Fails to Attend Disciplinary Hearing**~~ ~~Where a Respondent, having been served with a Notice of Hearing, fails to attend a disciplinary hearing, the Hearing Panel may proceed in the absence of the Respondent and may accept as proven the facts and violations alleged by the Organization in the Notice of Hearing.~~ ~~Upon making a finding of the violations as alleged~~

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given during the witness's absence from the *hearing* must not be communicated to the witness until the witness has completed giving evidence, except with leave of the *hearing panel*. (10) A *hearing panel* may permit a *party* to present the evidence of a witness or proof of a particular fact or *document* by affidavit, unless another *party* reasonably requires the attendance of the witness at the *hearing* for cross-examination. (11) If a *hearing panel* requests or permits the *parties* to make written submissions on sanctions and costs, unless the *hearing panel* orders otherwise, (i) the date set for the sanctions *hearing* must be at least thirty days after the date of the *decision* on the merits, (ii) *Enforcement Staff* must serve and *file* submissions at least fourteen days before the sanctions *hearing*, (iii) the *respondent* must serve and *file* submissions at least seven days before the sanctions *hearing*, and (iv) *Enforcement Staff* must serve and *file* any reply submissions at least three days before the sanctions *hearing*. (12) If a *respondent* who has been served with a notice of hearing does not attend the *hearing* on the merits, the *hearing panel* (i) may proceed with the *hearing* in the *respondent's* absence and may accept as proven the facts and contraventions alleged in the notice of hearing and statement of allegations, and (ii) if it finds that the *respondent* committed the alleged contraventions, may hear submissions on sanctions from *Enforcement Staff* immediately, without a further *hearing* on sanctions and costs, and may impose sanctions and costs pursuant to sections 8209 or 8210 (Enforcement Proceedings), as it considers appropriate.		~~in the Notice of Hearing, the Hearing Panel may immediately hear submissions of the Organization regarding an appropriate penalty and may impose such penalty, as it deems appropriate, pursuant to Dealer Member Rule 20.33 and 20.34.~~
8424. Written Hearings (1) If a *hearing* is a *written hearing*, the *party* who serves a *commencing notice* must, with the motion or other record required by the *Rules of Practice* or within a time directed by a *hearing panel*, serve and *file* the *party's* written submissions	~~**9.2 Particular Practice and Procedure for Written Hearing**~~ ~~(1) **Submissions and Supporting Documents** The applicant shall, within 7 days after receiving notice of the written~~	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
containing, as applicable, (i) a statement of agreed facts, (ii) the *party*'s factual and legal submissions, and (iii) any material ordered by the *hearing panel*. (2) A *respondent* or *responding party* may respond, within the time provided in subsection 8413(7) of the *Rules of Practice* or in a *decision* of a *hearing panel*, by serving and *filing* a responding motion record, if applicable, and the *party's* factual and legal submissions. (3) A *party* may reply to a response served pursuant to subsection 8424(2), within the time provided in subsection 8413(9) of the *Rules of Practice* or in a *decision* of a *hearing panel,* by serving and *filing* a reply record, if applicable, and the *party*'s factual and legal submissions. (4) A *hearing panel* may (i) require a *party* to serve and *file* additional information, (ii) on request of a *party*, order that a *party* present a witness to be examined or cross-examined on any terms and conditions the *hearing panel* directs, and (iii) after considering the record, order that the *hearing* be continued as an *oral hearing* or *electronic hearing*.	~~hearing, file and serve on all other parties its written submissions setting out,~~ ~~(a) the grounds upon which the request for the remedy or order is made;~~ ~~(b) a statement of the facts relied on in support of the remedy or order requested;~~ ~~(c) the evidence relied on in support of the remedy or order requested; and~~ ~~(d) any law relied on in support of the remedy or order requested.~~ ~~(2) **Additional Information** - The Hearing Panel may require the applicant to provide further information, and this information must be supplied to every other party.~~ ~~(3) **Response** - A party may respond to the submissions of the applicant by filing and serving on every other party a written response within 5 days after the submissions and supporting documents of the applicant are served on the party which response shall set out the submissions of the responding party relating to the matter before the Hearing Panel and be accompanied by a statement of the facts and any evidence and any law relied on in support of the response.~~ ~~(4) **Reply to Response** - The applicant may reply to a response by filing and serving on every other party a written reply within 5 days after a response from a party is served on the applicant which reply to the response must set out the position of the applicant to the response and be accompanied by any additional facts, evidence and law that the applicant relies on in support of the reply.~~ ~~(5) **Questions and Answers** - If a written~~	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	~~hearing involves evidentiary issues, the Hearing Panel may direct that,~~ ~~(a) the applicant and any responding party may ask such questions of the other as are reasonably necessary for the purpose of clarification of the other's evidence by filing and serving on every other party written questions within such time as is directed by the Hearing Panel; and~~ ~~(b) the party to whom the questions are directed shall file and serve on every other party written answers to such questions within such time as is directed by the Hearing Panel.~~ ~~(6) **Evidence** - The evidence must:~~ ~~(a) be in writing, or when electronic transmission is permitted, it must be in the form directed by the Hearing Panel;~~ ~~(b) identify the person giving the evidence and be in certified form or in affidavit form; and~~ ~~(c) include all documents and things a party is relying on to support the remedy or order requested or the response or to otherwise support the position a party is taking in the hearing.~~ ~~(7) **No Oral Examination** - Unless ordered by the Hearing Panel, there will be no oral examination.~~ ~~(8) **Presentation of Witness** - If a party requests, the Hearing Panel may order that a party present a witness to be examined or cross-examined upon such conditions as the Hearing Panel directs.~~	
8425. Temporary Orders	New, except see UMIR 10.5 where interim order of Market Regulator is issued re Restricting Access, this is subject to	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(1) Where a proceeding pursuant to section 8211 (Temporary Orders) is commenced, *Enforcement Staff* must *file* a notice of application and application record at least five days prior to the date of the *hearing* or a shorter period permitted by a *hearing panel*. (2) An application under subsection 8425(1) may be made with or without notice to the *respondent*. (3) A notice of application must contain: (i) the date, time and location of the *hearing*, (ii) whether notice has been given to the *respondent*, (iii) a statement of the purpose of the proceeding, (iv) the sanctions requested by *Enforcement Staff*, (v) the grounds for the application, including a reference to any *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (vi) a statement of the facts alleged that support the alleged contraventions and the need for a temporary order, (vii) a list of documentary and other evidence relied on, (viii) whether it is proposed that the application be heard as an *oral hearing*, *electronic hearing* or *written hearing*, and (ix) any other information that *Enforcement Staff* considers advisable. (4) An application record must contain (i) the notice of application, and (ii) copies of the evidence, including affidavit and other materials relied on. (5) If an application under subsection 8425(1) is made with notice, *Enforcement Staff* must serve the *respondent* with the application record before it is *filed* and the *respondent* may serve and *file* a responding record at least two days prior to the date of the *hearing*. (6) A responding record must contain (i) the order requested by the *respondent*, including a statement of the reasons for the order requested, and	procedure under UMIR 10.5.	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(ii) copies of any additional evidence, including affidavits and other materials relied on. (7) A *party* to an application under subsection 8425(1) may serve, if notice is given, and *file* a memorandum of fact and law prior to the *hearing* of the application. (8) A *hearing panel* may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the *hearing* on any matter in issue and allow cross-examination on an affidavit. (9) A *hearing panel* may (i) grant the temporary order requested, (ii) dismiss or adjourn the application in whole or in part, with or without terms, and (iii) make another *decision* it considers appropriate. (10) If an application under subsection 8425(1) is made on notice, the *decision* and reasons of the *hearing panel* constitute the notice required by subsection 8211(3) (Enforcement Proceedings). (11) If an application under subsection 8425(1) is made without notice, a notice of a temporary order pursuant to subsection 8211(3) (Enforcement Proceedings) must contain: (i) a statement that a temporary order has been made with respect to the *respondent*, describing the terms of the temporary order, (ii) the grounds on which the temporary order was requested and a reference to the notice of application containing them, and (iii) a summary of subsection 8211(2) (Enforcement Proceedings) and the date, time and location of the *hearing* required by subsection 8211(2). (12) A notice of a temporary order under subsection 8425(11) must be accompanied by: (i) a copy of the *decision* or order and reasons of the *hearing panel*, (ii) a copy of the notice of application and application record		

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
filed by *Enforcement Staff*, (iii) a summary of any oral evidence received by the *hearing panel* or a transcript of the *hearing*, (iv) copies of any documentary or other evidence received by the *hearing panel* that is not contained in the application record, and (v) any written submissions presented to the *hearing panel*. (13) A *hearing* to extend a temporary order must follow the procedure in section 8413 for a motion.		
8426. Protective Orders (1) Where a proceeding pursuant to section 8212 (Protective Orders) is commenced, *Enforcement Staff* must serve the *respondent* with, and *file,* a notice of application and application record at least five days prior to the date of the *hearing* or a shorter period permitted by a *hearing panel*. (2) A notice of application must contain: (i) the date, time and location of the *hearing,* (ii) a statement of the purpose of the proceeding, (iii) the order requested by *Enforcement Staff*, (iv) the grounds for the application, including a reference to any *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened, (v) a statement of the facts alleged that support the alleged contraventions, the need for a protective order and the order sought, (vi) a list of documentary and other evidence relied on, (vii) whether it is proposed that the application be heard as an *oral hearing*, *electronic hearing* or *written hearing*, and (viii) any other information that *Enforcement Staff* considers advisable. (3) An application record must contain (i) the notice of application, and (ii) copies of the evidence, including affidavits and other materials relied on.	New	~~**RULE 16: EXPEDITED AGREEMENTS**~~ ~~**16.1 Notice of Application**~~ ~~An expedited proceeding pursuant to Dealer Member Rule 20.41, shall be commenced by Notice of Application.~~ ~~**16.2 Contents of Notice of Application**~~ ~~A Notice of Application shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought including reference to any Dealer Member Rules, and statutory provisions; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**16.3 Expedited Hearing Date**~~ ~~Prior to the issuance of the Notice of Application, the Corporation shall obtain from the National Hearing Coordinator a date, time and location for the expedited hearing.~~ ~~**16.4 Evidence Relied Upon**~~ ~~Evidence relied upon for the application may be provided by sworn statement.~~ ~~The Hearing Panel may require the deponent of the sworn statement to attend and provide oral evidence at the hearing.~~ ~~**16.5 Service Not Required**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(4) *Enforcement Staff* must serve the application record before it is *filed* and a *respondent* may serve and *file* a responding record. (5) A responding record must contain (i) the order requested by the *respondent*, including a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (6) A *party* to an application under subsection 8426(1) may serve and *file* a memorandum of fact and law prior to the *hearing* of the application. (7) A *hearing panel* may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the *hearing* on any matter in issue and allow cross-examination on an affidavit. (8) A *hearing panel* may (i) grant the order requested, (ii) dismiss or adjourn the application in whole or in part, with or without terms, and (iii) make any other *decision* authorized by subsection 8212(4) (Protective Orders) that it considers appropriate.		~~The Notice of Application is not required to be served on the Respondent.~~ ~~**16.6 Application Record**~~ ~~(1) An Application Record shall contain:~~ ~~(a) the Notice of Application; and~~ ~~(b) copies of the evidence to be relied upon, and shall be filed as soon as practicable.~~ ~~**16.7 Order**~~ ~~Where the Hearing Panel makes an order at the conclusion of an expedited hearing, the Corporation shall forthwith:~~ ~~(a) file a copy of the order and reasons; and~~ ~~(b) serve a copy of the order and reasons of the Hearing Panel and Application Record.~~ ~~At the time of serving the order, the Corporation shall advise the Respondent in writing of the right to request a review pursuant to Dealer Member Rule 20.47.~~
8427. Review of Protective Orders (1) A *party* who requests a review of a *decision* made under section 8212 (Protective Orders) must serve and *file*, within thirty days of the date of the *decision*, a notice of request for review and a review record. (2) A notice of request for review must contain (i) the date, time and location of the *hearing* of the request for review, (ii) the relief sought, (iii) the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*, (iv) a list of evidence and other materials relied on, and (v) whether it is proposed that the request for review be heard as an *oral hearing*, *electronic hearing* or *written hearing*.	New	~~**RULE 18: EXPEDITED REVIEW HEARINGS**~~ ~~**18.1 Notice of Request for Review**~~ ~~A request for a review of an expedited hearing pursuant to Dealer Member Rule 20.47 shall be commenced by a Notice of Request for Review.~~ ~~The Requesting Party shall serve and file a Notice of Request for Review within 30 days from the effective date of service of the order made at the hearing.~~ ~~**18.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought, including reference to any Corporation~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(3) A review record must contain (i) the notice of request for review, and (ii) copies of any additional evidence, including affidavits and other materials relied on. (4) *Enforcement Staff* must *file*, at least seven days prior to the date of the review *hearing*, a record that contains the record of the *hearing* under section 8212 (Protective Orders), the *decision* and reasons of the *hearing panel*, a transcript of the *hearing* and copies of any documentary or other evidence received by the *hearing panel* not otherwise contained in the record. (5) A *responding party* may serve and *file* a reply no later than seven days prior to the date of the review *hearing*. (6) A reply must contain (i) the order requested by the *responding party* and a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other material relied on. (7) The *parties* may serve and *file* a memorandum of fact and law no later than two days prior to the date of the review *hearing*. (8) A review *hearing* must be conducted in the following order: (i) the *requesting party* may present evidence, (ii) the *responding party* may present evidence, (iii) the *requesting party* may make submissions, (iv) the *responding party* may make submissions, and (v) the *requesting party* may reply to the submissions of the *responding party*. (9) A *hearing panel* may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review *hearing* on any matter in issue and allow cross-examination on an affidavit. (10) At any time prior to a review *hearing*, a *requesting party* may bring a motion for a stay of an order made under subsection 8212(4) (Protective Orders).		~~Dealer Member Rule; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**18.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall be within 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.47(2).~~ ~~**18.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~The Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the Notice of Application filed in respect of the expedited hearing;~~ ~~(c) the order and reasons made at the expedited hearing; and~~ ~~(d) copies of the evidence to be relied upon.~~ ~~**18.5 Reply**~~ ~~The Corporation may serve and file a Reply at least 2 days prior to the date of the review hearing.~~ ~~The Reply shall be restricted to statements and documents responding to new issues raised by the Respondent in the Review Hearing Record.~~ ~~**RULE 19: CONDUCT OF EXPEDITED REVIEW HEARING**~~ ~~**19.1 Rights of Parties**~~ ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~

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		~~(d) to make submissions relevant to the issues in the review hearing.~~ ~~**19.2 Order of Presentation**~~ ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence and make submissions;~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~ ~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent~~.
8428. Settlement Hearings (1) If a *settlement agreement* is made after a notice of hearing has been issued, a *settlement hearing* must be commenced by a notice of motion. (2) If a *settlement agreement* is made before a notice of hearing is issued, a *settlement hearing* must be commenced by a notice of application. (3) *Enforcement Staff* must serve the *respondent* with, and *file*, a *commencing notice* for a *settlement hearing* and must *file* copies of the *settlement agreement* at least seven days prior to the date of the *settlement hearing*, unless the *hearing* on the merits has commenced and the *hearing panel* orders otherwise. (4) A *commencing notice* for a *settlement hearing* must contain: (i) the date, time and location of the *settlement hearing*, (ii) the identity of the *respondent*, (iii) a statement of the purpose of the *hearing*, (iv) the general nature of the allegations addressed by the *settlement agreement*, and (v) whether it is proposed that the *settlement hearing* be an *oral hearing*, *electronic hearing* or *written hearing*. (5) A *settlement agreement* must not be open for inspection by the	~~**Part 3 - Offers of Settlement and Settlement Agreements**~~ ~~**3.1 Provision of Offer of Settlement**~~ ~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~ ~~**3.2 Contents of Offer of Settlement**~~ ~~An Offer of Settlement must:~~ ~~(a) be in writing;~~ ~~(b) be signed by the President of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~ ~~(c) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~	~~**RULE 15: SETTLEMENT HEARINGS**~~ ~~**15.1 Settlement Hearing Date**~~ ~~Upon the entering into of a Settlement Agreement, the Corporation shall request a date for the settlement hearing from the National Hearing Coordinator~~. ~~The National Hearing Coordinator shall give written notice of the settlement hearing date to all parties.~~ ~~**15.2 Settlement Hearing Materials**~~ ~~The Corporation shall serve and file a copy of the Settlement Agreement and any supporting materials as soon as practicable and in any case not later than 2 days prior to the date of the settlement hearing.~~ ~~**15.3 Facts not to be Disclosed**~~ ~~Unless the parties consent, facts not contained in the Settlement Agreement cannot be referred to or disclosed to the Hearing Panel.~~ ~~If a Respondent is not present at the settlement hearing, the Corporation may disclose additional~~

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public unless it has been accepted by a *hearing panel*. (6) At a *settlement hearing*, facts that are not contained in the *settlement agreement* must not be disclosed to the *hearing panel* without the consent of all *parties*, unless the *respondent* does not appear, in which case *Enforcement Staff* may disclose additional relevant facts, if requested by the *hearing panel*.	~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~ ~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~ ~~(f) contain a statement that if the Offer of Settlement is accepted by the person on whom it is served:~~ ~~(i) the resulting Settlement Agreement is conditional upon the approval of the Hearing Panel, and (ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~	~~relevant facts, at the request of the Hearing Panel.~~
8429. Monitor (1) A request for directions by *Enforcement staff* or a *monitor* must be made by bringing a motion in accordance with section 8413 of the *Rules of Practice*.	Not applicable to UMIR.	~~**RULE 17: APPOINTMENT OF MONITOR**~~ ~~**17.1 Notice of Application**~~ ~~An application for the appointment of a Monitor pursuant to Dealer Member 20.46 shall be commenced by a Notice of Application.~~ ~~**17.2 Application Procedure**~~ ~~An application for the appointment of a Monitor shall follow the procedure set out in Rule 16.~~ ~~**17.3 Factors to Consider in Appointment of Monitor**~~ ~~In exercising its discretion under Dealer Member Rule 20.46 to appoint a Monitor, a Hearing Panel shall consider:~~ ~~(a) the harm or potential harm to the investing public;~~ ~~(b) the financial solvency of the Member;~~ ~~(c) the adequacy of internal controls and~~

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		~~operating procedures;~~ ~~(d) the Member's ability to maintain regulatory capital requirements;~~ ~~(e) any previous suspension of the Member for failing to meet regulatory capital requirements;~~ ~~(f) the costs to the Member associated with the appointment of the Monitor; and~~ ~~(g) any other relevant factors.~~ **~~17.4 Eligible Monitors and Costs~~** ~~In exercising its discretion under Dealer Member Rule 20.46, a Hearing Panel shall:~~ ~~(a) appoint a Monitor on such terms as it considers appropriate;~~ ~~(b) appoint a Monitor from the roster of eligible Monitors set out in Schedule "B"; and~~ ~~(c) fix the costs of the appointment of the Monitor in accordance with the fee schedule set out in Tariff "A".~~
REVIEW PROCEEDINGS **8430. Regulatory Review Hearings** (1) A *party* who requests a review of a *regulatory decision* must serve and *file*, within the time specified in the *Corporation requirement* relating to the *regulatory decision* and (i) in the case of a decision made under section 9204, 9206 or 9207 (Approvals and Regulatory Supervision), at least fourteen days, and (ii) in the case of a decision under Dealer Member Rule 30 (early warning review), no more than the number of days specified in Dealer Member Rule 30, prior to the date of the *hearing*, a notice of request for review and a review record. (2) A notice of request for review must contain (i) the date, time and location of the *hearing* of the request for	Not applicable to UMIR.	**~~RULE 22: APPROVALS - INDIVIDUALS~~** **~~22.1 Request for Review~~** ~~A request for review pursuant to Dealer Member Rule 20.19 shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 10 days after release of the approval decision, as required by Dealer Member Rule 20.19(1).~~ **~~22.2 Contents of Notice of Request for Review~~** ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
review, (ii) the relief sought, (iii) the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*, (iv) a list of evidence and other materials relied on, and (v) whether it is proposed that the request for review be heard as an *oral hearing*, *electronic hearing* or *written hearing*. (3) A review record must contain (i) the notice of request for review, (ii) any notice of the *regulatory decision* received by the *requesting party*, (iii) the *regulatory decision* and any reasons for the *regulatory decision*, (iv) any materials that accompanied the notice of the *regulatory decision* or the *regulatory decision* received by the *requesting party*, (v) copies of any additional evidence, including affidavits and other materials relied on. (4) A *responding party* may serve and *file* a reply at least seven days prior to the date of the review *hearing*. (5) A reply must contain (i) the order requested by the *responding party* and a statement of the reasons for the order requested, and (ii) copies of any additional evidence, including affidavits and other material relied on. (6) The *parties* may serve and *file* a memorandum of fact and law no later than two days prior to the date of the review *hearing*. (7) A review *hearing* must be conducted in the following order: (i) the *requesting party* may present evidence, (ii) the *responding party* may present evidence, (iii) the *requesting party* may make submissions, (iv) the *responding party* may make submissions, and (v) the *requesting party* may reply to the submissions of the *responding party*.		~~(c) list the evidence to be relied upon.~~ ~~**22.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~ ~~**22.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**22.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.~~ ~~**22.6 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**22.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing.~~ ~~**RULE 23: APPROVALS - MEMBERS**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(8) A *hearing panel* may at at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review *hearing* on any matter in issue and allow cross-examination on an affidavit. (9) A member of a *District Council* whose *decision* is the subject of a request for review may not be a member of the *hearing panel* on the review *hearing*.		~~**23.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.22 shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 30 days after release of the approval decision, as required by Dealer Member Rule 20.22(2).~~ ~~**23.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**23.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 90 days after the filing of the Notice of Request for Review.~~ ~~**23.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record not less than 30 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**23.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 14 days prior to the date of the review hearing.~~ ~~**23.6 Contents of Reply**~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**23.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 7 days prior to the date of the review hearing.~~ ~~**RULE 24: EXEMPTION REVIEW HEARINGS**~~ ~~**24.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.26 shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 10 days after release of the decision, as required by Dealer Member Rule 20.26(1).~~ ~~**24.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**24.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~ ~~**24.4 Review Record**~~ ~~The Requesting Party shall serve and file a Review~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the decision under review; and~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**24.5 Reply**~~ ~~The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.~~ ~~**24.6 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not to be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**24.7 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing.~~ ~~**RULE 25: CONDUCT OF APPROVAL AND EXEMPTION REQUEST REVIEW HEARINGS**~~ ~~**25.1 Application**~~ ~~This Rule shall apply to all review hearings referred in Rules 22 to 24 in this Part D.~~ ~~**25.2 Rights of Parties**~~ ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~ ~~(d) to make submissions relevant to the issues in~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~the review hearing.~~ ~~**25.3 Order of Presentation**~~ ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence and make submissions;~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~ ~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**25.4 Form of Evidence**~~ ~~Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination.~~ ~~**26.1 Request for Review**~~ ~~A request for review pursuant to Dealer Member Rule 20.29(1) shall be commenced by a Notice of Request for Review.~~ ~~A Notice of Request for Review shall be served and filed within 3 days after the Member was served with the early warning order, as required by Dealer Member Rule 20.29(1).~~ ~~**26.2 Contents of Notice of Request for Review**~~ ~~A Notice of Request for Review shall:~~ ~~(a) state the specific relief sought;~~ ~~(b) state the grounds for the relief sought; and~~ ~~(c) list the evidence to be relied upon.~~ ~~**26.3 Review Hearing Date**~~ ~~Notice of the date, time and location of the review hearing will be provided to the parties by the~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~National Hearing Coordinator.~~ ~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.29(2).~~ ~~**RULE 27: SUPPORTING MATERIALS**~~ ~~**27.1 Review Record**~~ ~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~ ~~A Review Record shall contain:~~ ~~(a) the Notice of Request for Review;~~ ~~(b) the early warning order;~~ ~~(c) copies of the evidence to be relied upon.~~ ~~**27.2 Reply**~~ ~~The Responding Party may serve and file a Reply, at least 5 days prior to the date of the review hearing.~~ ~~**27.3 Contents of Reply**~~ ~~A Reply shall:~~ ~~(a) state the grounds upon which the relief ought not be granted; and~~ ~~(b) list the evidence to be relied upon.~~ ~~**27.4 Reply Record**~~ ~~A Reply Record shall contain copies of any evidence the Corporation intends to rely upon.~~ ~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing~~.
SECURITIES REGULATORY AUTHORITY REVIEW **8431. Record for Review** (1) A *party* who applies to a *securities regulatory authority* for review of a final *decision* of a *hearing panel* may obtain a copy of the	New	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
record of the proceeding in which the *decision* was made by sending a request for the record, in prescribed form, to the *National Hearing Coordinator*. (2) The *National Hearing Coordinator* must provide a copy of the record of the proceeding to the *party* within a reasonable time after receipt of a request under subsection 8431(1), subject to payment of any applicable costs or fees. (3) Subject to subsection 8431(4), the record of a proceeding must include copies of: (i) the *commencing notice* in the proceeding, (ii) any interim orders made in the proceeding, (iii) any preconference memorandums, (iv) documentary and other evidence adduced in the proceeding, subject to any limitations imposed under *Corporation requirements* by a *hearing panel* or by *law*, (v) any other *documents* in the proceeding requested by a *party*, (vi) a transcript of oral evidence given at the *hearing* on the merits, and (vii) the *decision* and reasons of the *hearing panel*. (4) The *National Hearing Coordinator* may omit any *documents* from the record of a proceeding, if (i) the *parties* consent and the *hearing panel* agrees, or (ii) the *hearing panel* so directs. (5) The *National Hearing Coordinator* may require the *party* who requests the record of a proceeding to pay the costs of preparing a copy of the record and a reasonable fee for its preparation.		
Rule 9100 **Compliance Examinations**		
9101. Introduction (1) This Rule sets out the powers of the *Corporation* to initiate and conduct compliance examinations and request information and the rights and obligations of *Regulated Persons* with respect to such examinations.	New	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9102. Examinations (1) An examination under this Rule includes a request for information made by *Corporation* staff.	New	New
9103. Conducting Examinations (1) *Corporation* staff may examine the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements*, *applicable laws*, or trading or advising in respect of securities, commodities contracts or derivatives. (2) *Corporation* staff may initiate an examination where they consider it advisable to do so.	See UMIR 10.2 above; to be repealed.	See Dealer Member Rule 19.1 and 19.2 above; to be repealed.
9104. Examination Powers (1) In connection with an examination, *Corporation* staff may, by written or electronic request, require a *Regulated Person* or an *employee,* partner, *Director*, officer or *investor* of a *Dealer Member* to: (i) provide a written report with respect to any matter; (ii) produce for inspection any *records* and documents in the *person's* possession or control that *Corporation* staff believe may be relevant to the examination, whether written, electronically stored, or recorded; (iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Corporation* staff requests; and (iv) answer questions with respect to any matter. (2) In a request made under subsection 9104(1), *Corporation* staff may require production of original documents and must provide a receipt for any original documents received. (3) In connection with an examination, *Corporation* staff (i) may, with or without prior notice, enter the business premises of any *Regulated Person* during business hours; (ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer	See UMIR 10.12 above; to be repealed.	See Dealer Member Rule 19.5 and 19.6 above; to be repealed.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
hard drives of the *Regulated Person*, that are not subject to legal privilege; and (iii) may remove the original of any document or *record* obtained under clause 9104(3)(ii), and where an original document or *record* is removed from the premises, *Corporation* staff must provide a receipt for the removed document or *record*.		
9105. Obligations of Regulated Persons and Other Persons (1) A *person* who receives a request made under section 9104 must comply with the request within the time specified in it. (2) A *Regulated Person* must cooperate with *Corporation* staff who are conducting an examination, and a *Regulated Person* must require its employees, partners, directors and officers to cooperate with *Corporation* staff conducting an examination and to comply with a request made under section 9104. (3) A *person* who is aware that *Corporation* staff is conducting an examination must not conceal or destroy any *record*, document or thing that contains information that may be relevant to the examination or ask or encourage any other *person* to do so.	**UMIR PART 10 – COMPLIANCE** **10.1 Compliance Requirement** (1) Each Participant and Access Person shall comply with applicable Requirements. (2) For the purposes of subsection (1), a Participant or Access Person shall, with respect to a particular order, comply with the Marketplace Rules of: (a) the marketplace on which the particular order is entered; and (b) the marketplace on which the particular order is executed. (3) Each marketplace shall comply with the applicable Requirements, the Market Operation Instrument and any other applicable securities regulatory requirements. (4) The Market Regulator shall promptly report to the applicable securities regulatory authorities, if the Market Regulator believes that a marketplace has failed to comply with the requirements of subsection (3) or has otherwise engaged in misconduct or apparent misconduct. (5) A Regulated Person shall not do any act that the Regulated Person knows or could have known after the exercise of reasonable diligence would impede or obstruct the ability ~~of:~~	See Dealer Member Rule 19.5, 19.1, and 19.6 above.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	~~(a) the Market Regulator to conduct an investigation pursuant to Rule 10.2;~~ ~~(b) the Market Regulator to conduct a hearing to make a determination pursuant to Rule 10.6; or~~ ~~(c) a~~ofa Market Integrity Official to exercise a power under Rule 10.9. (6) Without limiting the generality of subsection (5), a Regulated Person shall be considered to have impeded or obstructed the ability of ~~the Market Regulator to conduct an investigation or a hearing or~~ a Market Integrity Official to exercise a power if the Regulated Person: (a) destroys or renders inaccessible any document in the possession or control of the Regulated Person, whether or not the document is of the form or type that must be retained in accordance with Rule 10.12, that is relevant ~~to the investigation or hearing or~~ to the exercise of power; (b) provides any information, document, record or statement to the Market ~~Regulator~~ Integrity Official ~~in connection with the investigation or hearing or to a Market Integrity Official~~ in connection with the exercise of a power that is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading; or (c) persuades or attempts to persuade any person by whatever means to: (i) destroy or render inaccessible any document in the possession or control of that other person relevant ~~to the investigation or hearing or~~ to	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	the exercise of power, or (ii) provide any information, document, record or statement to the ~~Market Regulator in connection with the investigation or hearing or to a~~ Market Integrity Official in connection with the exercise of a power that would be misleading or untrue or would not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading. (7) Without limiting the availability of other defences, a Regulated Person shall not be considered to have breached subsection (5) or (6) if the Regulated Person did not know or could not have known after the exercise of reasonable diligence that: (a) the document was relevant to ~~the investigation or hearing or~~ the exercise of a power; or (b) the information, document, record or statement was or would be misleading or untrue or that it omitted to state a fact that was required to be stated or that was necessary to make the information, document, record or statement not misleading in light of the circumstance in which it was made or would be made. **POLICY 10.1 – COMPLIANCE REQUIREMENT** **Part 1 – Monitoring for Compliance** Rule 10.1 requires each Participant and Access Person to comply with applicable Requirements. The term "Requirements" is defined as meaning: • UMIR; • the Policies;	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
	• the Trading Rules; • the Marketplace Rules; • any direction, order or decision of the Market Regulator or a Market Integrity Official; and • securities legislation, as amended, supplemented and in effect from time to time. The Market Regulator will monitor the activities of Regulated Persons for compliance with each aspect of the definition of Requirements and ~~the Market Regulator will~~ use the powers under Consolidated Rule ~~10.2~~8100 to conduct any enforcement investigation into possible non-compliance. If the Regulated Person has not complied with: • UMIR, the Policies or any direction, order or decision of the Market Regulator or a Market Integrity Official, the Market Regulator may undertake a disciplinary proceeding pursuant to ~~10.5~~Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access; • the Trading Rules or securities legislation, the Market Regulator may, pursuant to the exchange of information provided for under Rule 10.13, refer the matter to the applicable securities regulatory authority to be dealt with in accordance with applicable securities legislation; and • Marketplace Rules, the Market Regulator may undertake a disciplinary proceeding pursuant to Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access, if the marketplace has retained the Market Regulator to conduct disciplinary proceedings on behalf of the marketplace in accordance with an agreement with the Market Regulator contemplated by Part 7 of the Trading Rules, otherwise the Market Regulator may refer the matter to the marketplace to be dealt with in accordance with the Marketplaces Rules of that marketplace.	

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9106. Use of Information (1) *Corporation* staff may refer any information obtained from an examination to *Enforcement Staff*, other *Corporation* Staff, or a securities, commodities or derivatives regulatory authority. (2) *Corporation* staff may take any other appropriate action based on information obtained from an examination.	New	New
Rule 9200 **Approvals and Regulatory Supervision**		
9201. Introduction (1) This Rule sets out the authority of the *Corporation* to approve individuals employed by or otherwise acting on behalf of *Dealer Members*, to grant exemptions from the *Corporation's* proficiency and educational requirements, to grant exemptions from the *Corporation's* introducing/carrying broker requirements, to impose terms and conditions on approvals and membership, to suspend and revoke approvals, and rights of review available to *parties* to such decisions.	Not applicable	New
9202. Definitions (1) In this Rule, "application" means an application for approval or an exemption under this Rule, but does not include a request for a review of a decision on such an application under Rule 9300 (Regulatory Review Proceedings). "decision" means a determination made by a *District Council*, a *Registration Subcommittee*, *Registration Staff* or the *Corporation* under this Rule. "District Council panel" means a panel of three members of a *District Council* appointed by the *National Hearing Coordinator* to conduct a *hearing* under section 9209. "Registration Staff" means registration staff of the *Corporation*. "Registration Subcommittee" means a subcommittee of a *District Council* to whom authority has been delegated under subsection 9203(1).	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9203. Decisions of a District Council (1) A *District Council* may delegate its authority to make *decisions* under this Rule to a *Registration Subcommittee* of at least three *industry members* of the *District Council* or, except for its authority under section 9205 and subsection 9207(2), to *Registration Staff*. (2) Notice of a *decision* of a *District Council* must be given to an applicant or other *person* who is its subject. (3) A *District Council* must not (i) refuse an *application*, (ii) impose terms and conditions on an approval, or (iii) suspend or revoke an approval, unless the applicant or *Approved Person* has been given an opportunity to be heard. (4) Written reasons must be provided with notice of a *decision* that (i) refuses an *application*, (ii) imposes terms and conditions on an approval, or (iii) suspends or revokes an approval. (5) A *decision* is effective on the date on which notice of the *decision* is provided to the *parties*, unless (i) the *decision* provides otherwise, in which case the *decision* is effective on the date so provided; or (ii) unless the *decision* is stayed under subsection 9209(4) or by a *hearing panel*.	Not applicable	~~**Part 7 Individual and Membership Approvals**~~ ~~**APPROVAL APPLICATIONS**~~ ~~**20.18 Powers of District Council**~~ ~~(1) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council comprised of three industry members or to Corporation Staff, to:~~ ~~(a) approve an application for approval as a:~~ ~~(i) Supervisor under Rule 4,~~ ~~(ii) Director or Executive under Rule 7,~~ ~~(iii) Registered Representative or Investment Representative, under Rule 18,~~ ~~(iv) Ultimate Designated Person, Chief Financial Officer or Chief Compliance Officer under Rule 38, or~~ ~~(v) Trader under Rule 500.~~ ~~(2) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to:~~ ~~(a) approve an application for approval referred to in Rule 20.18(1)(a) subject to such terms and conditions as the District Council considers just and appropriate;~~ ~~(b) refuse an application for approval referred to in Rule 20.18(1)(a), if in its opinion:~~ ~~(i) the Applicant does not meet any requirements prescribed by the Rules or Rulings;~~ ~~(ii) the Rules and Rulings of the~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~Corporation will not be complied with by the Applicant;~~ ~~(iii) the Applicant is not qualified for approval by reason of integrity, solvency, training or experience; or~~ ~~(iv) such approval is otherwise not in the public interest.~~ ~~(3) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to impose such terms and conditions on the continued approval of an Approved Person as the District Council considers just and appropriate.~~ ~~(4) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council, pursuant to subsection (1), to revoke or suspend the approval of an individual at any time during the period of approval of the individual if it appears to the District Council,~~ ~~(i) that the individual is not suitable for approval by reason of integrity, solvency, training or experience or has failed to comply with the Rules or Rulings of the Corporation; or~~ ~~(ii) that the approval is otherwise not in the public interest.~~ ~~(5) The District Council shall not do any of the following without giving an individual an opportunity to be heard:~~ ~~(i) Refuse to approve the individual.~~ ~~(ii) Impose terms and conditions on the approval, either as a condition of approval or at any time during the~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~period in which the individual is approved.~~ ~~(iii) Suspend or revoke the approval of the individual under (4).~~ ~~**20.25 Powers of District Councils**~~ . . ~~(4) The Dealer Member shall be provided with notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.~~
9204. Individual Approval Applications (1) An *individual* may apply to a *District Council* for approval as a (i) *Supervisor* under Dealer Member Rule section 1300.2, (ii) *Director* or *Executive* under Dealer Member Rule section 7.2, (iii) *Registered Representative* or *Investment Representative* under Dealer Member Rule section 18.2, (iv) *Ultimate Designated Person*, *Chief Financial Officer*, or *Chief Compliance Officer* under Dealer Member Rule section 38.5, 38.6, or 38.7, respectively, or (v) *Trader* under Dealer Member Rule 500. (2) A *District Council* must approve an *application* under subsection 9204(1), unless in its opinion (i) the applicant (a) does not meet a *Corporation requirement*, (b) is likely not to comply with *Corporation requirements*, or (c) does not satisfy *securities legislation* relating to or is not suitable for approval on the basis of training, experience, solvency or integrity, or (ii) the approval is otherwise not in the public interest. (3) A *District Council* may approve an *application* under subsection	Not applicable	See Dealer Member Rule 20.18 above.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9204(1), subject to any terms and conditions it considers appropriate. **9205. Membership Approval Applications** (1) The *District Council* shall make a recommendation to the Board of Directors to: (i) approve an *application* for *Dealer Member* membership in the *Corporation* made pursuant to section 3.5 of General By-law No. 1, (ii) approve the *application* subject to such terms and conditions as may be considered just and appropriate, or (iii) refuse the *application* if, in its opinion, (a) the applicant does not comply with one or more of the *Corporation requirements*, (b) one or more *Corporation requirements* will not be complied with by the applicant, (c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or (d) such approval is not in the public interest. (2) Prior to consideration of an *application* for *Dealer Member* membership in the *Corporation* by the Board of Directors, the *applicant* shall be informed that it has an opportunity to be heard by the Board of Directors before the Board of Directors decides on the application and shall be given a copy of the *District Council*'s recommendation and informed in writing of the reasons for it. (3) The Board of Directors shall have the power to: (i) approve an *application* for *Dealer Member* membership in the *Corporation* made pursuant to section 3.5 of General By-law No. 1, (ii) approve the *application* subject to such terms and conditions as may be considered just and appropriate; or (iii) refuse the *application* if, in its opinion, (a) the applicant does not comply with one or more of the *Corporation requirements*,		~~**MEMBERSHIP APPLICATIONS**~~ ~~**20.20 Recommendation of District Council**~~ ~~(1) The District Council, or a Sub-Committee of the District Council comprised of three industry members established pursuant to Rule 11, shall make a recommendation to the Board of Directors to:~~ ~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~ ~~(b) approve the application subject to such terms and conditions as may be considered just and appropriate; or~~ ~~(c) refuse the Application if, in the opinion of the District Council or the Sub-committee of the District Council:~~ ~~(i) the Applicant does not meet any requirements prescribed by the Rules or Rulings;~~ ~~(ii) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~ ~~(iii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience; or~~ ~~(iv) such approval is otherwise not in the public interest.~~ ~~**20.21 Applicant opportunity to be heard by the Board of Directors**~~ ~~(1) Prior to the consideration of an application for Membership by the Board of Directors, the Applicant shall be:~~ ~~(a) provided with copies of the Corporation~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(b) one or more *Corporation requirements* will not be complied with by the applicant, (c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or (d) such approval is not in the public interest.		~~staff recommendation, the District Council recommendation and any other documents to be provided to the Board of Directors relating to the consideration of its Application; and~~ ~~(b) informed that it has an opportunity to be heard by the Board of Directors prior to the Board deciding on its Application.~~ ~~The Applicant must inform the Corporation within ten (10) business days of its receipt of these recommendations and other documents whether it wants to heard by the Board of Directors prior to the Board deciding on its Application.~~ ~~**20.22 Powers of the Board of Directors**~~ ~~(1) The Board of Directors shall have the power to:~~ ~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~ ~~(b) approve the application subject to such terms and conditions as may be considered just and appropriate;~~ ~~(c) refuse the application if, in its opinion:~~ ~~(i) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~ ~~(ii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience; or~~ ~~(iii) such approval is otherwise not in the public interest.~~**~~20.23 District Council Powers -- Exemption for Payment of Entrance Fee~~** ~~(1) Notwithstanding Rule 20.20 , Rule 20.21 and Rule 20.22, if an Applicant is exempted from~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~payment of the Entrance Fee and has met all Membership application conditions pursuant to Section 3.5 of General By-law No. 1, except any conditions the District Council has waived in the circumstances, the District Council may approve the application for Membership without referral to the Board of Directors for final decision.~~
9206. Exemption Applications (1) An *individual* or a *Dealer Member*, with respect to proficiency requirements applicable to its *Approved Persons*, may apply to a *District Council* for an exemption from the proficiency requirements under Dealer Member Rule 2900, Part I or an examination requirement under Dealer Member Rule 2900, Part II, or for an extension of or exemption from a continuing education requirement under Dealer Member Rule 2900, Part III. (2) A *Dealer Member* may apply to a *District Council* for an exemption from the introducing / carrying broker requirements under Dealer Member Rule 35. (3) On an application under subsection 9206(1) or 9206(2), the *District Council* may grant an exemption or extension in accordance with any standards in the relevant rule, subject to any terms and conditions it considers appropriate.	Not applicable	~~**Part 8 – Exemption Request Applications**~~. ~~**PROFICIENCY EXEMPTIONS**~~ ~~**20.24 Powers of District Councils**~~ ~~(1) Persons may apply for a proficiency exemption pursuant to Rule 2900.~~ ~~(2) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, shall have the power, to:~~ ~~(a) exempt any person or class of persons from proficiency requirements, pursuant to paragraph B of Rule 2900 - Part I Proficiency Requirements on such terms and conditions, if any, as it may determine;~~ ~~(b) exempt any person from writing or re-writing any required course or examination, pursuant to paragraph C of Rule 2900 - Part II Course and Examination Exemptions, on such terms and conditions, if any, as it may determine; or~~ ~~(c) exempt any person from the Continuing Education Program requirements, pursuant to Section A.3 of Rule 2900 – Part III The Continuing Education Program, on such terms and conditions,~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~if any, as it may determine.~~ ~~(3) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, may delegate the power to approve or refuse proficiency exemptions to Corporation Staff.~~ ~~**INTRODUCING CARRYING BROKER ARRANGEMENT EXEMPTIONS**~~ ~~**20.25 Powers of District Councils**~~ ~~(1) Dealer Members may apply for an exemption from the introducing carrying broker arrangement requirements pursuant to Rule 35.~~ ~~(2) The District Council, or a sub-committee of the District Council, established pursuant to Rule 11, shall have the power to:~~ ~~(a) exempt any Dealer Member from any of the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate; and~~ ~~(b) exempt any arrangements between a Dealer Member and a Dealer Member's foreign affiliate, pursuant to Rule 35.6, from the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate.~~ ~~(3) The Dealer Member shall comply with any rules applicable to introducing carrying broker arrangement exemption applications prescribed by the Corporation Practice and Procedure.~~ ~~(4) The Dealer Member shall be provided with~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.~~
9207. Continued Approval (1) A *District Council* may, in its discretion, impose terms and conditions on the continued approval of an *Approved Person* to ensure continuing compliance with *Corporation requirements*. (2) A *District Council* may suspend or revoke the approval of an *Approved Person*, if it appears to the *District Council* that (i) the *Approved Person* is not suitable for approval by reason of integrity, solvency, training or experience, (ii) the *Approved Person* has failed to comply with *Corporation requirements*, or (iii) the approval is otherwise not in the public interest.	Not applicable	See Dealer Member Rule 20.18 above.
9208. Terms and Conditions on Membership (1) The *Corporation* may impose terms and conditions on a *Dealer Member's* membership, where the *Corporation* considers it appropriate to ensure continuing compliance with *Corporation requirements*. (2) The *Corporation* must not impose terms and conditions on a membership, unless the *Dealer Member* has been given an opportunity to be heard. (3) Notice of a *decision* imposing terms and conditions under this Rule must be given to the *Dealer Member* and must be accompanied by written reasons for the *decision*.	Not applicable	New
9209. Review Hearings (1) Within 30 days after the release of a *decision* under section 9204, 9207 or 9208, an applicant, *Approved Person* or *Dealer Member*, respectively, may request a review of the *decision* by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings). (2) An applicant may, within 30 days after the release of a *decision* under section 9206, request a review of the *decision* by a *District Council panel*.	Not applicable	~~**20.19 Review Hearings**~~ ~~(1) Corporation Staff, the Applicant or an Approved Person may request a review of a decision under Rule 20.18 by a Hearing Panel within ten business days after release of the decision.~~ ~~(2) If a review is not requested within ten business days after release of the decision, the decision under Rule 20.18 becomes final.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
(3) *Registration Staff* may, within 30 days after the release of a *decision*, other than a *decision* made by *Registration Staff*, request a review (i) of a *decision* under section 9204 or 9207 by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings), or (ii) of a *decision* under section 9206 by a *District Council panel*. (4) A request for review of a *decision* under section 9206 by *Registration Staff* operates as a stay of the *decision*. (5) If a review of a *decision* under section 9206 is requested, the *National Hearing Coordinator* must, subject to subsection 9209(7), select three members from the *District Council* of the applicable *District* as members of the *District Council panel* to review the *decision*, and subsections 8408(7), (10) and (11) apply to the selection and conduct of a *District Council panel*, with modifications required by the context of this Rule. (6) A member of a *District Council* who has participated in a *decision* must not participate as a member of a *hearing panel* or *District Council panel* on a review of the *decision*. (7) On a review of a *decision* made under section 9206, a *District Council panel* may: (i) affirm the decision; (ii) quash the decision; (iii) vary or remove any terms and conditions imposed on the applicant; and (iv) make any decision that could have been made by the *District Council* under section 9206. (8) A *decision* of a *District Council panel* under subsection 9209(8) is a final decision for which no further review or appeal is provided under the Rules.		~~(3) No member of a District Council who has participated in a decision under Rule 20.18 shall participate on the Hearing Panel.~~ ~~(4) A review hearing held under this Part shall be held in accordance with the Corporation Practice and Procedure.~~ ~~(5) The Hearing Panel may:~~ ~~(a) affirm the decision;~~ ~~(b) quash the decision;~~ ~~(c) vary or remove any terms and conditions imposed on approval or continued approval;~~ ~~(d) limit the ability to re-apply for approval for such period of time as it determines just and appropriate; and~~ ~~(e) make any decision that could have been made by the District Council pursuant to Rule 20.18.~~ ~~(6) A decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~ ~~**EXEMPTION REVIEW HEARINGS**~~ ~~**20.26 Review Hearings**~~ ~~(1) The Applicant or Corporation Staff may apply for a review of the District Council decisions pursuant to Rule 20.24 or Rule 20.25 within ten business days after release of the decision.~~ ~~(2) If the Applicant does not request a review within the time period prescribed in subsection (1), the District Council decision to refuse the exemption request application or approve the exemption request application subject to terms and conditions, shall become final.~~ ~~(3) If Corporation Staff requests a review within~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~the time period prescribed in subsection (1), the request for review shall operate as a stay from the District Council decision.~~ ~~(4) A review of a District Council decision shall be heard by a District Council Panel comprised of three members of the District Council. No member of a District Council who participated in the District Council decision shall sit on the District Council Panel.~~ ~~(5) The District Council Panel may:~~ ~~(a) affirm the decision;~~ ~~(b) quash the decision;~~ ~~(c) vary or remove any terms and conditions imposed on an Applicant; and~~ ~~(d) make any decision that could have been made by the District Council or a sub-committee of the District Council pursuant to Rule 20.24 and Rule 20.25.~~ ~~(6) A decision of the District Council Panel is a decision for which no further review or appeal is provided in the Rules.~~ **~~RULE 28: CONDUCT OF EARLY WARNING REVIEW HEARINGS~~** **~~28.1 Rights of Parties~~** ~~A party is entitled at the hearing:~~ ~~(a) to attend and be heard in person;~~ ~~(b) to be represented by counsel or agent;~~ ~~(c) to introduce evidence; and~~ ~~(d) to make submissions relevant to the issues in the review hearing.~~ **~~28.2 Order of Presentation~~** ~~The order of presentation shall be as follows:~~ ~~(a) the Requesting Party shall present evidence~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
		~~and make submissions; and~~ ~~(b) the Responding Party shall then present evidence and make submissions;~~ ~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~ ~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~ ~~**28.3 Form of Evidence**~~ ~~Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination~~.
9210. Review by a Securities Regulatory Authority (1) A *party* may apply to the *securities regulatory authority* in the relevant *District* for a review of a final *decision* of a *District Council panel* under this Rule. (2) A *person* who is entitled to request a review by a *District Council panel* under section 9209 (Review Hearings) of a *decision* made under section 9206 (Exemption Applications) may not apply to a *securities regulatory authority* for review of that *decision*, unless the *person* has requested a review by a *District Council panel* and the *District Council panel* has made a final *decision*. (3) For purposes of subsection 9210(1), *Corporation* staff is directly affected by a *decision* in a proceeding in which *Corporation* staff is a *party*.	Not applicable	New
Rule 9300 **Regulatory Review Proceedings**		
9301. Introduction (1) This Rule sets out the authority of *hearing panels* to review a *decision* under Rule 9200 (Approvals and Regulatory Supervision) or an early warning level 2 prohibition under Dealer Member Rule 30.	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9302. Definitions (1) In this Rule: "application" means an application for approval under section 9204 (Approvals and Regulatory Supervision). "approval order" means an order made under section 9207 (Continued Approval). "compliance order" means an order made under section 9208 (Terms and Conditions on Membership). "decision" means a determination made by a *District Council, a person* to whom decision-making authority is delegated by a *District Council*, the *Corporation*, or a *hearing panel* that makes a *decision* in a *review proceeding* under this Rule. "early warning review order" means an order made under Dealer Member Rule 30.	Not applicable	New
9303. Hearings and Decisions (1) Section 8203 (Enforcement Proceedings) applies to a proceeding under this Rule, with modifications required by the context of this Rule. (2) A *decision* of a *hearing panel* is effective on the date the *decision* is dated by the *National Hearing Coordinator*, unless the *decision* provides otherwise, in which case the *decision* is effective on the date so provided.	Not applicable	New
9304. Review Proceedings (1) A request for review of a *decision* made on an *application,* an *approval order*, a *compliance order* or an *early warning review order* must be heard by a *hearing panel* in accordance with the *Rules of Practice*. (2) After a *hearing* under this section, a *hearing panel* may (i) affirm the *decision* under review, (ii) quash the *decision*, (iii) vary or remove any terms and conditions imposed by the *decision*, (iv) prohibit, as applicable, a further *application* for approval under section 9204 (Approvals and Regulatory Supervision)	Not applicable	See Dealer Member Rule 20.26, 20.19, and 20.48 above. ~~**20.29 Review of Early Warning Level 2 Prohibitions**~~ ~~(1) The Dealer Member may request a review of a Rule 20.28 order by a Hearing Panel within three business days after release of the decision.~~ ~~(2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after the request for review, unless otherwise agreed by the parties.~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
by the applicant for a period of time it considers appropriate, or (v) make any *decision* authorized by the Rule under which the *decision* was made. (3) A member of a *District Council* who participates in a *decision* on an *application* or in making an *approval order, compliance order* or *early warning review order* must not be a member of the *hearing panel* on a review of the *decision*.		~~(3) If a Dealer Member does not request a review within the time period prescribed in subsection (1), the Rule 20.28 order becomes effective and final.~~ ~~(4) A Hearing Panel may:~~ ~~(a) affirm the order;~~ ~~(b) quash the order; or~~ ~~(c) vary or remove any prohibitions imposed on the Dealer Member; and~~ ~~(d) make any decision that could have been made by the Corporation pursuant to Rule 20.28.~~ ~~(5) A decision of the Hearing Panel is a decision for which no further review or appeal is provides in the Rules.~~
9305. Review by a Securities Regulatory Authority (1) A *party* may apply to the *securities regulatory authority* in the relevant *District* for a review of a final *decision* of a *hearing panel* under this Rule. (2) A *person* who is entitled to request a review of a *decision* under section 9304 may not apply to a *securities regulatory authority* for review of the *decision*, unless the *person* has requested a review by a *hearing panel* and the *hearing panel* has made a final *decision*. (3) For purposes of subsection 9305(1), *Corporation* staff is directly affected by a *decision* in a proceeding in which *Corporation* staff is a *party*.	Not applicable	New
Rule 9400 **Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters**		
9401. Introduction (1) These Procedures apply where *Corporation requirements* require an opportunity to be heard before: (i) a *District Council* (including the *District Council*'s delegate	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
where authority has been delegated to a *Registration Subcommittee* or *Corporation* staff), (ii) a *senior officer* who has the authority to make a decision concerning an individual or a *Dealer Member*, or (iii) the Board of Directors concerning an *application* for *Dealer Member* membership in the *Corporation*. (2) These procedures will be followed where, under statutory authority that has been delegated to the *Corporation*, the *Corporation* makes a registration decision for which an opportunity to be heard is required under applicable *securities legislation*.		
9402. Definitions (1) In this Rule, "decision maker" means a *District Council* or *senior officer* with authority to make a decision in a hearing under Rule 9200 (Approvals and Regulatory Supervision). **"**District Council**"** is the applicable District Council that is authorized to act as decision maker for purposes of Rule 9200 (Approvals and Regulatory Supervision) and includes a *Registration Subcommittee* or *Registration Staff* to whom the *District Council* has delegated authority to make approval decisions. "senior officer" is a senior officer of the *Corporation* who has authority to make a decision to impose terms and conditions on a membership under section 9208 (Approvals and Regulatory Supervision). "Registration Staff" refers to registration employees of the *Corporation* or employees of the *Corporation* who conduct compliance examinations under Rule 9100 (Compliance Examinations). "Registration Subcommittee" means a subcommittee of a *District Council* to whom authority to make a recommendation under section 9205 has been delegated under subsection 9203(1).	Not applicable	New
PART A – OPPORTUNITIES TO BE HEARD BY A DISTRICT COUNCIL OR A SENIOR OFFICER		

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
9403. Opportunities to be heard by a District Council or a senior officer (1) The procedures in sections 9404 through 9410 apply where an applicant has requested an opportunity to be heard by a *District Council* or by a *senior officer*.	Not applicable	New
9404. Counsel (1) A party to a proceeding under this Rule may be represented by counsel or an agent. These Procedures are intended to ensure that opportunities to be heard by a *decision maker* or the Board of Directors are handled in a way that ensures a fair hearing, without being unnecessarily formal. If an applicant, *Approved Person* or *Dealer Member* is represented by counsel or an agent, *Registration Staff* will communicate with the applicant, *Approved Person* or *Dealer Member* through counsel or the agent.	Not applicable	New
9405. Staff's Notice (1) If *Registration Staff* recommends that a *District Council* refuse to grant, revoke, or suspend a *Corporation* approval or that terms and conditions be imposed on an approval or membership, *Registration Staff* must send a letter to the applicant, *Approved Person* or *Dealer Member* giving notice of *Registration Staff*'s recommendation and brief reasons for it.	Not applicable	New
9406. Response of Applicant, Approved Person or Dealer Member (1) If an applicant, *Approved Person* or *Dealer Member* wishes to be heard before a decision is made on *Registration Staff's* recommendation, the applicant, *Approved Person* or *Dealer Member* must inform *Registration Staff* in writing (a "Response"). (2) A Response must be delivered within ten business days after receipt of *Corporation* staff's letter, or within such shorter period of time as set out in such letter. (3) If a Response is not delivered within the time set out in *Registration Staff's* letter, *Registration Staff* will send its recommendation to the *decision maker* for consideration.	Not applicable	New
9407. Choice of Written Submissions or Appearance (1) Unless otherwise decided by a *decision maker*, an opportunity to	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
be heard will be conducted as an exchange of written submissions. However, an applicant, *Approved Person*, *Dealer Member* or *Registration Staff* may request that the opportunity to be heard be conducted as an appearance (i) in the presence of a *decision maker*, (ii) by telephone conference, or (iii) by other interactive electronic means acceptable to both *parties*. (2) A request that an opportunity to be heard be conducted as an appearance must be made to the *decision maker* in writing, with a brief statement of the reasons for making the request. The other *party* will be given an opportunity to object to the request before the *decision maker* decides whether to grant a request for an appearance. (3) A *decision maker* may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in which case the *decision maker* must promptly inform the *parties* of its decision.		
9408. Exchange of Written Submissions (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions. (2) *Registration Staff* must provide the applicant, *Approved Person* or *Dealer Member* with a written submission setting out the facts and law supporting *Registration Staff*'s recommendation. *Registration Staff's* submission must be delivered to the applicant, *Approved Person* or *Dealer Member* within ten business days after *Registration Staff* receives the applicant's, *Approved Person*'s or *Dealer Member's* Response. (3) An applicant, *Approved Person* or *Dealer Member* must then provide *Registration Staff* with a written submission responding to *Registration Staff*'s submission. These submissions must be delivered within ten business days after the applicant, *Approved Person* or *Dealer Member* receives *Registration Staff's* submission. (4) Subject to agreement of the *parties* or a *decision* of the *decision maker*, there will only be one exchange of written submissions	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
so that the *decision maker* may render a decision without unnecessary delay. Where the *parties* agree to make further submissions or either of them requests that the *decision maker* allow further submissions, such agreement or request must be made within five business days after delivery of the applicant's, *Approved Person's* or *Dealer Member's* submissions under subsection 9408(3). (5) Unless an agreement or request is made under subsection 9408(4), *Registration Staff's* and the applicant's, *Approved Person's* or *Dealer Member's* submissions will be delivered by *Registration Staff* to the *decision maker* within five business days after the applicant's, *Approved Person's* or *Dealer Member's* submission is delivered. (6) If an agreement or request is made under subsection 9408(4), the submissions of all *parties* will be delivered by *Registration Staff* to the *decision maker* when all submissions have been delivered or the time for their delivery has elapsed.		
9409. Appearance Before a Decision Maker (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance. (2) An appearance before a *decision maker* will generally be an informal proceeding. The *Rules of Practice* do not apply. (3) At an appearance, the *decision maker* may ask any question and admit any evidence it thinks fit, except evidence that is subject to legal privilege. Witnesses may be called, examined and cross-examined with the consent of the *decision maker*. The applicant, *Approved Person* or *Dealer Member* and any witnesses may be required to give evidence under oath or affirmation.	Not applicable	New
9410. Decisions (1) Where an applicant, *Approved Person* or *Dealer Member* requests that an opportunity to be heard be conducted by exchange of written submissions, but fails to deliver submissions within the required time, the *decision maker* may make its decision on *Registration Staff's* recommendation and submissions without further notice or delay.	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
PART B – OPPORTUNITIES TO BE HEARD BY THE BOARD OF DIRECTORS		
9411. Opportunities to be heard by the Board of Directors (1) The procedures in sections 9412 through 9417 apply where an applicant has requested an opportunity to be heard by the Board of Directors in relation to an *application* for *Dealer Member* membership as set out in section 9205.	Not applicable	New
9412. Staff's Notice (1) If *Corporation* staff recommends that the Board of Directors refuse to grant membership in the *Corporation*, or that terms and conditions be imposed on membership in the *Corporation*, *Corporation* staff must send a letter to the applicant giving notice of *Corporation* staff's recommendation and brief reasons for it.	Not applicable	New
9413. Response of Applicant, Approved Person or Dealer Member (1) If an applicant wishes to be heard before a decision is made on *Corporation* staff's recommendation, the applicant must inform *Corporation* staff in writing (a "Response"). (2) A Response must be delivered within ten business days after receipt of *Corporation* staff's letter, or within such shorter period of time as set out in such letter. (3) If a Response is not delivered within the time set out in *Corporation* staff's letter, *Corporation* staff will send its recommendation to the Board of Directors for consideration.	Not applicable	New
9414. Choice of Written Submissions or Appearance (1) An opportunity to be heard will be conducted as an exchange of written submissions, unless an applicant or *Corporation* staff requests that the opportunity to be heard be conducted as an appearance (i) in the presence of the Board of Directors, (ii) by telephone conference, or (iii) by other interactive electronic means acceptable to both *parties*. (2) A request that an opportunity to be heard be conducted as an appearance must be made to the Board of Directors in writing,	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
with a brief statement of the reasons for making the request, by delivering a copy of the request to the *Corporation*'s Corporate Secretary. The other *party* will be given an opportunity to object to the request before the Board of Directors decides whether to grant a request for an appearance. (3) The Board of Directors may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in which case the Board of Directors must promptly inform the *parties* of its decision.		
9415. Exchange of Written Submissions (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions. (2) *Corporation* staff must provide the applicant with a written submission setting out the facts and law supporting *Corporation* staff's recommendation. *Corporation* staff's submission must be delivered to the applicant within ten business days after *Corporation* staff receives the applicant's Response. (3) An applicant must then provide staff with a written submission responding to staff's submission. These submissions must be delivered within ten business days after the applicant receives *Corporation* staff's submission. (4) Subject to agreement of the *parties* or a *decision* of the Board of Directors, there will only be one exchange of written submissions so that the Board of Directors may render a *decision* without unnecessary delay. Where the *parties* agree to make further submissions or either of them requests that the Board of Directors allow further submissions, such agreement or request must be made within five business days after delivery of the applicant's submissions under subsection 9415(3). (5) Unless an agreement or request is made under subsection 9415(4), *Corporation* staff's and the applicant's submissions will be provided to the Board of Directors within five business days after the applicant's submission is delivered. (6) If an agreement or request is made under subsection 9415(4), the submissions of all *parties* will be provided to the Board of	Not applicable	New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
Directors when all submissions have been delivered or the time for their delivery has elapsed.		
9416. Appearance before the Board of Directors (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance. (2) An appearance before the Board of Directors will generally be an informal proceeding. The *Rules of Practice* do not apply. (3) At an appearance, the Board of Directors may ask any question and admit any evidence it thinks fit, except evidence that is subject to legal privilege. Witnesses may be called, examined and cross-examined with the consent of the Board of Directors. The applicant and any witnesses may be required to give evidence under oath or affirmation.	Not applicable	New
9417. Decisions (1) Where an applicant requests that an opportunity to be heard be conducted by exchange of written submissions, but fails to deliver submissions within the required time, the Board of Directors may make its decision on *Corporation* staff's recommendation and submissions without further notice or delay.	Not applicable	New

Consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1 (blacklined to version published on March 23, 2012)

1. The following consequential amendments are made to the Dealer Member Rules:

(a) Regarding the requirements for submitting complaints in writing to IIROC, Dealer Member Rule 19.3 is repealed.

(b) Regarding the requirements for Dealer Members to provide information to certain exchanges, Rule 19.8 is repealed and new Rule 19 is enacted as follows:

"**RULE 19**

Provision of Information

19.1. A Dealer Member or any person approved by, or under the jurisdiction of, the Corporation, that is requested by a Canadian stock exchange to provide information in connection with an investigation of trading of a security listed on that exchange shall submit the requested information, books, records, reports, filings and papers to the exchange making the request in such manner and form, including electronically, as may reasonably be prescribed by such exchange."

(c) Regarding the Early Warning Level 2 prohibitions to which Dealer Members may be subject:

(i) Dealer Member Rule 30.6 is repealed.

(ii) Dealer Member Rule 20.28 is repealed and new Dealer Member Rules 30.6 is enacted as follows:

"30.6 **Imposition of Prohibitions - Early Warning Level 2**

(1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30.4, be prohibited from:

(a) opening any new branch offices;

(b) hiring any new registered representative, or investment representative;

(c) opening any new customer accounts; or

(d) changing, in any material respect, the inventory positions of the Dealer Member.

(2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member."

(iii) Dealer Member Rule 30.7 is renumbered as Dealer Member Rule 30.8 and the words

"pursuant to Part 9 Rule 20 or Rule 19" are replaced with the words "pursuant to Rule 19 or Rule 30".

(iv) Dealer Member Rule 20.29 is repealed and new Dealer Member Rules 30.7 is enacted as follows:

"30.7 **Review of Early Warning Level 2 Prohibitions**

(1) The Dealer Member may request a hearing panel review of a Rule 30.6 order within three business days after release of the decision.

(2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after the request for review, unless otherwise agreed by the parties. The hearing panel review shall be conducted in accordance with the requirements set out in Consolidated Rule 9300 (Regulatory Review Proceedings).

(3) If a Dealer Member does not request a review within the time period prescribed in subsection (1), the Rule 30.6 order becomes effective and final."

(v) Dealer Member Rules 30.7 and 30.8 are renumbered as Dealer Member Rules 30.8 and 30.9.

2. The following consequential amendments are made to the Universal Market Integrity Rules (UMIR):

(a) Regarding the defined terms used in UMIR:

(i) the term "Regulated Person" defined in Rule 1.1 of UMIR is:

(A) renamed to "Subject Person"

(B) amended by replacing the text "UMIR 10.3" in paragraph (c) of the definition with the text "Consolidated Rule 1400".

(ii) references to the term "Regulated Person" in Rules 10.1, 10.5, 10.9 and 11.10 of UMIR and Policy 10.1 of UMIR are repealed and replaced with references to the term "Subject Person".

(b) Regarding just and equitable principles of trade, Policy 2.1 of UMIR is repealed.

(c) Regarding specific unacceptable trading activities, Rule 2.1 of UMIR is enacted as follows:

"**2.1 Specific Unacceptable Activities**

(1) Without limiting the generality of any other Rule, a Participant or Access Person shall not:

(a) enter into a transaction for the purpose of rectifying a failure in connection with a failed trade prior to the time that a report must be filed in accordance with Rule 7.10 if the Participant or Access Person knows or ought reasonably to know that such transaction will result in a failed trade; or

(b) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person with Marketplace Trading Obligation to:

(i) execute with one or more of the orders, or

(ii) purchase at a higher price or sell at a lower price with one or more of the orders

in accordance with the Marketplace Trading Obligations that would not be imposed on the person with Marketplace Trading Obligations if the orders had been entered on the marketplace as a single order or entered at the same time.

(2) Without limiting the generality of any other Rule, a Participant shall not:

(a) directly or indirectly use another person to effect a trade other than on a marketplace in circumstances when an exemption is not available for the Participant to complete the trade other than on a marketplace in accordance with Rule 6.4;

(b) make a pattern of trading in a particular security with knowledge of an expression of interest by a client in that particular security; or

(c) without the specific consent of the client, enter client and principal orders in such a manner as to attempt to obtain execution of a principal order in priority to the client order;

~~(d) without the specific consent of the client, to vary the instructions of the client to indicate that securities held by the client are to participate in a dividend reinvestment plan such that the Participant would receive securities of the issuer and would account to the client for the dividend in cash; or~~

~~(e) without the specific consent of the lender of securities, vary the arrangements in respect of securities borrowed by the Participant to indicate that the borrowed securities are to participate in a dividend reinvestment plan such that the Participant would receive securities of the issuer and would account to the lender for the dividend in cash.~~

(3) A Participant or Access Person shall not enter an order on a marketplace that is intended to execute as a pre-arranged trade or an intentional cross without the prior approval of a Market Regulator if the pre-arranged trade or intentional cross would be undertaken at a price that will be:

(a) less than the lesser of 95% of the best bid price and the best bid price less 10 trading increments; or

(b) more than the greater of 105% of the best ask price and the best ask price plus 10 trading increments.

(4) As a condition for granting approval of the pre-arranged trade or intentional cross for the purposes of subsection (3), the Market Regulator may require the Participant or Access Person to enter a series of orders on one or more protected marketplaces over a period of time considered reasonable by the Market Regulator in order to move the market price to the price at which the pre-arranged trade or intentional cross will occur and that time period will generally be not less than:

(a) 5 minutes if the price variation from the best ask price or best bid price, as applicable, is more than 5% but less than 10%; and

(b) 10 minutes if the price variation is 10% or more."

(d) Regarding the requirements within UMIR for trades to be on a marketplace:

(i) the first paragraph of Part 2 of Policy 6.4 of UMIR is repealed and replaced with the following:

"The Market Regulator considers that any use by a Participant of another person that is not subject to Rule 6.4 in order to make a trade off of a marketplace (other than as permitted by one of the exemptions) to be a violation of clause (a) of subsection (2) of Rule 2.1 respecting specific unacceptable activities."

(ii) the first bullet following the first paragraph of Part 5 of Policy 6.4 of UMIR is repealed.

(e) Regarding the extension of the UMIR provisions to others, clauses (1)(a) and (2)(a) of Rule 10.4 are amended by repealing and replacing the text "just and equitable principles of trade" with the text "specific unacceptable activities".

(f) Regarding the gatekeeper obligations within UMIR:

(i) clause (1)(a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (1) of Rule 2.1 respecting specific unacceptable activities;"

(ii) clause (2)(a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (2) of Rule 2.1 respecting specific unacceptable activities;"

(g) Regarding the transitional provisions within UMIR, Rule 11.8 of UMIR is repealed.

3. The following consequential amendments are made to Transition Rule No. 1:

   (a) Schedule C.1 is enacted as follows:

"SCHEDULE C.1

TO TRANSITION RULE NO. 1

CONSOLIDATED ENFORCEMENT, PROCEDURAL, EXAMINATION AND APPROVAL RULES

Preamble

On [IMPLEMENTATION DATE], the Investment Industry Regulatory Organization of Canada ("IIROC") implemented new rules which, in pith and substance, consolidate existing IIROC Rules relating to IIROC's enforcement, procedural, examination and approval activities, as well as codify certain practices relating thereto (the "Consolidated Enforcement, Procedural, Examination and Approval Rules"). The Consolidated Enforcement, Procedural, Examination and Approval Rules primarily effect non-substantive changes to existing Rules and practices. However, to the extent that any particular Consolidated Enforcement, Procedural, Examination and Approval Rule is found to create a substantive change in the rights or duties of an IIROC Regulated Person, such Rule shall only apply to conduct that occurred on or after [IMPLEMENTATION DATE]. In accordance with this principle, the following transition rules shall apply.

Part A. DEFINITIONS

1.1. In this Rule:

"Consolidated Enforcement, Procedural, Examination and Approval Rules" refers to the IIROC Rules implemented on [IMPLEMENTATION DATE], which are Consolidated Rules 1400, 8100 through 8400 and 9100 through 9400.

"Consolidated Procedural Rules" refers to Consolidated Rules 8200 through 8400, other than Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), ~~8213 (Monitor),~~ 8214 (Costs), and 8216 (Failure to Pay Fine or Costs).

"Enforcement ~~Proceeding~~Hearing" means a disciplinary hearing, a settlement hearing, an expedited hearing, a protective order hearing or a temporary order hearing under former UMIR 10 or Policy 10.8, former Dealer Member Rule 20.30, 20.33, 20.34, 20.42 or 20.43 or Consolidated Rule 8200, as applicable, and includes a hearing of any procedural ~~applications or motions in relation to such~~application or motion in an Enforcement Proceeding.

"Enforcement Proceeding" means a proceeding relating to an Enforcement Hearing.

"Investigation" refers to any action taken by Enforcement staff pursuant to former Dealer Member Rule 19, former UMIR 10.2 or Consolidated Rule 8100.

"Practice and Procedure" means the practice and procedure governing a hearing brought pursuant to IIROC Rules.

"Review ~~Proceeding~~Hearing" means a review hearing concerning an approval matter, an exemption matter, an early warning review order, ~~or~~ an expedited hearing decision, or a protective order hearing decision under former Dealer Member Rule 20.19, 20.26, 20.29 or 20.47 or Subsection 9209(1) or (2) of Consolidated Rule 9200, new Dealer Member Rule 30.7 or Sub-section 8212(5) of Consolidated Rule ~~8200~~8200, as applicable, and includes a hearing of any procedural ~~applications~~application or ~~motions~~motion in relation to any such review hearing.

Terms used in this Transition Rule which are not defined herein shall have the same meanings as ~~used or defined~~ in other IIROC Rules in which they are used or defined. In the case of any inconsistency between terms used or defined in this Transition Rule and terms used or defined in other IIROC Rules, the meanings of such terms as used or defined in this Transition Rule shall prevail.

PART B. TRANSITIONAL PROVISIONS

1.1 Effective Date

(1) The Consolidated Enforcement, Procedural, Examination and Approval Rules shall take effect on [IMPLEMENTATION DATE], subject to the transitional provisions set forth below.

1.2. Investigations

(1) Any Investigation commenced by IIROC prior to, on or after [IMPLEMENTATION DATE] shall ~~proceed in accordance with former Dealer Member Rule 19 or former UMIR 10.2, as applicable, in effect and applicable to such Investigation at the time it was commenced.~~

~~(2) Any Investigation commenced by IIROC on or after [IMPLEMENTATION DATE] shall be undertaken~~ be undertaken, continue and proceed, as applicable, in accordance with IIROC Rule 8100, irrespective of when the conduct which is the subject of the investigation occurred.

1.3. Enforcement Proceedings

(1) Any Enforcement ~~Proceeding~~Hearing commenced by IIROC in accordance with IIROC Rules prior to [IMPLEMENTATION DATE] shall proceed in accordance with the Rules and Practice and Procedure in effect and applicable to such Enforcement ~~Proceeding~~Hearing at the time it was commenced.

(2) Any Enforcement ~~Proceeding~~Hearing commenced on or after [IMPLEMENTATION DATE] shall be undertaken and proceed in accordance with the Consolidated Procedural Rules, irrespective of when the conduct which is the subject of the Enforcement ~~Proceeding~~Hearing occurred.

(3) The following Rules~~, which concern the substantive rights of IIROC Regulated Persons,~~ shall only apply in an Enforcement Proceeding the subject of which relates to conduct that occurred on or after [IMPLEMENTATION DATE]: Consolidated Rule 1400 (Standards of Conduct), Section 8106 (Confidentiality of Investigations) of Consolidated Rule 8100 (Enforcement Investigations) and Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), ~~8213 (Monitor),~~ 8214 (Costs), and 8216 (Failure to Pay Fine or Costs) of Consolidated Rule 8200 (Enforcement Proceedings).

1.4. Review Proceedings

(1) Any Review ~~Proceeding~~Hearing that has been requested prior to [IMPLEMENTATION DATE] by IIROC or a Regulated Person in accordance with IIROC Rules in effect and applicable at the time of the request shall proceed in accordance with the Rules in effect and applicable to such Review ~~Proceeding~~Hearing at the time it was requested.

(2) Any Review ~~Proceeding~~Hearing that ~~has been~~is requested on or after [IMPLEMENTATION DATE] shall be undertaken and proceed in accordance with ~~Subsection~~Section 9209~~(1) or (2)~~ of Consolidated Rule ~~9200,~~9200(Approvals and Regulatory Supervision), new Dealer Member Rule 30.7 or Subsection 8212(5) of Consolidated Rule ~~8200,~~8200 (Enforcement Proceedings) and Consolidated Rule 9300 (Regulatory Review Proceedings), as applicable, irrespective of when the conduct or application which is the subject of the Review ~~Proceeding~~Hearing occurred.

Consequential amendments to the Dealer Member Rules, UMIR, and Transition Rule No. 1

1. The following consequential amendments are made to the Dealer Member Rules:

(a) Regarding the requirements for submitting complaints in writing to IIROC, Dealer Member Rule 19.3 is repealed.

(b) Regarding the requirements for Dealer Members to provide information to certain exchanges, Rule 19.8 is repealed and new Rule 19 is enacted as follows:

"**RULE 19**

Provision of Information

19.1. A Dealer Member or any person approved by, or under the jurisdiction of, the Corporation, that is requested by a Canadian stock exchange to provide information in connection with an investigation of trading of a security listed on that exchange shall submit the requested information, books, records, reports, filings and papers to the exchange making the request in such manner and form, including electronically, as may reasonably be prescribed by such exchange."

(c) Regarding the Early Warning Level 2 prohibitions to which Dealer Members may be subject:

(i) Dealer Member Rule 30.6 is repealed.

(ii) Dealer Member Rule 20.28 is repealed and new Dealer Member Rules 30.6 is enacted as follows:

"30.6 **Imposition of Prohibitions - Early Warning Level 2**

(1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30.4, be prohibited from:

(a) opening any new branch offices;

(b) hiring any new registered representative, or investment representative;

(c) opening any new customer accounts; or

(d) changing, in any material respect, the inventory positions of the Dealer Member.

(2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member."

(iii) Dealer Member Rule 30.7 is renumbered as Dealer Member Rule 30.8 and the words "pursuant to Part 9 Rule 20 or Rule 19" are replaced with the words "pursuant to Rule 19 or Rule 30".

(iv) Dealer Member Rule 20.29 is repealed and new Dealer Member Rules 30.7 is enacted as follows:

"30.7 **Review of Early Warning Level 2 Prohibitions**

(1) The Dealer Member may request a hearing panel review of a Rule 30.6 order within three business days after release of the decision.

(2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after the request for review, unless otherwise agreed by the parties. The hearing panel review shall be conducted in accordance with the requirements set out in Consolidated Rule 9300 (Regulatory Review Proceedings).

(3) If a Dealer Member does not request a review within the time period prescribed in subsection (1), the Rule 30.6 order becomes effective and final."

(v) Dealer Member Rules 30.7 and 30.8 are renumbered as Dealer Member Rules 30.8 and 30.9.

2. The following consequential amendments are made to the Universal Market Integrity Rules (UMIR):

(a) Regarding the defined terms used in UMIR:

(i) the term "Regulated Person" defined in Rule 1.1 of UMIR is:

(A) renamed to "Subject Person"

(B) amended by replacing the text "UMIR 10.3" in paragraph (c) of the definition with the text "Consolidated Rule 1400".

(ii) references to the term "Regulated Person" in Rules 10.1, 10.5, 10.9 and 11.10 of UMIR and Policy 10.1 of UMIR are repealed and replaced with references to the term "Subject Person".

(b) Regarding just and equitable principles of trade, Policy 2.1 of UMIR is repealed.

(c) Regarding specific unacceptable trading activities, Rule 2.1 of UMIR is enacted as follows:

"**2.1 Specific Unacceptable Activities**

(1) Without limiting the generality of any other Rule, a Participant or Access Person shall not:

(a) enter into a transaction for the purpose of rectifying a failure in connection with a failed trade prior to the time that a report must be filed in accordance with Rule 7.10 if the Participant or Access Person

knows or ought reasonably to know that such transaction will result in a failed trade; or

(b) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person with Marketplace Trading Obligation to:

(i) execute with one or more of the orders, or

(ii) purchase at a higher price or sell at a lower price with one or more of the orders

in accordance with the Marketplace Trading Obligations that would not be imposed on the person with Marketplace Trading Obligations if the orders had been entered on the marketplace as a single order or entered at the same time.

(2) Without limiting the generality of any other Rule, a Participant shall not:

(a) directly or indirectly use another person to effect a trade other than on a marketplace in circumstances when an exemption is not available for the Participant to complete the trade other than on a marketplace in accordance with Rule 6.4;

(b) make a pattern of trading in a particular security with knowledge of an expression of interest by a client in that particular security; or

(c) without the specific consent of the client, enter client and principal orders in such a manner as to attempt to obtain execution of a principal order in priority to the client order;

(3) A Participant or Access Person shall not enter an order on a marketplace that is intended to execute as a pre-arranged trade or an intentional cross without the prior approval of a Market Regulator if the pre-arranged trade or intentional cross would be undertaken at a price that will be:

(a) less than the lesser of 95% of the best bid price and the best bid price less 10 trading increments; or

(b) more than the greater of 105% of the best ask price and the best ask price plus 10 trading increments.

(4) As a condition for granting approval of the pre-arranged trade or intentional cross for the purposes of subsection (3), the Market Regulator may require the Participant or Access Person to enter a series of orders on one or more protected marketplaces over a period of time considered reasonable by the Market Regulator in order to move the market price to the price at which the pre-arranged trade or intentional cross will occur and that time period will generally be not less than:

(a) 5 minutes if the price variation from the best ask price or best bid price, as applicable, is more than 5% but less than 10%; and

(b) 10 minutes if the price variation is 10% or more."

(d) Regarding the requirements within UMIR for trades to be on a marketplace:

(i) the first paragraph of Part 2 of Policy 6.4 of UMIR is repealed and replaced with the following:

"The Market Regulator considers that any use by a Participant of another person that is not subject to Rule 6.4 in order to make a trade off of a marketplace (other than as permitted by one of the exemptions) to be a violation of clause (a) of subsection (2) of Rule 2.1 respecting specific unacceptable activities."

(ii) the first bullet following the first paragraph of Part 5 of Policy 6.4 of UMIR is repealed.

(e) Regarding the extension of the UMIR provisions to others, clauses (1)(a) and (2)(a) of Rule 10.4 are amended by repealing and replacing the text "just and equitable principles of trade" with the text "specific unacceptable activities".

(f) Regarding the gatekeeper obligations within UMIR:

(i) clause (1)(a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (1) of Rule 2.1 respecting specific unacceptable activities;"

(ii) clause (2)(a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (2) of Rule 2.1 respecting specific unacceptable activities;"

(g) Regarding the transitional provisions within UMIR, Rule 11.8 of UMIR is repealed.

3. The following consequential amendments are made to Transition Rule No. 1:

(a) Schedule C.1 is enacted as follows:

"**SCHEDULE C.1**

TO TRANSITION RULE NO. 1

CONSOLIDATED ENFORCEMENT, PROCEDURAL, EXAMINATION AND APPROVAL RULES

Preamble

On [IMPLEMENTATION DATE], the Investment Industry Regulatory Organization of Canada ("IIROC") implemented new rules which, in pith and substance, consolidate existing IIROC Rules relating to IIROC's enforcement, procedural, examination and approval activities, as well as codify certain practices relating thereto (the "Consolidated Enforcement, Procedural, Examination and Approval Rules"). The Consolidated Enforcement, Procedural, Examination and Approval Rules primarily effect non-substantive changes to existing Rules and practices. However, to the

extent that any particular Consolidated Enforcement, Procedural, Examination and Approval Rule is found to create a substantive change in the rights or duties of an IIROC Regulated Person, such Rule shall only apply to conduct that occurred on or after [IMPLEMENTATION DATE]. In accordance with this principle, the following transition rules shall apply.

Part A. DEFINITIONS

1.1. In this Rule:

"Consolidated Enforcement, Procedural, Examination and Approval Rules" refers to the IIROC Rules implemented on [IMPLEMENTATION DATE], which are Consolidated Rules 1400, 8100 through 8400 and 9100 through 9400.

"Consolidated Procedural Rules" refers to Consolidated Rules 8200 through 8400, other than Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), 8214 (Costs), and 8216 (Failure to Pay Fine or Costs).

"Enforcement Hearing" means a disciplinary hearing, a settlement hearing, an expedited hearing, a protective order hearing or a temporary order hearing under former UMIR 10 or Policy 10.8, former Dealer Member Rule 20.30, 20.33, 20.34, 20.42 or 20.43 or Consolidated Rule 8200, as applicable, and includes a hearing of any procedural application or motion in an Enforcement Proceeding.

"Enforcement Proceeding" means a proceeding relating to an Enforcement Hearing.

"Investigation" refers to any action taken by Enforcement staff pursuant to former Dealer Member Rule 19, former UMIR 10.2 or Consolidated Rule 8100.

"Practice and Procedure" means the practice and procedure governing a hearing brought pursuant to IIROC Rules.

"Review Hearing" means a review hearing concerning an approval matter, an exemption matter, an early warning review order, an expedited hearing decision, or a protective order hearing decision under former Dealer Member Rule 20.19, 20.26, 20.29 or 20.47 or Subsection 9209(1) or (2) of Consolidated Rule 9200, new Dealer Member Rule 30.7 or Sub-section 8212(5) of Consolidated Rule 8200, as applicable, and includes a hearing of any procedural application or motion in relation to any such review hearing.

Terms used in this Transition Rule which are not defined herein shall have the same meanings as in other IIROC Rules in which they are used or defined. In the case of any inconsistency between terms used or defined in this Transition Rule and terms used or defined in other IIROC Rules, the meanings of such terms as used or defined in this Transition Rule shall prevail.

PART B. TRANSITIONAL PROVISIONS

1.1 Effective Date

(1) The Consolidated Enforcement, Procedural, Examination and Approval Rules shall take effect on [IMPLEMENTATION DATE], subject to the transitional provisions set forth below.

1.2. Investigations

(1) Any Investigation commenced by IIROC prior to, on or after [IMPLEMENTATION DATE] shall be undertaken, continue and proceed, as applicable, in accordance with IIROC Rule 8100, irrespective of when the conduct which is the subject of the investigation occurred.

1.3. Enforcement Proceedings

(1) Any Enforcement Hearing commenced by IIROC in accordance with IIROC Rules prior to [IMPLEMENTATION DATE] shall proceed in accordance with the Rules and Practice and Procedure in effect and applicable to such Enforcement Hearing at the time it was commenced.

(2) Any Enforcement Hearing commenced on or after [IMPLEMENTATION DATE] shall be undertaken and proceed in accordance with the Consolidated Procedural Rules, irrespective of when the conduct which is the subject of the Enforcement Hearing occurred.

(3) The following Rules shall only apply in an Enforcement Proceeding the subject of which relates to conduct that occurred on or after [IMPLEMENTATION DATE]: Consolidated Rule 1400 (Standards of Conduct), Section 8106 (Confidentiality of Investigations) of Consolidated Rule 8100 (Enforcement Investigations) and Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), 8214 (Costs), and 8216 (Failure to Pay Fine or Costs) of Consolidated Rule 8200 (Enforcement Proceedings).

1.4. Review Proceedings

(1) Any Review Hearing that has been requested prior to [IMPLEMENTATION DATE] by IIROC or a Regulated Person in accordance with IIROC Rules in effect and applicable at the time of the request shall proceed in accordance with the Rules in effect and applicable to such Review Hearing at the time it was requested.

(2) Any Review Hearing that is requested on or after [IMPLEMENTATION DATE] shall be undertaken and proceed in accordance with Section 9209 of Consolidated Rule 9200(Approvals and Regulatory Supervision), new Dealer Member Rule 30.7 or Subsection 8212(5) of Consolidated Rule 8200 (Enforcement Proceedings) and Consolidated Rule 9300 (Regulatory Review Proceedings), as applicable, irrespective of when the

conduct or application which is the subject of the Review Hearing occurred.

IIROC OCRCVM

Attachment E
To Rules Notice 13-0275

November 14, 2013

Re: IIROC response to public comments on Proposed Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules (IIROC Rules Notice 12-0104)

This letter responds to comment letters received by the Investment Industry Regulatory Organization of Canada ("IIROC") regarding IIROC Rules Notice 12-0104 (the "Notice"), which proposed a consolidation of IIROC enforcement, procedural, examination and registration approval rules (the "Consolidated Rules"), published for public comment on March 23, 2012. Comment letters were received from the following six commenters:

- PI Financial Corp. ("PI");
- the Investment Industry Association of Canada ("IIAC");
- MD Management Limited ("MD Management");
- a group of 19 lawyers who act and appear on behalf of IIROC Dealer Members and their employees on IIROC enforcement investigations and proceedings (the "Defense Bar");
- the Canadian Foundation for Advancement of Investor Rights ("FAIR"); and
- Stikeman Elliott LLP ("Stikeman").

We have considered the comments received, and we thank all the commenters for their submissions. The comments are summarized and presented below, followed by IIROC staff's response. Where two or more commenters offered identical or similar comments, we have combined the individual comments and provided a single response.

DEFINITIONS *[Consolidated Rule 1200]*

We received one comment regarding the definitions in the Consolidated Rules. This comment was as follows:

o IIAC: The definitions for certain defined terms under Consolidated Rule 1200 are worded differently than Proposed Rule 1200 which was published as part of the IIROC Plain Language Rule Re-write Project Interpretation and Standards. These include the terms "employees", "laws" and "records". In most cases, the references to "Dealer Member"

have been replaced with "Regulated Person" under the Consolidated Rules. Further, the term "supervisor" under Consolidated Rule 1200 is expanded to provide that a supervisor manages the activities of a Dealer Member's agents. Clarification as to which definitions will ultimately be used is requested.

IIROC staff response: The definitions in the Consolidated Rules and the Plain Language Rule Re-write ("PLR") project (see IIROC Rules Notice 12-0005) have been reviewed and appropriate changes are being made to both proposals to ensure that the definitions common to both are identical.

As we began to consolidate the Dealer Member Rules and Universal Market Integrity Rules ("UMIR") with this proposal, it appeared desirable to establish a defined term for persons who are subject to both sets of rules (i.e. "Dealer Members" in the Dealer Member Rules and "Participants" and users or subscribers to a marketplace that are not Dealer Members—aka "Access Persons"—in UMIR, as well as those partners, directors, officers and employees of these entities over whom IIROC has jurisdiction). The defined term that encompasses all such persons is "Regulated Person", taken from IIROC's By-law No. 1.

When the PLR project began, the incorporation of UMIR was not the primary focus, so at that time, we did not include the defined term "Regulated Person" within that project's definitions section. At this time, however, it appears necessary to make conforming changes to certain PLR definitions (namely, the defined terms "*laws*" and "*records*") so that the term "Regulated Person" will now appear in both the Consolidated Rule and PLR versions of Rule 1200, as well as in the definition of "*laws*" and "*records*" in both versions of Rule 1200.

INVESTIGATIONS *[Consolidated Rule 8100]*

1. Notice

We received the following comments on giving notice to the subject of an investigation:

- PI & IIAC: By not requiring that notice of the initiation of an investigation be given to a person who is the subject of the investigation, Consolidated Rule 8100 will limit a dealer firm's ability to impose internal disciplinary measures, conduct internal investigations, heighten supervision of the person under investigation, or notify clients. This may result in regulatory or civil liability for the firm for failing to fulfill its supervisory and gatekeeper obligations. The current notification requirement should remain in place.
- FAIR: It is appropriate that IIROC staff not be required to notify a person who is the subject of an investigation that an investigation has been initiated in order to avoid severely compromising the investigation. From an investor protection perspective, it is of primary importance that investigations be allowed to proceed (particularly in the early stages) with as few impediments as possible. Nevertheless, there are circumstances where advance

notice may be warranted, such as an investigation involving a technical breach of the rules with no resulting investor harm. It is worthwhile that discretion regarding notice of a given investigation be left with IIROC Enforcement department staff.

IIROC staff response: The Consolidated Rules adopt the approach taken in UMIR with respect to notice of the initiation of an investigation, rather than the approach in the current Dealer Member Rules, which require that a person who is subject to an investigation be informed in writing of the matters under investigation, at the initiation of the investigation. The approach that has been adopted is consistent with the recommendation of IIROC's Recognizing Regulators in their most recent oversight review; see *IIROC Oversight Review 2009* (April 1, 2011) at 76. In view of the consolidation of the UMIR and Dealer Member Rules, this approach is required in order to permit Enforcement Staff to conduct an investigation into potentially fraudulent activities without alerting the persons who are the subject of the investigation, at least in the initial stages.

Under the Consolidated Rules, Enforcement Staff will have discretion to give notice of an investigation to the subject of the investigation when they consider it appropriate to do so. IIROC anticipates that Enforcement Staff will generally follow the existing practice of giving early notice of the initiation of an investigation to the subject of that investigation. Such notice from Enforcement Staff will bring the recipient of the notice under the confidentiality provisions in proposed section 8106.

It should be emphasized that a Regulated Person's supervisory obligations are independent of any investigation and notice of an investigation. They apply to the conduct of the Regulated Person's business, whether or not an investigation is being conducted. A dealer's compliance procedures should make it aware of improper conduct. Although notice of an investigation may provide a basis for supervisory action, if received, it is otherwise not relevant to the adequacy of a Regulated Person's compliance oversight or procedures or fulfillment of its supervisory obligations.

IIAC made the following additional comments about the absence of a notice requirement:

- Removal of the notice requirement will impact a firm's ability to comply with current IIROC Dealer Member Rule 3100 (Reporting and Recordkeeping Requirements), which obligates the registrant to inform the firm if he or she is the subject of an investigation.

IIROC staff response: IIROC's general practice is to inform the registrant and the member firm of an investigation. Dealer Member Rule 3100 does not obligate a member firm to then inform IIROC of an investigation concerning one of its Approved Persons or other registrants. Rather, Rule 3100 requires a registrant to report to the member firm whenever the registrant believes that he or she may have contravened IIROC's rules or securities legislation and other

matters. It also requires a Dealer Member to report to IIROC any matters that may indicate possible misconduct by the firm or one of its registrants, including civil and regulatory actions, the initiation and results of an internal investigation and internal disciplinary measures taken with respect to a registrant. These requirements are intended to identify areas for compliance review or possible enforcement action. Dealer Members are not obligated, under Rule 3100, to notify IIROC of its own investigation.

- Differing policy rationales explain why UMIR Rules do not require notification be given to the subject of an investigation under those rules, whereas the Dealer Member Rules do require notification. Specifically, it is likely that a dealer firm would become aware of a trading issue though the firm's books and records or by notification from IIROC market regulation staff who are monitoring all trades, whereas a retail matter, such as fraud or improper outside business activities, could go undetected, in which case the firm would be unable to stop such misconduct.

IIROC staff response: Dealer Members have an obligation under existing Dealer Member Rules to have in place policies and procedures to identify and prevent improper conduct by any employee or agent. Dealer Members cannot rely on IIROC's providing notice of an IIROC investigation as a substitute for carrying out their ongoing supervisory obligations. Further, Enforcement Staff's decision whether to give early notice of an investigation is not based on a firm's likely knowledge of the conduct being investigated.

- It is not clear what would occur if an IIROC-regulated individual plans to change firms and both the registrant and the hiring firm are not aware that an IIROC investigation is underway.

IIROC staff response: In the majority of cases, IIROC staff will continue its longstanding practice of giving notice of an investigation to an individual who is its subject, to his or her firm and, where applicable, to a prospective (hiring) firm. In the rare instances where notice to the individual is delayed, the reasons underlying the delay will normally also require staff to delay notice to the individual's former and current firm, as well as any hiring firm.

The Defense Bar raised several concerns with respect to proposed section 8103, suggesting that it gives rise to procedural unfairness as follows:

- Procedural fairness dictates that a person be notified that they are under investigation, particularly if the person is being interviewed. *Re Vitug*, [2009] IIROC No. 17 stands for the proposition that interviewing a person without disclosing that he or she is under investigation is an unacceptable practice. To the extent that IIROC wishes not to provide notification only in cases of alleged fraud or manipulation, this should be expressly carved out in the Rule.

IIROC staff response: Procedural fairness does not require an investigator to notify the subject of an investigation of its existence immediately upon the initiation of the investigation.

The *Vitug* decision involved a charge of failure to cooperate under Dealer Member Rule 19.5, which required that IIROC advise a person who was subject to an investigation "of the matters under investigation". It holds only that IIROC must follow its own procedure; *Re Vitug*, IDA Hearing Panel Decision, July 5, 2007, at 14 and 19, online: <http://www.iiroc.ca/Documents/2007/2746297D-B40C-442E-9C77-9336415635FE_en.pdf>.

Although the Consolidated Rules will remove the obligation to provide notice of an investigation, IIROC agrees that, in most instances, a person who is the subject of an investigation should be notified of that fact. As a matter of practice, a person who is the subject of an investigation will be informed of that fact before being interviewed by Enforcement Staff. However, no change to the proposed rule is necessary in order to accommodate this practice.

- If IIROC refuses to advise a person of the nature or subject matter of an investigation under Rule 8102, it is procedurally unfair to require the person to prepare a written report which may be adverse to their own interests.

IIROC staff response: Although procedural fairness does not require notice of an investigation to be provided at the outset of the investigation, IIROC staff agrees that it will be necessary for Enforcement Staff to disclose the existence of the investigation and its subject matter, if and when staff requests a written report.

2. Timing of Response

IIAC and the Defense Bar commented regarding the timing of a response to an investigation request, as follows:

- A reasonableness standard should be added to Consolidated Rule subsection 8104(1), e.g., an express provision for reasonable timelines and reasonable extensions, because the breadth of what may be required to be produced can be extensive and time consuming. Moreover, the hearing panel decision in *Re Credifinance Securities Ltd.* [2006] I.D.A.C.D. No. 30 stands for the proposition that a failure to comply with an unreasonable deadline is not a violation of the duty to provide information in response to an investigation request.

IIROC staff response: Subsection 8104(1) provides that the timing of requests is within the discretion of Enforcement Staff. If the parties differ and a proceeding is brought for failure to cooperate, the "ultimate responsibility to determine what is reasonable notice and what is a

reasonable response rests with hearing panels on a case-by-case basis." *Re Credifinance Securities Ltd.*, [2006] I.D.A.C.D. No. 30, para. 6.

3. Jurisdiction over non-approved persons

PI, IIAC, and the Defense Bar questioned whether a Dealer Member may legally compel a non-approved employee to cooperate with an IIROC investigation. IIAC requested guidance on how IIROC would compel persons not subject to IIROC's authority to give evidence in an investigation or at a hearing. PI and IIAC offered the following comments:

- The term "person" is defined broadly in the Rules and, therefore, Consolidated Rule subsection 8104(3) (as well as subsection 8208(3), which governs attendance at disciplinary hearings) would extend to third party service providers.
- The Consolidated Rules should apply only to persons who are subject to IIROC's direct jurisdiction.

The Defense Bar added the following comments:

- The rule should be modified so that it simply requires a Regulated Person not to interfere with the attendance or participation of its employees in an investigation.
- Subsection 8103(1), to the extent that it uses the term "persons" as presently defined, falls outside of IIROC's jurisdiction or lacks clarity. This rule should be written down in order to fall within the confines of IIROC's regulatory authority, which is limited by contract and does not extend to the non-regulated public at large.

IIROC staff response: Apart from authority that IIROC exercises pursuant to securities and other legislation, IIROC agrees that its regulatory authority is based on contract and that it does not generally have direct authority over persons who do not enter into a contractual relationship with it. It does, however, have authority that may impact employees of, and service providers to Regulated Persons through its regulation of the Regulated Persons with which employees and service providers have a contractual relationship. The Consolidated Rules would expressly enable IIROC to have this impact in two circumstances: they would authorize Enforcement Staff to request Regulated Persons to ensure the cooperation of their employees with an investigation (subsection 8103(1)) and would authorize a hearing panel to request such employees to provide testimony in a disciplinary proceeding (subsection 8208(1)). As not all such employees are contractually obligated to comply with such requests, the Consolidated Rules impose obligations on Regulated Persons who employ these individuals to take reasonable steps to ensure that their employees will cooperate with an investigative request or a request to provide testimony at a hearing.

An employer is entitled to require its employees to comply with the employer's regulatory obligations. IIROC cannot discipline a non-approved employee who fails to respond to a request to cooperate, and the Consolidated Rules do not authorize any such action. Regulated Persons, however, must take reasonable steps to require such cooperation, and they may accomplish this in a multitude of ways, such as through clear policies and procedures, annual employee acknowledgments, express terms in an employee's employment contract, etc. Whatever means are used, they must be reasonable and adequate to ensure that all employees of an IIROC Regulated Person—including employees who are not personally subject to IIROC's jurisdiction—actually cooperate with IIROC when requested.

A rule requiring non-interference would not be sufficient. Provisions that indirectly require the cooperation of non-regulated employees in connection with an investigation and in providing evidence in a hearing are necessary to enable IIROC to effectively fulfill its regulatory functions. This requirement is similar to FINRA Rule 8210, which allows FINRA staff to compel testimony or documents from non-registered persons who are associated with a FINRA member firm (and also requires a person under FINRA's jurisdiction to produce documents that are in the possession of a third party, provided that the person under FINRA's jurisdiction is entitled to demand such documents from the third party). See SEC, Exchange Act Release No. 34-68,386 (Dec. 7, 2012), 77 FR 74253 (Dec. 13, 2012) (approving rule change to FINRA Rule 8210).

In addition, subsection 69(1) of the Alberta *Securities Act* ("ASA") authorizes a hearing panel to issue a summons to any person to attend, testify and produce documents at a hearing.[1]

IIROC believes the approach in the Consolidated Rules is preferable to the more burdensome regulatory alternatives that would otherwise be necessary to ensure the cooperation of all employees of Regulated Persons that might be required in the course of an investigation. This Dealer Member obligation is currently contained in Dealer Member Rule 19.1. Under the Consolidated Rules, this obligation is extended to apply to all Regulated Persons, in order to address compliance with UMIR. It is important to note IIROC's regulatory obligation to monitor and enforce compliance with UMIR by persons who may not have entered a contractual relationship with IIROC (e.g. Access Persons to ATS marketplaces and partners, directors, officers and employees of Participants and Access Persons), as provided in UMIR 10.3. The Ontario Securities Commission ("OSC") declared that IIROC's market-regulatory predecessor organization had such jurisdiction and had a responsibility to exercise it. See *Re*

[1] The Notice erroneously states that a person may be required by "legislation to comply with an investigation request from IIROC, as is the case in Alberta." Notice at 7. In fact, the *Alberta Securities Act* empowers an IIROC hearing panel to compel attendance at a hearing, but does *not* empower Enforcement Staff to compel attendance at an investigation interview. See *Alberta Securities Act*, s. 69(1). Nevertheless, it is possible that Alberta—or any other province—may adopt a legislative provision so empowering Enforcement Staff in the future, and the text of proposed subsection 8103(1) anticipates such future legislation. Thus, no change in the proposed rule is required.

Market Regulation Services Inc.: Decision, (2005) 28 O.S.C.B. 5853 (July 8). IIROC is obligated to comply with this Order.

The Defense Bar also argued that proposed clause 8103(1)(i) is beyond IIROC's jurisdiction, insofar as it purports to allow IIROC to compel a non-regulated person to prepare written reports.

IIROC staff response: For IIROC to effectively carry out its regulatory functions, we believe it is both appropriate and necessary that, under subsection 8104(3), a Regulated Person must require its employees—including non-regulated employees—to cooperate with any IIROC investigation request under Consolidated Rule section 8103, including cooperation with a request for a written report under clause 8103(1)(i). Strictly speaking, the obligation is on the Regulated Person to *require* the cooperation and, thus, it affects non-regulated employees only indirectly. To be sure, IIROC would not be able to discipline a non-regulated individual for his or her non-cooperation under this rule; only the regulated *employer* of the individual may be subject to discipline, namely, for a failure to take reasonable steps to ensure cooperation by the employee.

4. Right to Counsel

We received comments from three commenters, namely, IIAC, the Defense Bar and FAIR, regarding the right to counsel during an investigation. Two of the commenters had similar concerns regarding Consolidated Rule section 8105, as follows:

- IIAC: As currently drafted, the rule does not make clear that investigation staff would consider reasonable alternative dates proposed by a person's counsel. Language to this effect should be incorporated into the provision and guidance should be provided on what would constitute "unreasonable delay" of the enforcement process.
- The Defense Bar: Basic principles of procedural fairness mandate that this proposed rule allow for the reasonable deferral of an interview date to permit a person to retain counsel and to provide counsel appropriate time to prepare.

FAIR supported the wording of section 8105 and its corresponding explanation in the Notice, as follows:

- It is appropriate that a party not be allowed to delay an investigation by refusing to attend and answer investigation questions on the ground that his or her counsel is not available within a reasonable time, particularly since IIROC staff will continue to work with counsel to arrive at mutually agreeable dates. From an investor protection perspective, the right to

counsel should not impede the timeliness of an investigation, and should not be used to the detriment of IIROC's enforcement process.

IIROC staff response: The Consolidated Rules were prepared in light of Enforcement Staff's practice of accommodating the schedule of a witness's counsel when agreeing on dates for an interview, as well as Staff's experience with lengthy delays of ongoing investigations due to counsel's lack of availability. Although Enforcement Staff has always attempted to accommodate counsel's schedules, despite the resultant delays, and will continue to do so in the future, the insertion of a reasonableness standard into the Consolidated Rules would invite challenges to determine what is "reasonable", which challenges would themselves result in further delay. It also has the potential to result in hearings that would require Enforcement Staff to explain Staff's investigation strategy in circumstances that might prejudice an investigation.

For these reasons, subsection 8104(1) requires a person who receives a request under section 8103 to comply within the time specified in the request. Section 8105 provides that a person who attends an interview is entitled to be represented by counsel. While it is desirable for a person to have the ability to be represented by counsel of his or her choice, the person is not entitled to delay an investigation because a particular counsel is not available within a reasonable time. Subsection 8105(2) is intended to make this clear without exposing investigations to various delaying tactics and to retain a balance between a witness's right to counsel of choice and Enforcement Staff's obligation to conduct investigations with reasonable efficiency. This provision must be read in light of Enforcement Staff's consistent and longstanding practice of agreeing on reasonable alternative dates for such interviews.

In any event, any proceeding brought by Enforcement Staff for an alleged failure to comply with an investigation request, including one based on undue delay in submitting to an investigation interview because of counsel's unavailability, would be subject to existing case law. See e.g. *Re Credifinance Securities Ltd.*, [2006] I.D.A.C.D. No. 30, para. 6 (articulating a reasonableness standard for the timing of IIROC investigation requests).

5. Confidentiality of investigations

We received comments from PI, IIAC, the Defense Bar and Stikeman raising questions about Consolidated Rule section 8106, which prohibits a Regulated Person from disclosing to anyone, other than the person's counsel, information relating to the investigation.

PI and IIAC offered the following comments:

- It is concerning that IIROC staff may use this restrictive confidentiality provision without a corresponding requirement to obtain an order. Given the broad nature of IIROC staff's investigative powers, the requirement to keep matters confidential should not be left to

staff's discretion. Several examples may be cited to illustrate how this type of confidentiality requirement undermines gatekeeper and client protection obligations, as well as procedures related to termination notices, complaint handling and internal investigations:

1. the Chief Compliance Officer ("CCO") of a firm receives notification by the regulator that a trader is under investigation, but the CCO is prohibited from approaching the trader or taking protective measures without it becoming apparent that the CCO is aware of the investigation, and in the interim, the trader is able to continue to trade;
2. an advisor may not inform his or her member firm of a pending investigation, and the firm is thus prevented from taking appropriate actions to protect its clients;
3. when dealing with a departing employee who is the subject of an investigation, the terminating firm cannot share information about the investigation with the hiring firm;
4. the confidentiality provision is in direct contradiction to other regulatory requirements, such as: (1) the CCO's obligation to report such matters to the firm's board of directors under the Guidance Note relating to the Role of Compliance and Supervision; and (2) an individual's obligation under existing IIROC Dealer Member Rule 3100 to report the investigation to the member firm.

- Section 8106 could also lead to potential breaches of contractual obligations with respect to notification of a firm's insurers or prospective purchaser in the case of an acquisition of the firm and any related indemnities.
- When an advisor is being investigated, the firm may also be the subject of an investigation for a failure to supervise; in many such cases, the firm enters into a joint retainer arrangement whereby counsel represents both the member firm and the advisor. The confidentiality provision, however, would greatly impede counsel's ability to effectively represent both parties.
- IIROC staff should be required to obtain an order on motion to a hearing panel to impose confidentiality on an investigation, rather than allow staff to be the sole arbiter of when confidentiality should be imposed.

IIAC added that:

- The confidentiality provision for investigations places Regulated Persons who are also members of a professional governing body in an untenable position with respect to their annual filings. For example, CFA charterholders are obliged to complete an annual

Professional Conduct Statement which requires the disclosure of a regulatory investigation. The confidentiality provision will require the Regulated Person to breach his or her ethical and professional conduct obligations as prescribed by the CFA Institute by failing to disclose the IIROC investigation.

- The confidentiality provision for investigations places Regulated Persons who are also Directors of Publically Listed Companies in a difficult position with respect to their Personal Information Form. For TSX Venture listed Issuers, Directors have a continuous disclosure obligation to the TSX-V to advise whether they are subject of a regulatory investigation. The Venture Exchange has the discretion to prohibit the Director under an IIROC investigation from being involved with an Issuer. The confidentiality provision conflicts with Exchange Policy 3.1.
- The proposed confidentiality requirement cannot be justified on the grounds that it is similar to Section 16 of the Ontario *Securities Act* because, unlike an investigation conducted by IIROC Enforcement Staff, a Section 16 investigation must be initiated *via an order* made by the OSC itself (and in practice, the Chair of the OSC) and not staff. Moreover, there is reason to believe that many OSC investigations are not conducted under an investigation order (and thus not subject to confidentiality obligations).

The Defense Bar and Stikeman referred to the decision in *Shapray v. British Columbia (Securities Commission),* [2009] BCCA 322 (CanLII) and offered the view that the proposed rule is in contradiction with the holding in that matter. The Defense Bar suggested that the proposed rule should be applied, if not written, with a principled approach that is consistent with *Charter* values.

The Defense Bar further stated that the provision should include an exception to allow a person to disclose information to individuals as is necessary to prepare a response to the applicable IIROC request.

IIROC staff response: The Consolidated Rules will require confidential treatment of investigations by persons who are informed of them by Enforcement Staff. A confidentiality requirement is important to ensure the integrity of investigations, by prohibiting the transmission of information that may be used to compromise them, for example, as a result of attempts to influence persons who may be examined as witnesses. Confidentiality also serves to protect subjects of an investigation from reputational damage resulting from publicity concerning the investigation, when no allegations concerning the person's conduct have yet been proven. For these reasons, proposed section 8106 was based upon section 16 of the *Securities Act* (Ontario) ("OSA").

Proposed section 8106, however, has been revised in light of comments that raised questions about its compliance with *Charter* values as well as operational difficulties that may have

flowed from the original version of proposed section 8106.

Proposed section 8106, as revised, satisfies *Charter* values. First, unlike OSA, s. 16, the Consolidated Rule applies only to persons who are informed of an investigation by Enforcement Staff, whether through the conduct of the investigation or a notice from Enforcement Staff concerning it, and to others whom these persons are allowed to inform. In addition, subsection 8106(1) has been amended by removing the basket clause previously contained in it and adding new subsections that permit the disclosure of information concerning an investigation in specific circumstances which legitimately warrant disclosure and in other justifiable circumstances with the consent of Enforcement Staff or by a hearing panel.

Briefly, proposed subsection 8106(2) expressly permits disclosure of information that a person became aware of otherwise than through the investigation or communications relating to it. It also permits disclosure of information to which Enforcement Staff or a hearing panel consents. New clause 8106(2)(iii) authorizes a hearing panel to grant its consent where disclosure would not impede the conduct of an investigation and is otherwise justifiable. A hearing panel may also impose terms and conditions on an order to ensure that disclosure is limited to circumstances that are justifiable. Consent of Enforcement Staff is retained as a basis to permit disclosure without having to convene unnecessary hearings before hearing panels.

Proposed subsection 8106(3) allows disclosure of information relating to an investigation, other than the contents of an interview by Enforcement Staff, where it is necessary to fulfill an obligation under IIROC's rules or a person's contractual or fiduciary obligations to his or her employer, or for other regulatory purposes, unless Enforcement Staff requests otherwise because of the circumstances relating to the investigation being conducted. Subsection 8106(3) would permit, for example, a Dealer Member or other Regulated Person to inform an employee where it is necessary to respond to an investigative request or to impose restrictions on an employee who is the subject of an investigation. The provision would also permit officers of a Dealer Member or other Regulated Person to inform its board of directors of an investigation, and it would permit a Regulated Person's employee who has become the subject of an investigation to inform his or her employer of that fact. The rule also contains limitations to ensure that such disclosure is made only to the extent necessary to accomplish a legitimate regulatory purpose, and it allows Enforcement Staff to prevent disclosure in appropriate circumstances.

Proposed section 8106, as revised, complies with *Charter* values, see *AMF v. Groupe SNC-Lavalin Inc.*, 2013 QCCA 204 (CanLII), leave to appeal denied, SCC, September 5, 2013, and, in IIROC's view, adequately addresses the practical difficulties raised by commenters. It generally follows the approach taken in sections 16 and 17 of the OSA, which were amended in 1994 to meet *Charter* requirements. It also includes elements of other post-*Shapray*

securities act provisions that enable Enforcement Staff to request confidentiality in a specific investigation. It is thus tailored to permit disclosure in circumstances in which regulatory or other legitimate needs may arise, in light of the specific exceptions set forth in subsection 8106(3) and the availability of the consent of Enforcement Staff or a hearing panel under subsection 8106(2).

6. Other comments regarding investigations

The Defense Bar offered a number of additional comments regarding the proposed investigation rules as follows:

- The phrase "written report with respect to any matter" in subsection 8103(1) is overly broad because it could be read to allow IIROC to compel any person to (i) produce a document that does not exist, and (ii) engage services from third-party experts in order to prepare a report where the information is beyond the person's expertise (e.g., accounting or legal). This would be a significant financial burden and unfairly subject a person to IIROC Enforcement Staff's discretion.

IIROC staff response: Subsection 8103(1), which does in fact authorize Enforcement Staff to request the production of a written report in appropriate circumstances, simply continues provisions in Dealer Member Rule 19.5(a) and UMIR 10.2(2) and (3).

- It is beyond IIROC's jurisdiction to permit its own enforcement staff to make a final determination of the "relevance" of a record or document that is being compelled. The Rules should provide a party with a fair means of addressing legitimate disputes that arise between the party and IIROC enforcement staff. This is necessary to ensure that cooperative parties are not penalized for failing to produce a document or record where they dispute relevance. Accordingly, a determination of relevance and compellability more generally, must be within the authority of an IIROC panel and subject to appeal.

IIROC staff response: The words in clause 8103(1)(ii), relating to Enforcement Staff's belief, follow Dealer Member Rule 19.5(b). Their inclusion makes clear that relevance is determined by Enforcement Staff and that a request for documents is not subject to challenge on grounds of relevance. This is necessary, in part, because "until the records are produced, IIROC would be unable to determine whether the records are relevant to the investigation." *Golden Capital Securities Ltd. v. Investment Industry Regulatory Organization of Canada*, 2010 BCCA 359, para. 53.

As investigations often begin before staff has precise knowledge of the nature and breadth of the suspected misconduct, a respondent should not be permitted to withhold documents based on its second-guessing of staff's requests. *Paz Secs., Inc.*, Exchange Act Release No. 34-

57,656, 2008 SEC LEXIS 820, at *21 (Apr. 11, 2008) ("[T]he importance of the information requested must be viewed from [staff]'s perspective at the time it seeks the information [because] ... investigations often commence before investigatory staff has a clear picture of the nature and breadth of the misconduct." (internal quotations marks omitted)).

Section 8103 maintains the *status quo* by leaving it to Enforcement Staff to determine whether a document or category of documents "may be relevant to the investigation."

- The practice of video recording set forth in proposed clause 8103(1)(iv) is inconsistent with the practices of other self-regulatory organizations and the provincial securities commissions. This practice adds additional prejudice to a person being interviewed who has received minimal or no disclosure from IIROC and had limited or no opportunity to prepare for the interview. Further, if there is no obligation on IIROC to advise the person interviewed whether they are a person of interest or the subject of the investigation under Rule 8102, and IIROC is not compelled to permit the person to review, in advance, documents that Enforcement Staff intends to put to the person at the interview, then proper preparation for an interview is impossible. Even hiring a lawyer will not protect the person in this situation, as the lawyer will be operating in a vacuum. The person interviewed will therefore be more nervous and unprepared, all of which is unfairly captured on videotape.

IIROC staff response: Video-recording investigation interviews has been utilized at IIROC for many years. The availability of a video-recording of a witness's testimony may assist a hearing panel and also protect the witness where what was actually said is not clear.

Enforcement Staff will continue its practice of informing a person who is being video-recorded in connection with an IIROC investigation interview of this fact before the person is interviewed.

It is also common practice for Enforcement Staff to provide investigation subjects and other interview witnesses with an opportunity to review, in advance of the interview, copies of the documents that Enforcement Staff expects to use at the interview. Enforcement Staff intends to continue this practice.

- The Rules should provide that interviewees are entitled to a copy of any transcript or videotape from an interview, particularly to ensure fairness with respect to verifying undertakings.

IIROC staff response: Copies of video-recordings and transcripts of investigation interviews are provided to a respondent during the disclosure phase of enforcement proceedings. They are not provided if the investigation is closed without enforcement action.

- Proposed subsection 8103(2) provides IIROC with the ability to remove original records from a Regulated Person. This Rule should take into account the fact that, currently, IIROC

Rules require registrants to retain records for seven years. Further, a Regulated Person could be prejudiced if IIROC removes the person's only copy of a particular record. Accordingly, if IIROC intends to change the Rule to permit Staff to remove original records, it should, at the very least, provide the member with the opportunity to make a copy of those records and compel Staff to confirm in writing that it has removed the original(s).

IIROC staff response: It may be necessary in some circumstances to require a Regulated Person to hand over original documents, as is authorized by UMIR 10.2. It is rare for Enforcement Staff to remove original documents for a lengthy period of time. Enforcement staff usually permits a Regulated Person to copy all original documents before handing them over to IIROC or to obtain copies thereafter.

- Proposed clause 8103(3)(i) should provide that IIROC may also enter a Regulated Person's business at a time agreed upon with the person. This will allow for arrangements to be made after business hours so as not to interfere with the person's business operations. Further, in respect of IIROC gaining access to computers or other systems, this Rule should preclude IIROC from engaging in activities that could compromise client orders or business related systems.

IIROC staff response: Enforcement staff usually attempt to make reasonable accommodations (including reviewing computers or other records after hours) that are necessary to minimize possible detriment to clients and member firms, subject to the needs of the investigation. It is not necessary to say this in the rule.

- Proposed section 8103(3) should preclude IIROC from reviewing, copying, or removing any documents subject to any form of privilege, rather than only those subject to solicitor-client privilege. This would include litigation privilege.

IIROC staff response: Subsection 8103(3) has been revised to refer to "legal privilege".

- It is unnecessary for Enforcement Staff to vet the employee selected by the corporation, partnership or organization in question, as provided in proposed section 8104(2). Regulated persons have an obligation to provide an accurate and timely response to IIROC and in that regard should be entrusted with selecting the appropriate employee.

IIROC staff response: A required report or testimony, to which this provision refers, must be provided by a knowledgeable person. Enforcement Staff must be able to ensure that an organization provides a person who is able to address staff's questions.

DISCIPLINARY HEARINGS

A. Standards of Conduct *[Consolidated Rule 1400]*

One commenter, FAIR, was supportive of the proposed consolidation of IIROC's existing standards of conduct through Rule 1400. FAIR took the view that:

- It is appropriate that the standards set out in Consolidated Rule subsection 1402(1), similar to the public interest jurisdiction of securities regulators, comprise a "catch-all" rule that recognizes the impossibility for a regulator to define in advance all circumstances that may require disciplinary action. From an investor protection perspective, it is not possible to predict in advance all situations in which IIROC may need to bring an action.
- It is a positive step to expressly require Regulated Persons to observe high ethical standards in the conduct of their business, and that they be prohibited from engaging in any conduct that is unbecoming, detrimental to the public interest or inconsistent with just and equitable principles of trade.

FAIR requested that IIROC issue guidance to explain that in order for Regulated Persons to be found to have observed "high ethical standards in the conduct of their business", IIROC will look to whether the 'best interests of the client' were considered, and to what extent. It was FAIR's belief that such guidance would help to remedy the imbalance in the client-firm/advisor relationship.

FAIR also took the view that it would be appropriate for the Rules to state that IIROC will look at whether advisors and dealers put their clients' best interests first when determining whether they observed "high ethical standards in the conduct of their business."

IIROC staff response: The requested guidance is part of the current policy discussion concerning the nature of the relationship between a registrant and its clients, which is the subject of CSA Consultation Paper 33-403 – *The Standard of Conduct for Advisers and Dealers: Exploring the Appropriateness of Introducing a Statutory Best Interest Duty When Advice is Provided to Retail Clients*, published on October 25, 2012. In the circumstances, it is premature for IIROC to consider issuing such guidance.

The Defense Bar and IIAC expressed the following views regarding the scope of proposed section 1402:

- The text of proposed section 1402 does not do enough to limit the scope of its application to just securities related business. As drafted, the rule could allow a registrant to be prosecuted for "negligent" conduct that is unrelated to the registrant's other regulatory

responsibilities or for failing to comply with any "legal" or "contractual" requirement unrelated to securities related business.

- Like existing Dealer Member Rule 29.1 and UMIR 2.1, proposed Rule 1402 should be expressly limited to "business" conduct, and it was recommended that the word "business" be inserted into clause 1402(1)(ii) before the words "conduct that is unbecoming," as well as in the opening line of Rule 1402 before the words "conduct that is...."

IIROC staff response: IIROC disciplinary proceedings typically involve misconduct that arose in the context of the securities business. Proposed clause 1402(1)(ii) would permit a finding of misconduct outside of a securities business context in appropriate circumstances where a hearing panel concludes that the misconduct is related to a person's integrity. See e.g. *Heath v. SEC*, 586 F.3d 122, 134 (2d Cir. 2009) (holding that former NYSE Rule 476(a)(6), which referred to "just and equitable principles of trade", was "broad enough to encompass conduct that does not involve a security if the conduct reflects on a person's ability to comply with the regulatory requirements of the securities industry" (quoting *Paul K. Grassi, Jr.*, 86 S.E.C. Docket 1954, 2005 SEC LEXIS 3072, 2005 WL 3199274, at *3, *4 n.8) (Nov. 30, 2005)). This is consistent with IIROC's practice of requiring each individual who applies for or maintains securities registration and IIROC approval to disclose, among other things, any refusal of "registration or a licence under any legislation relating to [the individual's] professional activities unrelated to securities or derivatives," any criminal conviction (whether or not related to the securities business), any pending civil action against the individual "alleging fraud, theft, deceit, misrepresentation or similar misconduct" (whether or not related to the securities business or to any other business), and whether the individual has ever had any petition in bankruptcy. See Form 33-109F4, *Registration of Individuals and Review of Permitted Individuals* at 7-10.

The standards in subsection 1402(2), however, are not intended to apply to conduct that is not related to business. Subsection 1402(2) has been amended to expressly limit its scope to business conduct.

PI also commented:

- Proposed clause 1402(2)(ii) provides that any conduct that results from a failure to exercise due diligence to comply with a legal, regulatory, contractual or other obligation may be considered conduct unbecoming. This appears to greatly expand IIROC's jurisdiction. It is suggested that the scope of this due diligence requirement should be limited to securities-related laws.

IIROC staff response: Subsection 1402(2) has been amended to limit the minimum

standards it sets out to business conduct, and the reference to due diligence has been deleted. As a practical matter, the conduct at issue in an IIROC investigation or disciplinary hearing will almost always relate to the conduct of business by a Regulated Person in connection with trading or advising on securities, commodities or derivatives. Nevertheless, the rules and laws that may be relevant to such conduct may not always be "securities laws". Clause 1402(2)(ii) makes clear that any laws and obligations, including the policies of a Regulated Person, may be taken into account by a hearing panel in deciding whether a respondent has violated IIROC's basic standards-of-conduct rule.

FAIR stated that it was "pleased with the clear statement in the rule that negligence may be a basis for determining that a general standard of conduct has been violated (with discretion left with hearing panels)."

PI, IIAC, Stikeman and the Defense Bar were all critical of the approach taken in proposed Rule 1400. A common theme among many of the comments was a rejection of IIROC's proposal to include simple negligence as a standard in the rule. The comments expressed regarding the proposed negligence standard were as follows:

- PI & IIAC: A negligence standard is too broad and far-reaching to justify disciplinary action for a breach of IIROC's general standards of conduct, especially considering that hearing panels will be granted the discretion to make this distinction.
- IIAC: The recommendation to adopt negligence as a standard came from the OSC staff, not from the Commission itself, and the OSC staff has no jurisdiction or specialized expertise in this area, nor was this comment made at a review hearing by the Commission.
- IIAC also stated that it was "unaware of other forms of professional discipline that are based upon a standard of negligence."
- PI, IIAC, and Stikeman: A standard of negligence is one that does not include an element of intent. Intentional or knowing conduct is a necessary prerequisite to finding conduct unbecoming or detrimental to the public interest.
- PI and IIAC: Negligence does not include any element of intent and is an unrealistic standard to be met. A more appropriate standard is recklessness, wilful blindness, or gross negligence.
- PI and IIAC: Civil proceedings are the more appropriate venue for raising the issue of negligent conduct rather than under IIROC jurisdiction. Otherwise, a Member's business conduct review could simply be transferred into a notice of hearing.

The Defense Bar also raised the following concerns regarding proposed Rule 1400:

- The proposed changes to this rule do not appear to be a mere "clarification" of the standard of conduct, as asserted in the Request for Comments. Rather, the proposed changes represent a wholesale redefinition of the standards to be applied to registrants. In our view, the proposed changes are in the best interests of neither registrants nor the industry as a whole.
- The overall effect of the changes in proposed Rule 1400 is to place registrants in a significantly more precarious position vis-à-vis both IIROC and the courts. The proposed Rule changes will significantly increase IIROC Staff's powers in enforcement hearings and leave registrants at risk of being prosecuted based on legal obligations that they may have been unaware could form the basis for regulatory action. The high standard currently required for a finding of conduct unbecoming serves a valid regulatory purpose and should be maintained.
- In general, it is unclear why IIROC is concerning itself with simple negligence by a registrant. IIROC has the power to institute rules and policies that it can enforce against its members. There is no need for it to concern itself with whether those rules have been "negligently" not complied with. The concept of negligence is a civil concept best left to the civil courts, and it is not proper for IIROC panels to step into a judge's shoes to determine that a registrant has acted negligently.
- As recognized in the Notice, IIROC (and IDA) hearing panels have consistently applied a high standard required for a breach of Rule 29.1. There are sound policy reasons for maintaining this standard. In particular, the industry benefits from a mechanism whereby the most serious and harmful conduct by a registrant can be distinguished and appropriately punished. That mechanism is the operation of the "conduct unbecoming" rule.
- *Re Bahcheli*, [2004] I.D.A.C.D. No. 12 stands for the proposition that a charge of "conduct unbecoming" implies "a degree of moral turpitude or, at the very least, bad faith on the part of the Respondent", at para. 21. Similarly, in *Re Gareau*, [2005] I.D.A.C.D. No. 25, an IIROC Hearing Panel held that Rule 29.1 is "primarily intended to focus upon quasi-criminal and unethical conduct...." *Ibid.* at para. 37. These cases also show that panels are able to punish serious conduct that may not necessarily have been captured by a specific Rule.
- Recent years have seen a watering down of the conduct unbecoming principle to include gross negligence and wilful blindness. In our view, to further water down the principle to include simple negligence will have the effect of removing all meaning from the concept of conduct that is "unbecoming" a registrant.
- IIROC does not need to define conduct unbecoming as mere negligence or a failure to exercise due diligence in "complying with Corporation requirements". IIROC panels can impose any sanction allowable under the Rules where a registrant has "failed to comply with the provisions of any Rule or Ruling of the Corporation". That is, a breach of the rules

is an independent basis for sanction; IIROC panels do not need to find that the conduct is "unbecoming or contrary to the public interest" to order sanctions. Thus, a finding that a registrant has acted in a manner that is "unbecoming" for negligently failing to follow the rules would be mere "piling on" that serves no practical sanctioning purpose. However, where a high standard for "conduct unbecoming" exists, it provides a mechanism for IIROC to express condemnation of very serious conduct, in addition to a finding that a rule has been broken. Where a low standard exists such that all breaches of the rules are considered conduct unbecoming, that mechanism is lost.

- If, as a policy decision, the Board of Directors of IIROC wishes to lower the standard required for a finding of conduct unbecoming, there should be a corresponding recognition in the rules that lighter sanctions would follow from a finding of conduct unbecoming. In other words, the proposed rule should constitute a general downgrading of the offence rather than simply a lowering of the liability standard.
- Clauses (i), (ii), and (iii) of proposed subsection 1402(2) appear to disclose the same broad standard of care, and are redundant as a result. In particular, the conduct in clauses (ii) and (iii) can be subsumed into (i) (negligence).
- The proposed section is worded so broadly as to not disclose an actual standard of conduct for registrants. For example, clause 1402(2)(ii) allows Staff or an IIROC panel to classify a "failure to exercise due diligence to comply or ensure compliance with ... other [unspecified] obligation[s]" as conduct unbecoming, which effectively subjects registrants to a standard that is not disclosed until they have been accused of breaching it.

IIROC staff response: As stated in the Notice, Consolidated Rule 1402 is intended to consolidate UMIR 2.1 and Dealer Member Rule 29.1 and to address the restrictive interpretation of the latter rule recently adopted by some IIROC hearing panels. As with other professional regulatory bodies, IIROC's existing and proposed standards-of-conduct rules are principle-based standards, the scope of which, for any particular case, is ultimately determined by a hearing panel comprised of industry experts, both active and retired, as well as a legally trained panel chair. Like existing Dealer Member Rule 29.1 and UMIR 2.1, Consolidated Rule 1400 is not meant to be a prescriptive rule because it is impossible to anticipate all types of conduct that may fall below the accepted standard.

In a number of cases over the past decade, with increasing frequency, hearing panels have interpreted conduct "unbecoming and detrimental to the public interest" to require unethical, dishonest, intentional or reckless conduct or aggravated or gross negligence.[2]

[2] See e.g. *Re Zosiak*, 2012 IIROC 59 at paras. 59-60, discussing earlier decisions; see also *Blackmont Capital Inc.*, 2011 BCSECCOM 490, discussing earlier decisions.

Such an interpretation effectively elevates IIROC's basic standard of conduct to a penal standard in an administrative tribunal context, which we believe is inappropriate and inconsistent with the standards that apply under similar provisions of provincial securities law.

The "elevated" interpretation of "conduct unbecoming" adopted by in some hearing panel decisions is also inconsistent with numerous other hearing panel decisions finding violations of Rule 29.1 based on negligence, rather than gross negligence. Examples include successful disciplinary actions in the context of undisclosed or otherwise improper outside business activities, failures to prevent manipulative trading by a client, failures to properly handle client complaints, negligent misrepresentation, and improper off-book distributions.[3]

In one recent decision, the hearing panel attempted to further clarify the various interpretations of conduct unbecoming, noting that: "[F]or conduct to be 'conduct unbecoming' under Rule 29.1, there must be some element of wrongdoing or falling below the standard of conduct reasonably accepted in the securities industry in order to maintain the public trust in the members who handle the public's money."[4]

It is Staff's view that certain negligent conduct may, depending upon all of the circumstances, fall below such a standard "reasonably accepted in the securities industry" and therefore constitute a breach of our existing and proposed general standards-of-conduct rules.

This approach is similar to that of other securities regulators, including FINRA (under its equivalent standards-of-conduct rule, FINRA Rule 2110) and Canadian provincial securities regulatory authorities (under similarly broad provisions of their respective securities acts).[5] It would be anomalous and improper if negligent misconduct by IIROC's Regulated Persons could be sanctioned under provincial securities law, but not under IIROC's own self-regulatory standards-of-conduct rule. Codifying the standard of simple negligence in the rule itself, as clause 1402(2)(i) does, brings clarity to the standard to be applied.

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[3] See e.g. *Re Lotz*, 2008 IIROC 2 at paras. 12-13 (implicitly applying a negligence standard to charge of outside business activities under Dealer Member Rule 29.1); *Re Faiello*, [2007] I.D.A.C.D. No. 4 at paras. 36-37 (finding respondent liable under Dealer Member Rule 29.1 where he "ought to have recognized that [the] account was being used by his client to further [a] [m]anipulation"); *Re Leduc & Associés Valeurs Mobilières (Canada) Ltée*, [2004] I.D.A.C.D. No. 66 (finding UDP liable under Dealer Member Rule 29.1 for failing to deal effectively and diligently with a client complaint); *Re Morrison*, [2002] I.D.A.C.D. No. 5 (in uncontested matter, finding a breach of Dealer Member Rule 29.1 where respondent recommended an investment product and "provided his client... with erroneous and misleading information" regarding that product); *Re Beaty*, [2000] I.D.A.C.D. No. 46 (finding violation of Dealer Member Rule 29.1 where respondent placed off-book trades in violation of provincial securities law, industry standards, and his firm's internal policies).

[4] *Re Deeb*, 2013 IIROC 08, at para. 99.

[5] See e.g. *Re Biovail Corporation*, (2010) 33 O.S.C.B. 8914 (October 8), at paras. 389, 400, 406; *Re Walker*, 2010 BCSECCOM 401 (July 12), at para. 189; *Re Cartaway Resources Corp.*, 9 A.S.C.S. 3092 (August 11).

As a result, we are proposing to adopt Consolidated Rule 1402, which will clarify past decisions of hearing panels and align our regulatory framework with similar approaches taken by other securities regulators. Conduct unbecoming is not a penal standard, but is a self-regulatory standard reflecting the obligations of Regulated Persons to comply with IIROC's rules and maintain high standards of conduct. IIROC's rules, including its disciplinary rules, are regulatory, not penal, as has been held by the OSC.[6] Accordingly, it is both fair and appropriate for hearing panels to consider whether in certain circumstances, negligent conduct constitutes a violation of the basic standards of conduct.

Dealer Member Rule 29.1 contains three distinct but complementary principles ("high standards of ethics", "conduct unbecoming", and conduct "detrimental to the public interest") that are applicable to all members of the securities industry. Although any one of these principles can provide a basis for disciplinary action, they are not intended to be limited to conduct that is intentional, dishonest or quasi-criminal. Rather, they round out a comprehensive regulatory system comprised of all IIROC rules and policies, within the broader regulatory framework of securities, commodities, derivatives and other applicable laws. In this respect, they are analogous to the public interest jurisdiction of securities commissions in Canada. The narrow interpretation of Dealer Member Rule 29.1 by hearing panels in some cases is not, on its own, determinative of the breadth of IIROC's regulatory mandate and the securities regulatory framework.

Requiring intentional conduct, an improper purpose or aggravated or gross negligence is more stringent than the approach taken to regulatory offences in quasi-criminal proceedings. The securities industry operates within a highly regulated market context. Members of a regulated industry accept, as a condition of entry, that they will be carrying on business in a regulated environment in which they are expected to be aware of the rules and to take reasonable care to ensure that they and their employees abide by them. A failure to comply is generally treated as a matter of strict liability, subject to a defence of due diligence or a reasonable mistake of fact. This approach to regulatory legislation was approved by the Supreme Court of Canada as long ago as 1978 in *R. v. Sault Ste. Marie,* [1978] 2 S.C.R. 1299. It was confirmed in the context of the *Charter* in *R. v. Wholesale Travel Group Inc.*, [1991] 3 S.C.R. 154 (para. 189), and it generally applies to quasi-criminal offences under securities laws.

It goes without saying that negligence does not provide a defence to a failure to comply, as was confirmed recently by the Ontario Court of Appeal. See *R. v. Clothier*, 2011 ONCA 27, paras. 22 and 39 ("a person can be convicted for merely being negligent"). The same approach has been adopted in connection with professional licensing regimes, under which a defence of due diligence to a charge of professional misconduct requires a respondent to

[6] See *Re Dennis*, (2012) 35 O.S.C.B. 7374 (August 9), at paras. 38-39.

show that reasonable care was taken and reasonable systems established and monitored. See e.g. *Office of the Superintendent of Bankruptcy v. MacLeod*, 2011 FCA 4 (fact that conduct was not intentional, caused no harm and resulted merely from an oversight or inadvertent error not a defence). In view of this approach to regulatory legislation, it is anomalous that the rules of a self-regulatory organization like IIROC would be interpreted more strictly.

This is also the case with respect to the exclusion of "mere negligence" as an available basis for conduct unbecoming or contrary to the public interest, especially when it is applied to failures to fulfill "know your client" obligations, like those imposed under Dealer Member Rule 1300.1, which expressly require the exercise of due diligence, as was done in the *Zosiak* and *Ng* decisions. It is also inconsistent with a recent OSC decision holding that a senior officer of a public company is obligated to exercise due care and diligence to ensure that his conduct is not inconsistent with the public interest. See *Re Biovail Corporation*, (2010) 33 O.S.C.B. 8914 (October 8), paras. 389, 400, 406.

A recognition of a negligence standard as a potential basis for liability is consistent with the approaches taken by other securities regulators. For example, a negligence standard may serve as a basis for finding a violation of the similar catch-all provisions of FINRA and its predecessors. See e.g. *Department of Enforcement v. Pellegrino*, 2008 NASD Discp. LEXIS 10 at *13-14 (N.A.C. January 4, 2008) (misleading statements about risks of certain securities were "at least negligent and violated NASD Rule 2110"); *Paul Joseph Benz*, SEC, Exchange Act Release No. 34-51,046, 2005 SEC LEXIS 116 (January 14, 2005) (president of firm violated Rule 2110 by permitting firm to operate with insufficient net capital, despite good faith effort to comply); *Department of Enforcement v. Bullock*, 2009 FINRA Discp. LEXIS 18, at *18 (Office of the Hearing Officers, April 17, 2009) ("negligent conduct may violate Rule 2110").

Furthermore, in the most recent oversight review conducted by IIROC's Recognizing Regulators, OSC staff expressed "a concern ... with the standard of liability that must be met" under hearing panel jurisprudence requiring a recklessness or gross negligence standard to demonstrate conduct unbecoming by a Dealer Member. OSC staff stated that Dealer Member Rule 29.1 was broad enough to encompass a simple negligence standard. This view was the catalyst for an internal review of the issue by IIROC staff, which has resulted in the current rule amendment proposal.

IIROC accepts that not all inadvertent acts or errors will constitute a contravention of the proposed rule, but we believe that our basic standards-of-conduct rule should continue to permit Enforcement Staff, in appropriate circumstances, to prosecute misconduct that, while not expressly prohibited by a specific IIROC rule, nonetheless represents a departure from a standard that is reasonably expected of a Regulated Person. This ability to proceed against such negligent conduct will not be unfettered: it will be subject to a respondent's right to bring forth evidence that his or her conduct was reasonable under the circumstances. In addition, under the Consolidated Rules, hearing panels would continue to have discretion to

make a determination in the circumstances of each case, taking into account all of the evidence and making a determination as to the reasonableness of the alleged negligent conduct within the securities regulatory context. Where a hearing panel finds a divergence from conduct reasonably expected of a member of the securities industry, the Consolidated Rules will expressly empower the hearing panel to conclude that the conduct in question is unbecoming, detrimental to the public interest, or inconsistent with just and equitable principles of trade and to determine the sanction to be imposed. Cf. e.g. *Re Biovail Corporation*, (2010) 33 O.S.C.B. 8914 (October 8), para. 383.

The Defense Bar offered the following additional comments:

- Proposed clause 1402(2)(ii) applies on its face where there has been "a failure to exercise due diligence to comply ... with [enumerated obligations]". It is conceivable that the section could be invoked against a registrant where none of the enumerated obligations have actually been breached, but only where there is a failure to exercise due diligence in complying or ensuring compliance.

IIROC staff response: We have amended proposed clause 1402(2)(ii) to address the concern raised by deleting the reference to due diligence. The proposed revisions make clear that the purpose of clause 1402(2)(ii) is not to permit a new "failure to exercise due diligence" charge in the absence of a violation of any other rule or law, but to proscribe, in appropriate circumstances, business conduct that contravenes an obligation of a Regulated Person—outside of its obligations under IIROC rules—such as obligations of a legal, regulatory, contractual nature or obligations arising under the policies of the firm with which the Regulated Person is associated.

- Proposed Rule 1402 could impair IIROC's ability to settle hearings in a timely and efficient manner. Current case law in Ontario is clear that an admission in a regulatory hearing can be used as an admission in civil actions. Registrants will be less likely to agree to settlements if IIROC Staff seek to conclude them upon an admission that a registrant has acted negligently, for fear of civil consequences. This will increase the number of contested hearings, the time for resolution of hearings and the number of appeals, and will have a corresponding detrimental effect on the process as a whole.
- If mere negligence becomes a sufficient ground to find conduct unbecoming, then the rule should explicitly state that a finding by a court that a person has acted negligently cannot simply be "imported" into an IIROC hearing such that a breach of proposed Rule 1402 would be automatic. A civil action is different in nature to a regulatory hearing, with different strategic considerations, and it would be unfair to import one into the other. Similarly, the proposed amendments carry the risk that a court will "accept," in a civil proceeding, a finding by an IIROC panel that a registrant has acted negligently. IIROC

hearings have significantly more relaxed evidentiary rules than do civil proceedings, such as the near-automatic admission of hearsay evidence, which could significantly impair registrants' ability to defend civil proceedings.

IIROC staff response: The purpose of IIROC's disciplinary process is protective, to prevent and deter conduct that is harmful to individual investors and to the integrity of securities, commodities and derivatives markets. Enforcement Staff is always open to settlement discussions. When proposed terms of settlement are acceptable to Enforcement Staff, the decision to resolve the proceeding by settlement agreement is at the discretion of the respondent. A respondent's civil exposure is not a factor for Enforcement Staff when agreeing to a settlement. The effect of such a settlement on a civil proceeding is a matter of law for the courts to determine in particular cases.

As is now the case, a court finding that a respondent has breached an obligation under IIROC rules or a similar obligation may be relevant in a disciplinary proceeding. Whether the finding provides a basis for a hearing panel to impose a sanction is a matter to be decided by a hearing panel, if Enforcement Staff initiates proceedings.

Stikeman took the view that proposed Rule 1400 is overly broad because it could be interpreted to suggest that a registrant must exercise due diligence in complying with contractual obligations with other parties such as third parties, landlords, lenders and employers.

IIROC staff response: As stated above, proposed Rule 1400 largely addresses business conduct, as do the current rules. Enforcement Staff does not involve itself in disputes between Regulated Persons and third parties like landlords, lenders or employers and would not initiate proceedings against a Regulated Person for conduct not related to the securities, commodities or derivatives business, unless the conduct brings into question the Regulated Person's integrity or ability to carry out his or her duties as a securities industry professional or the conduct is otherwise detrimental to the public interest.

1. Failure to exercise due diligence

We received the following comment from PI regarding proposed clause 1402(2)(ii):

- The explanatory comments in the Notice are somewhat confusing and should be clarified. For example, the Notice states that Rule 1400 does not treat due diligence as a defence, but under clause 1402(2)(ii), if a respondent demonstrates that due diligence was exercised, it would be considered a defence to the allegation of misconduct.

IIROC staff response: Clause 1402(2)(ii) has been amended to remove the express reference to due diligence (see above, page 23).

2. Unreasonable departure from expected standards

PI and IIAC suggested that proposed clause 1402(2)(iii) should be removed because the language in existing Dealer Member Rule 29.1 was "clearer and better understood by the industry." They also offered the following comments:

- Incorporating a standard of conduct that "displays an unreasonable departure from standards that are expected to be observed by a Regulated Person" causes concern. Language to this effect has not been found in decisions of hearing panels. Further, while the Notice states that Consolidated Rule 1402 is not intended to create any new standard of conduct, it appears that proposed clause 1402(2)(iii) does in fact do so.
- Industry standards are often higher and more comprehensive than the standards articulated in IIROC's prescribed requirements. It is likely that a new and higher standard may be established through expert evidence or other avenues, thereby creating a new industry best practice that is a departure from the minimum IIROC requirements and creating a higher threshold that Member firms would be measured against. This is inappropriate. Rather than the standards outlined in IIROC Rules, which are minimum standards, the referred standard goes far beyond what is set out in the Rules. This is problematic as it sets the bar where industry members will not have advance knowledge of what is expected of them. Further, Member firms will quite likely be unaware of what other firms are doing with respect to, for example, supervisory system best practices.
- This type of standard is also unfair to smaller firms who would be measured against larger firms that have greater resources at their disposal.

The Defence Bar expressed the view that the language in proposed clause 1402(2)(iii) that a registrant engages in conduct that is unbecoming when the person "displays an unreasonable departure from standards that are expected to be observed by a Regulated Person" discloses no meaningful standard at all. According to the Defense Bar, this subsection appears to be simply another way of stating the negligence standard.

IIROC staff response: This provision is an interpretive rule that codifies statements in decisions of hearing panels relating to industry expectations, but in terms that make it clear that the standard is based on reasonableness. See e.g. *Re Ng*, [2007] I.D.A.C.D. No. 47, para. 20 ("wide divergence form the conduct to be reasonably expected of a registered representative"); *Re Deeb*, 2013 IIROC 8, para. 99 ("falling below the standard of conduct reasonably accepted in the securities industry in order to maintain the public trust" in members). The reasonableness requirement emphasizes that the standard is an objective, negligence standard.

A breach of industry standards, as codified in clause 1402(2)(iii), is commonly accepted as

determinative of conduct unbecoming and may be the subject of expert evidence. See e.g. *Re Castonguay*, 2012 IIROC 73, paras. 35-38 (holding proof of industry standards required in evidence and dismissing allegation). The clause reflects a recognition that a hearing panel comprised of experienced members of the securities industry will necessarily apply a standard based on an assessment of the acceptability of a person's conduct from the perspective of industry knowledge and expectations. It also reflects the fact that IIROC is a self-regulatory organization implementing standards that are generally understood in the industry.

3. Proposed Section 1403

Two commenters, PI and IIAC, were concerned that proposed section 1403 creates absolute vicarious liability for Regulated Persons for all acts and omissions of their employees. They took the view that this provision is substantially broader than Rule 29.1 in that (1) it applies to all Regulated Persons, and not just Dealer Members, and (2) unlike Rule 29.1, proposed section 1403 does not explicitly provide that the requirement is in place "for the purposes of disciplinary proceedings pursuant to the Rules." They felt that the new provision is also broader than UMIR 10.3, which provides that a Participant or Access Person "may be found liable." To remain consistent with existing requirements, the two commenters recommended that proposed subsection 1403(1) be revised to provide that: "For the purposes of disciplinary proceedings pursuant to the Rules, each Dealer Member may be found liable for all acts and omissions of their employees."

IIROC staff response: Proposed section 1403 consolidates existing Dealer Member Rule 29.1 and UMIR 10.3. Proposed section 1403 reflects the fact that Regulated Persons that are non-natural persons, i.e. corporate and other entities, act through employees and agents. If those individuals violate IIROC rules, their employer or principal may, in appropriate circumstances, be liable for the violations. For greater clarity, however, proposed subsection 1403(1) has been amended by adding the following introductory phrase, "For purposes of *Corporation requirements*...." This phrase is a simplified version of similar language in existing Dealer Member Rule 29.1.

B. Enforcement Proceedings *[Consolidated Rule 8200]*

1. Limitation Period

IIAC was supportive of the proposed changes to the limitation period applicable to enforcement proceedings, and in particular, the proposed rule pursuant to which IIROC Enforcement Staff would have the right to bring an enforcement action up to 6 years from the date of the occurrence of the last event on which the proceeding is based.

Stikeman queried whether a six-year limitation period would contravene the two-year limitation period set forth in the Ontario *Limitations Act*, 2002.

IIROC staff response: The Ontario *Limitations Act*, *2002* (the "Act") applies only to civil "claims pursued in court proceedings" (ss. 1-2). It is not applicable to enforcement proceedings by IIROC or any other regulatory or self-regulatory organization.

A six-year limitation period applies to enforcement actions under all the provincial and territorial securities statutes in Canada, except in Manitoba and Quebec.

FAIR offered numerous comments on the proposed limitation period, as follows:[7]

- Principles of natural justice do not require a limitation in all circumstances. Some cases may require an unlimited amount of time. Claimants may be unaware of wrongdoing where it is undiscovered or concealed.
- Risk can lie dormant within a client's affairs for years due to advice provided by a Dealer Member or Approved Person. It is therefore inappropriate to implement a limitation period.
- Although the duties owed by Dealer Members and Approved Persons to their clients under IIROC Rules are not fiduciary in nature, many of the principles that make limitation periods inappropriate for fiduciaries can also apply to the relationship between Dealer Members

[7] In 2010, IIROC published a rule proposal to implement a limitations period for enforcement investigations and disciplinary proceedings. See IIROC Rules Notice 10-0310 – Request for Comment – *Limitation on IIROC Enforcement Proceedings* (2010), 33 OSCB 11109 (November 26), online: <http://www.osc.gov.on.ca/documents/en/Marketplaces/srr-iiroc_20101126_rn-rfc-enforcement.pdf> (the "Limitations Proposal"). As the proposed consolidation of IIROC enforcement, procedural, examination and approval rules incorporates the limitation periods that were proposed in the Limitations Proposal, the latter proposal was withdrawn by IIROC on September 6, 2012; see IIROC Rules Notice 12-0266 – Notice of Withdrawal, *Withdrawal of Proposed Limitation on IIROC Enforcement Proceedings*, (2012) 35 OSCB 8369 (September 6), online: <http://www.osc.gov.on.ca/documents/en/Securities-OSCB/oscb_20120906_3536.pdf>.

In a letter dated January 25, 2011, FAIR commented on the Limitations Proposal. Certain of the comments made by FAIR in its January 2011 letter were virtually identical to its comments on the limitation provisions of the Consolidated Rules and are addressed above; we have not responded to comments made by FAIR on the Limitations Proposal that were not contained in FAIR's more recent letter regarding the Notice, as we consider those earlier comments now moot.

In addition, in January 2011, we received comments on the Limitations Proposal from two other commenters. At the request of the Canadian Securities Administrators, we have provided responses to these comments in the Appendix to this response letter.

and clients, such as the relative gap in knowledge inherent in such a relationship. Therefore a proper alternative would be to have no limitation where the acts of the Dealer Member or Approved Person negatively impacted a client or member of the public. Limitation periods would only apply in connection with administrative offences or other circumstances where the interests of clients are not directly affected.

- It would be appropriate to limit the limitations regime by providing explicitly in the Rules that where a proceeding takes place more than six years after discoverability, the proceeding will not continue if the Dealer Member or Approved Person can show that they are substantially prejudiced by the delay.
- It would be appropriate to allow proceedings to commence within the limitation period by having IIROC give the respondent notice that IIROC intends to initiate enforcement proceedings.
- The limitation period should be based on discoverability rather than occurrence and should be calculated from the later of: i. the earlier of (a) the time at which IIROC obtains information or facts that the event that forms the subject matter of the enforcement proceeding has occurred, and (b) the time at which IIROC should reasonably have become aware that a violation is or had occurred; and ii. for non-compliance that is or was continuing, the time of the last occurrence of the conduct in question. If IIROC has no information or facts that do or should put it on notice of the subject matter of the enforcement proceeding, and IIROC can show that it used reasonable diligence in determining the facts behind the wrongful conduct, the limitation period should not begin to run. Furthermore, where non-compliance continues even after IIROC is aware of the conduct, IIROC should remain free to bring enforcement proceedings.

IIROC staff response: An objective limitation period is desirable for both IIROC and Regulated Persons. While discoverability of wrongdoing is an appropriate principle with respect to civil actions, it has the potential to complicate and protract enforcement proceedings. This is one factor that led to its replacement, in most provincial securities acts, by the current six-year limitation period.

- If IIROC does not use discoverability as the trigger for the limitation period, then there should be an exemption for instances where misconduct is wilfully concealed.

IIROC staff response: In some circumstances, wilful concealment of misconduct may be part of the conduct giving rise to a proceeding. In these circumstances, the limitation period would not begin to run as long as the wilful concealment continues. In any event, the wilful concealment of misconduct is itself a further contravention of IIROC Rules, enabling staff to pursue a separate charge against a respondent for such wilful concealment, provided it did not end more than six years before the commencement of the proceeding.

- IIROC should undertake a review of historical proceedings to ensure that a six-year period is sufficient to investigate and initiate enforcement proceedings.

IIROC staff response: Enforcement Staff believes appropriate enforcement proceedings can be brought within the six-year period.

- IIROC should harmonize recordkeeping requirements with the enforcement regime, and not vice versa.

IIROC staff response: Although IIROC took its recordkeeping requirements into account, those requirements are not the basis for the proposed limitation period.

2. Sanctions

FAIR expressed approval of the following new sanctions: disgorgement of amounts obtained through a rule contravention; appointment of a monitor (which is no longer limited to expedited hearings); and a prohibition on employment of an individual by a Regulated Person in any capacity when the individual has been permanently barred. FAIR also expressed the following views:

- The list of persons who are permanently barred should be made public so that investors have the ability to review the list when engaging with employees of a Regulated Person.

IIROC staff response: IIROC has contemplated publishing a list of barred individuals on a periodic basis. A rule change, however, is not necessary to carry this out.

- In the event that an individual does not pay a fine levied by IIROC, the employee's Dealer Member employer should be made responsible for the fine.

IIROC staff response: IIROC staff believes that vicarious liability should not apply to disciplinary sanctions. Under existing IIROC Rules, Dealer Members and Access Persons are responsible for the supervision of their employees (which includes individuals in a principal/agent relationship with the Dealer Member) and are subject to enforcement proceedings and, ultimately, fines and costs, if they have inadequately supervised their employees. In addition, in appropriate circumstances, Dealer Members and Access Persons may be found liable for a violation of an IIROC Rule based on the acts or omissions of their employees, since firms can only act through the natural persons who are their representatives and employees, and the Consolidated Rules are consistent with this well-established principle. However, it would be inappropriate—and possibly even a breach of natural justice—for IIROC to hold any Regulated Person liable for a fine, or any other sanction, without first holding a hearing to determine whether the Regulated Person should be held liable. Indeed, we are not aware of any regulator whose rules automatically impose an

obligation on a regulated firm to pay unpaid fines of a regulated individual who is or was employed by that firm.

FAIR made the following recommendations:

- IIROC should improve on the effectiveness of sanctions, for example, by increasing the rate of fine collections for individuals, which currently ranges between 10 to 15%.

IIROC staff response: IIROC uses a variety of means to attempt to collect fines owed by Regulated Persons, but like many other regulators, both in Canada and abroad, IIROC has encountered difficulties in collecting fines from some individuals. These difficulties stem from certain practical impediments, including, but not limited to, the frequent insolvency of many Regulated Persons who have unpaid fines and the fact that such persons often leave the industry and change residential addresses with the deliberate intention of avoiding their creditors, including IIROC.

Moreover, with the exception of legislation applicable in Alberta and Quebec, provincial law does not provide IIROC with the necessary statutory authority to collect monetary fines from uncooperative respondents. We have repeatedly asked provincial regulators and legislators to grant us this authority, and we will continue to do so, but for the time being, in most provinces, our legal avenues for collecting fines are limited.

It should be noted that, through an action for breach of contract, IIROC was able to enforce a hearing panel's order against a respondent to pay IIROC's costs, where the individual had been found liable in a disciplinary proceeding. See *IIROC* v. *Vitug*, 2012 ONSC 5983 (CanLII), at para. 36. That decision, however, is currently under appeal.

- Canadian securities regulators should grant IIROC a statutory right to collect fines, just as Alberta has done through its *Securities Act*, which would increase the efficiency and effectiveness of IIROC's enforcement efforts. The increased likelihood of payment of penalties would enhance the credibility of self-regulation, which would contribute to improved credibility of the overall securities regulatory system in Canada.

IIROC staff response: While IIROC staff is in agreement with the substance of this comment, the commenter is recommending a legislative change that is beyond IIROC's control. We would support any change in this direction.

IIAC was generally supportive of the changes in proposed Rules 8209 and 8210, but it requested that the Notice accompanying the proposed rules clarify the application of subsection 8210(6) by stating that it applies only to persons who are permanently barred from employment in any capacity.

IIROC staff response: By referring to proposed clause 8210(1)(ix), subsection 8210(6) expressly provides that a Regulated Person must not employ or hire a person who has been permanently barred from employment in any capacity. Its purpose is to ensure that this sanction is observed by all Regulated Persons. We believe the text of the rule is sufficiently clear.

Two commenters, PI and IIAC, recommended that the list of individuals prohibited from employment that IIROC proposes to maintain should include the name of the firm as well as other specifics, such as a link to the decision, to assist Dealer Members in better identifying these individuals, especially in the case of common names.

IIROC staff response: IIROC intends to develop protocols to assist firms in identifying individuals who have been sanctioned, including individuals who have been barred from employment in the securities industry.

The Defense Bar expressed the following regarding the new sanctions provisions in proposed Rule 8200:

- In proposed subsections 8209(1) and 8210(1), the ability of a hearing panel to sanction Regulated Persons for conduct in respect of "commodities contracts" is overbroad. Instead, the language used in the definition of "security" in section 1 of the Ontario *Securities Act* (namely, "any commodity futures contract or any commodity futures option that is not traded on a commodity futures exchange registered with or recognized by the Commission under the *Commodity Futures Act* or the form of which is not accepted by the Director under that Act") should be tracked.

IIROC staff response: IIROC Rules are intended to apply to the conduct of Regulated Persons who trade or advise in respect of any of the instruments referred to in proposed subsections 8209(1) and 8210(1). Therefore, no change to these provisions is required.

- In proposed sub-clauses 8209(1)(iii)(a) and 8210(1)(iii)(a), the maximum proposed fine for Regulated Persons is five times higher than the maximum administrative penalty under section 127(1) of the Ontario *Securities Act*. It is disproportionate that IIROC could impose a significantly greater fine than the Ontario Securities Commission, the senior regulator charged with protecting the public interest in relation to Ontario's capital markets.

IIROC staff response: The maximum fine allowed under proposed sub-clauses 8209(1)(iii)(a) and 8210(1)(iii)(a) (the greater of $5,000,000 for each contravention or three times the profit made or loss avoided as a result of the contravention) is the maximum fine allowed under the equivalent sanction provisions of the Mutual Fund Dealers Association.

See MFDA By-law No. 1, ss. 24.1.1(b), 24.1.2(b). IIROC is entitled to impose higher standards and fines than those of the provincial regulators. We believe that the proposed fines will have a beneficial, deterrent impact that will assist us in the pursuit of our investor protection mandate.

- In proposed clauses 8209(1)(viii) and 8210(1)(x), the unlimited discretion implied by the phrasing "any other sanction that the hearing panel considers appropriate" requires moderation, such as by the additional language "that the hearing panel considers necessary to protect investors and/or market integrity." The equivalent provisions in the existing UMIR and Dealer Member Rules contain at least some limiting language (namely, "any other remedy determined to be appropriate under the circumstances" and "any other fit remedy or penalty", respectively).

IIROC staff response: We have redrafted the relevant clauses so that they reproduce the wording used in existing UMIR 10.5(1)(f), with one small modification for internal consistency (i.e. we have used the word "sanction" rather than "remedy").

- Pursuant to proposed subsections 8209(2) and 8210(2) and (3), it appears as if Regulated Persons are being made absolutely liable for any employee conduct, which is inappropriate. At the very least, the conduct in question should have been undertaken in the course of employment and a due diligence defence should be expressly set out.

IIROC staff response: Proposed subsection 8209(2) ("may be sanctioned") is permissive. It does not impose absolute liability, but merely allows a hearing panel to find liability in an appropriate case. Former subsection 8210(2) has been deleted for the reasons set forth in the response immediately below. As regards the liability of directors and officers of Regulated Persons under subsection 8210(3), the drafting of the rule ("may be sanctioned") makes clear that such liability is not absolute, and it will be incumbent upon hearing panels to determine in specific cases whether directors and officers should be sanctioned for the misconduct of their firms.

- Proposed subsection 8210(4) improperly purports to give IIROC jurisdiction to sanction an employee of a Regulated Person who is not otherwise a Regulated Person. IIROC's authority is derived from its members' contractual obligation to comply with IIROC's By-laws, regulations and Rules, not from statute. Accordingly, IIROC's powers are only exercisable against those who have agreed by contract to submit to its authority.

IIROC staff response: Staff agrees that IIROC may only sanction an individual over whom IIROC has jurisdiction. We have concluded that subsections (2) and (4) of 8210 are unnecessary as a result of the proposed amendments to section 1403. In particular, subsection 1403(1) makes clear that Dealer Members and non-Dealer Member users or subscribers of a marketplace are responsible for the acts and omissions of their employees,

partners, directors, and officers; this obviates the need for subsection 8210(2). Similarly, if an individual is found to have caused his or her firm to have violated an IIROC Rule that applies to the firm, then that individual will be found liable for a breach of new subsection 1403(2) (which is itself a Corporation "requirement") and, therefore, he or she may be sanctioned under subsection 8210(1); this obviates the need for subsection 8210(4). We have therefore deleted subsections (2) and (4) of section 8210.

3. Costs

PI and IIAC noted that proposed section 8214 gives Enforcement Staff the ability to seek costs, but not a respondent that succeeds at a hearing, and stated that this places an unfair burden on respondents who desire to exercise their rights to contest allegations made against them, since respondents have no means to recover their costs.

The Defense Bar took the view that proposed section 8214 was "inherently unfair" because, by permitting a "one-way" costs award against a respondent only, the rule gives respondents no recourse to recover legal costs or other damages, even in circumstances where the proceedings are dismissed or the actions of Enforcement Staff have unnecessarily increased the time and expense of a proceeding.

IIAC made the following comments regarding proposed section 8214:

- The costs a hearing panel may award under the proposed rule should be limited to costs incurred by IIROC in connection with the hearing only, and should not include costs incurred in connection with an investigation related to the hearing.
- The proposed rule should be revised to mirror language in UMIR 10.7(1), which, like existing Dealer Member Rule 20.49, only covers expenses incurred by IIROC "as a result of the investigation and proceedings resulting in the order" (rather than as a result of "any investigation related to the hearing"), while expressly requiring that such costs be appropriate and reasonable in the circumstances.

IIROC staff response: Dealer Member Rule 20.49 authorizes a hearing panel to "assess and order any Corporation Staff investigation and hearing costs determined to be appropriate and reasonable in the circumstances." Proposed section 8214 consolidates existing IIROC Dealer Member 20.49 and UMIR Rule 10.7. It is consistent with section 127.1 of the Ontario *Securities Act* and similar provisions found in the securities acts of other provinces and territories.

The Defense Bar also noted that the proposed rules do not provide any guidelines on the procedure for Enforcement Staff to request costs, including notice of such a request, the material to be filed in support of such a request or the factors to be considered when awarding costs. They suggested that the proposed rules should contain such guidelines, at a minimum, in order to ensure that respondents are fairly given the opportunity to respond to such a request and/or to take steps during the course of the proceeding to mitigate the risk and quantum of any cost award.

IIROC staff response: Under the Consolidated Rules, like under existing IIROC Rules, costs are left to the discretion of hearing panels. See e.g. *Re McErlean*, [2012] IIROC 12 at para. 15 (citing *Re Credifinance Securities Ltd.*, [2006] I.D.A.C.D. No. 30 at para. 56); see also *Donnini v. Ontario Securities Commission*, [2003] O.J. No. 3541 at para. 39 (Div. Ct.) (addressing costs award in context of OSC enforcement proceeding), affirmed, [2005] O.J. No. 240 (C.A.). These decisions identify factors to be taken into account by hearing panels in arriving at an appropriate costs order.

4. Settlements

The Defense Bar stated that the rules should specifically stipulate that settlement hearings will be *in camera*.

IIROC staff response: The Consolidated Rules so provide. Proposed subsection 8203(5) expressly provides that a settlement hearing will be open to the public "only after a settlement agreement has been accepted by the hearing panel." This follows from the fact that the terms of a settlement agreement are confidential until a hearing panel accepts it. See section 8215.

IIAC made the following comments regarding proposed section 8215:

- Proposed subsection 8215(2) states that a settlement agreement must contain the items listed in clauses (i) through (viii). To avoid having to comply with a strict template that may not be appropriate for all settlement agreements, the provision should be revised to state, "Subject to an order of the hearing panel, a settlement agreement must contain...."

IIROC staff response: Each of the terms set out in clauses (i) through (viii) of proposed subsection 8215(2) is an essential element of a settlement agreement. Clause 8215(2)(ix) makes clear that the items listed in clauses (i) through (viii) are not exhaustive. We do not believe any change to this rule is warranted.

- Proposed subsection 8215(4) provides that a settlement agreement may impose any obligations on a respondent to which the respondent agrees, whether or not they could be

imposed by a hearing panel under this Rule. This provision grants the hearing panel very broad discretion. The imposition of such obligations should be subject to a reasonableness standard and, therefore, the text of the provision should be revised to refer to "any reasonable obligations."

IIROC staff response: The purpose of proposed subsection 8215(4) is to allow the parties to a settlement to agree on the terms of settlement. It does not confer discretion on a hearing panel to impose a sanction. At a settlement hearing, a hearing panel's authority is limited to accepting or rejecting the settlement on the basis of the terms agreed to by the parties, whether or not the hearing panel would be able to impose such terms after a full disciplinary hearing.

- As reflected in proposed subsection 8215(9), there is recognition of the potential prejudice that would occur if a member of the hearing panel who rejected a settlement agreement also sat as a member of a hearing panel that considers a subsequent settlement agreement or conducts a disciplinary hearing based on the same or related allegations. However, this appears to be inconsistent with proposed clause 8215(8)(ii), which permits the hearing panel's reasons for rejecting the settlement agreement to be made available to a hearing panel considering a subsequent settlement agreement. The prejudice that would occur by permitting the same hearing panel member to sit on a hearing panel that considers a subsequent settlement agreement would also exist where the reasons for rejecting the settlement agreement are made available to the subsequent hearing panel.

IIROC staff response: Proposed clause 8215(8)(ii) *requires* that the reasons for the rejection of a settlement agreement be made available to a hearing panel that considers a subsequent settlement of the same matter. This requirement is intended to prevent Enforcement Staff from submitting the same settlement agreement to a second hearing panel and to enable the second hearing panel to consider a subsequent settlement agreement in light of the reasons that led the first hearing panel to reject the settlement that was initially reached. A subsequent settlement hearing is neither an appeal from nor a reconsideration of the decision of the first hearing panel. The second hearing panel is expected to make its own decision on the basis of the subsequent settlement agreement that is presented to it.

C. ***Rules of Practice and Procedure*** *[Consolidated Rule 8400]*

The Defense Bar suggested that the general principles outlined in proposed section 8403 should include a specific reference to the notion that the rules shall be interpreted and applied in a manner "consistent with the requirements of natural justice."

IIROC staff response: The provisions of Consolidated Rule 8400 embody the principles of natural justice. Subsection 8403(1) also provides that the Rules of Practice are to "be

interpreted and applied to secure a fair hearing and just determination of a proceeding" and the "most expeditious and least expensive conduct of the proceeding." No further reference to principles of natural justice is necessary.

1. Service

The Defense Bar took the view that proposed subsection 8406(5) should include reference to service of a document being deemed to be effective "by any other means authorized by hearing panel [sic]."

IIROC staff response: Clause (v) has been added to proposed subsection 8406(5) to parallel clause 8406(3)(viii). The effective date will be on the day the document is served by the means authorized by the hearing panel.

2. Prehearing Conferences and Motions

FAIR expressed a concern regarding proposed subsection 8408(6), which authorizes the National Hearing Coordinator to select a single public member to act as the hearing panel on a preliminary motion or prehearing conference. According to FAIR, while allowing a single member to preside over such matters "may facilitate an expeditious proceeding," it may also "hinder the fairness for respondents." The commenter added that "[m]ore than one public member would better ensure proper consideration of all aspects brought before the proceeding."

IIROC staff response: IIROC's practice is to have one public member sit on any given hearing panel, along with two industry members. The rationale for the proposed change is to increase the efficiency of IIROC proceedings with regard to preliminary and procedural matters. There is no reason to have such matters heard by two public members; a public member acting alone can resolve such matters fairly.

3. Commencement of Proceedings

The Defense Bar noted that proposed subsection 8412(6) provides for the publication on IIROC's website of an announcement of and copy of a commencing notice or other notice, but it does not provide for the publication of any response filed. According to this commenter, the proposed rules should provide for the publication, at the respondent's election, of the response filed.

IIROC staff response: A notice is intended to provide public notice of a hearing and the date on which it will occur. Other documents filed in a proceeding, including a response

filed by a respondent, may generally be obtained from the Office of the National Hearing Coordinator, as provided in proposed subsection 8406(10). As a result, we do not believe any change to subsection 8412(6) is warranted.

4. Staff Disclosure

The Defense Bar expressed the view that a respondent's response should not be required before Enforcement Staff makes disclosure. According to the Defense Bar, requiring a defence to be filed before Enforcement Staff provides disclosure does not accord with the principles of natural justice and fairness and does not effectively permit a substantive response. The commenter suggested that disclosure should be provided prior to the required filing of the response, particularly since the failure to file a response allows Enforcement Staff to proceed without further notice to, and in the absence of, the respondent and allows the hearing panel to accept as proven the facts and contraventions alleged in the statement of allegations. According to the Defense Bar, staff disclosure should be readily available by the time the notice of hearing and statement of allegations are served and filed.

IIROC staff response: Enforcement Staff must serve a statement of its allegations with a notice of hearing that commences a disciplinary proceeding (s. 8414(1)). A respondent does not need disclosure of the evidence on which the allegations are based—let alone disclosure of all documents and objects in Enforcement Staff's possession that are relevant to the proceeding (as required by proposed section 8417)—in order to respond to the allegations. No principle of natural justice requires otherwise. A response must contain only a statement of facts on which the respondent relies (s. 8415(2)). Such facts are within the respondent's knowledge. The procedure in the Consolidated Rules accords with the *Rules of Civil Procedure* in Ontario and other provinces.

PI and IIAC were of the view that proposed section 8417 represents an inappropriate alteration of disclosure obligations in the current Rules of Practice and Procedure. According to PI and IIAC, for reasons of fairness, section 8417 should require Enforcement Staff to provide copies of all relevant documents directly to the respondent, as is required by Rule 10.2 of the existing Rules of Practice and Procedure, rather than simply requiring Enforcement Staff to make their documents available for inspection by the respondent and to permit the respondent to copy such documents. IIAC added that the new rule substantially increases the burden on respondents because some respondents may end up having to physically visit IIROC premises with their counsel to review and make copies of all documents, and this task will be even more problematic in cases where an individual is self-represented.

IIROC staff response: Proposed subsection 8417(2) codifies existing practice. It requires

Enforcement Staff to provide copies of its disclosure or to permit the respondent to make copies. This rule is intended to promote flexibility and efficiency by allowing a respondent to review documents and other forms of evidence on IIROC's premises. Enforcement Staff will continue to follow its existing practice.

IIAC had the following additional comments regarding the new disclosure requirements in proposed section 8417:

- While the minimum time period for the provision of copies of documents prior to the commencement of a hearing has been expanded from 10 to 40 days, that is still too short a time frame considering the magnitude of documents that may be reviewed in a given case. In a large, complex case, it can take months to review all relevant documents.

IIROC staff response: The Consolidated Rules provide for prehearing conferences and case management of proceedings by hearing panels. Within this framework, it is expected that the parties will generally agree on a schedule for the proceeding, subject to hearing panel supervision. The 40 day period in proposed subsection 8417(2) is the minimum. If a longer period is required and the parties cannot agree, an appropriate period may be set by a hearing panel on a motion.

- A reasonableness standard should be incorporated into proposed subsection 8417(4), which provides that, at any stage of a proceeding, a hearing panel may order a party to provide another party any document or other information that the hearing panel considers appropriate.

IIROC staff response: Proposed subsection 8417(4) authorizes a hearing panel to order a party to produce a document or information that the party wishes not to disclose. In view of the general principle in proposed subsection 8403(1), a reasonableness standard is neither necessary nor desirable with respect to a hearing panel's exercise of discretion.

5. Deemed Undertaking

Both PI and IIAC expressed the opinion that proposed subsection 8420(6) should be removed. They said that this new provision would improperly allow plaintiffs in civil cases to obtain information initially gathered by Enforcement Staff and to use such information for purposes other than those of the proceeding for which the information was disclosed, provided the hearing panel approves. PI said it was concerned that the new rule would "cause ... civil causes to override the decisions made in regulatory proceedings."

IIROC staff response: Proposed subsection 8420(6) is based on the deemed undertaking rule in Ontario *Rules of Civil Procedure*, Rule 30.1(6). Generally, a party will not be permitted

to use information that is subject to this undertaking for purposes of an action other than the one in which it was required to be provided. It is expected that hearing panels will follow court precedents on this issue.

6. Compulsion of witnesses

IIAC offered the following opinions regarding proposed section 8421:

- Proposed subsection 8421(1) states that a party may require a person to attend and give evidence or produce documents at a hearing. This is a new power that was not highlighted in the Notice and radically expands the power of parties at a hearing to obtain evidence. While this power is available to both parties, the likelihood is that it will benefit IIROC Enforcement Staff far more than respondents.

IIROC staff response: Proposed section 8421 codifies existing practice; it does not expand the powers of hearing panels. Hearing panels have long exercised such power. See e.g. *Re Derivative Services Inc.*, (1999) 22 OSCB 8478 (December 24) (Ruling); (2000) 23 OSCB 3492 (May 12) at 3493 and 3499-3501.

The authority under subsection 8421(1) to summon a witness may be exercised by a hearing panel on the request of either party. In view of Enforcement Staff's investigative authority, it is likely to be of greater assistance to respondents than to Staff.

- Proposed subsection 8421(4) allows for the serving of a summons, equivalent to a court summons, in Districts in which a hearing panel is authorized by law to do so. IIROC should provide clarification regarding the jurisdictions in which a hearing panel is authorized to serve a summons or subpoena.

IIROC staff response: Currently, Alberta is the only province in which IIROC hearing panels are authorized to issue a summons. See Alberta *Securities Act*, s. 69(1).

COMPLIANCE *[Consolidated Rule 9100]*

IIAC agreed that it is important to have the Compliance Examinations Rule as a free standing rule that also clarifies that compliance examinations are aimed at regulatory compliance rather than disciplinary matters. PI and IIAC recommended that a reasonableness standard be built into proposed section 9105, which requires a person who receives a request under proposed section 9104 to comply with that request within the time specified. The commenters expressed the view that some requests could be incredibly onerous and voluminous and could include the obligation to write a report as well as produce existing documents. While they acknowledged that IIROC Staff has generally been willing to grant extensions, the commenters felt that an express reasonableness standard would provide greater clarity and transparency.

IIROC staff response: Consolidated Rule 9100 reflects a decision to separate the authorization for regulatory examinations from investigation powers, both of which are currently in Dealer Member Rule 19. A non-enforcement IIROC staff member making the request (e.g., staff of Business Conduct Compliance, Trading Conduct Compliance, Trading Review & Analysis, etc.) will request a document or other information under proposed section 9105.

The practice for requests under this rule will follow current practice under Dealer Member Rule 19 and UMIR Rule 10. The timing of such requests must be left to the discretion of IIROC Staff, as under the existing rules.

IIROC's non-enforcement staff will continue to work cooperatively with Regulated Persons to provide them sufficient time to comply with staff's requests, subject to regulatory needs.

REGISTRATION

A. Approvals and Regulatory Supervision [Consolidated Rule 9200]

The Defense Bar expressed agreement with the notion that hearings held under the Approvals Rules should not be subject to the Rules of Practice and Procedure, but should follow a more expeditious and less formal procedure. The Defense Bar was also in favour of the proposed codification of the "opportunity to be heard" procedures.

The Defense Bar also noted that proposed section 9208 would allow IIROC to impose terms and conditions on a Dealer Member's membership following an opportunity to be heard, as opposed to a "proper hearing." According to this commenter, this allows for the imposition of terms and conditions sufficiently onerous to significantly impair the Dealer Member's operations, particularly given the broad and significant discretion granted to IIROC to make any order to "ensure continuing compliance with Corporation requirements," which is the standard in proposed subsection 9208(1). This commenter suggested that the rule should provide a mechanism for a Dealer Member to elect to have the matter proceed to a "proper hearing," rather than only by way of opportunity to be heard.

IIROC staff response: The "opportunity to be heard" process currently exists under IIROC's Dealer Member Rules and various provincial securities acts. As IIROC exercises functions delegated by provincial securities regulators, consistency between IIROC's approval regime and the registration regime in provincial securities law is important. The proposed amendments are intended to codify the "opportunity to be heard" process and provide greater transparency concerning its practice. A decision made following an opportunity to be heard is subject to review by a hearing panel.

Stikeman offered the following comments:

- IIROC should publish its decisions with respect to proficiency exemption applications, even if on a no-names basis. Such transparency would provide prospective applicants and counsel with an appreciation of the acceptable alternative minimum standards that IIROC would consider when assessing an exemptive relief application.

IIROC staff response: IIROC intends to continue publishing an annual summary of decisions on proficiency exemption applications.

- Pursuant to its recognition order, IIROC is required to produce a quarterly report which provides, among other things, a summary of terms and conditions imposed on Approved Persons and all exemptions granted to individuals from proficiency requirements and full-time employment requirements under IIROC Rules and applicable securities legislation, and the reasons for granting the exemptions. The required quarterly reports are not easily accessible. IIROC should publish these reports regularly and in a prominent area on its website.

IIROC staff response: These quarterly reports are prepared for the Canadian Securities Administrators ("CSA") for oversight purposes. They contain personal information about individual registrants that, for privacy reasons, cannot be publically disclosed. However, terms and conditions imposed on individual IIROC Approved Persons are publically available through the IIROC *AdvisorReport*, which is an online resource intended to help investors learn the background of Approved Persons. The Consolidated Rules would also require publication of hearing panel review decisions relating to registration matters.

B. Procedures for Opportunities to be Heard [Consolidated Rule 9400]

MD Management encouraged IIROC to make available to the public any terms and conditions imposed on a Dealer Member's membership. It recommended that such information be easily accessible to investors and that a Dealer Member be required to notify existing clients of any new IIROC decisions under which terms and conditions have been imposed on the Dealer Member's membership.

IIROC staff response: As indicated in the Notice, IIROC intends to make the terms and conditions imposed on a Dealer Member's membership publicly available.

The Defense Bar was of the view that where a decision relates to the transfer of an Approved Person between Dealer Member firms, the Consolidated Rules should impose strict, identified timelines to ensure a decision is reached as expediently as possible. According to this

commenter, any delay in handling or reviewing such transfers will prejudice not only the Approved Person and Dealer Member firms, but also clients, particularly where the alleged conduct that is delaying the transfer is not sufficiently serious to warrant any interim relief under IIROC's internal procedures. The commenter expressed the opinion that in such cases an Approved Person who is accused of misconduct and who is trying to transfer his or her registration is, in effect, placed on *de facto* suspension in circumstances where IIROC would not otherwise have any jurisdiction to take regulatory action.

IIROC staff response: Under IIROC Dealer Member Rules and provincial securities law, an individual may automatically transfer his or her registration to a new sponsoring firm, provided that the individual's resignation or dismissal from the former firm does not occur following an allegation against the individual of (i) criminal activity, (ii) a breach of securities legislation, or (iii) a breach of an SRO rule. See National Instrument 33-109, *Registration Information*, para. 2.3(2)(b). IIROC Registration staff must conduct an appropriate review of allegations of misconduct in a notice of termination to ensure that the individual is "fit and proper" to be registered and to determine whether terms and conditions should be applied to the individual's registration. No securities regulatory authority that deals with registration matters prescribes a timeline for such reviews.

IIROC has authority in a registration context to suspend or revoke an Approved Person's approval and to apply terms and conditions on an Approved Person, after providing the person with an opportunity to be heard. This authority is contained in proposed section 9207.

OTHER COMMENTS

FAIR stated that it was disappointed that input was not sought directly from investor groups in connection with the proposed Rules, in addition to consultations with Dealer Members.

IIROC staff response: IIROC believes that its public comment process, which is open to any and all parties, including investor groups, enables all stakeholders to express their views regarding the proposed rules. Nevertheless, after republication of the Consolidated Rules, as revised, which these responses to public comments accompany, IIROC intends to hold an in-person meeting with all parties that submitted comments regarding the Notice.

IIAC noted that a number of the proposed rules outline the information that a requested person would be required to provide (such as written reports, records and documents, answer question under oath, etc.), including proposed sections 8103 (Investigations Powers), 8208 (Power of Compulsion), and 8403 (General Principles). Consistent with current rules, IIAC

suggested that these proposed rules be revised to make explicit that the information requested must be relevant to the matter under the investigation, proceeding or hearing.

IIROC staff response: As noted above, existing IIROC Dealer Member Rule 19.5(b) empowers Enforcement Staff to compel individuals and firms subject to IIROC's jurisdiction to produce any document that staff "determines may be relevant to a matter under examination or investigation." The discretion to determine whether a document "may be relevant" has always rested with Enforcement Staff, as implicitly recognized in the jurisprudence. See e.g. *Golden Capital Securities Ltd. v. Investment Industry Regulatory Organization of Canada*, paras. 53-54 ("Under Rule 19.5(b) Golden Capital was required to produce records that IIROC 'determines may be relevant' to the investigation. ... Until the records are produced, IIROC would be unable to determine whether the records are relevant to the investigation. There can be no question that during an investigation IIROC is entitled to free access to records of every description (subject of course to those protected by solicitor-client privilege)."). As explained above, there are sound policy reasons for this approach to determining relevance. See *Paz Secs., Inc.*, Exchange Act Release No. 34-57,656, 2008 SEC LEXIS 820, at *21 (Apr. 11, 2008) ("[T]he importance of the information requested must be viewed from [staff]'s perspective at the time it seeks the information [because] ... investigations often commence before investigatory staff has a clear picture of the nature and breadth of the misconduct." (internal quotations marks omitted)). Proposed section 8103 contains language similar to existing Rule 19.5 (see proposed clause 8103(1)(ii): "Enforcement Staff may... require a Regulated Person ... to produce for inspection any records and documents in the person's possession or control that Enforcement Staff believe may be relevant to the investigation..."). Section 8103, thus, simply maintains the *status quo* with regard to the criterion of relevance of a given document being requested in an investigation.

As for proposed sections 8208 and 8403, these rules govern the powers of the hearing panel to control procedural matters that arise in connection with a given disciplinary proceeding, including the ability for the hearing panel to compel a party to produce a specified document; as such, these powers must be exercised in accordance with natural justice, and we believe that this implicit restriction is sufficient.

Sincerely,

Robert Keller
Policy Counsel, Member Regulation Policy

Attachment E
Appendix

Responses to Comments Received Regarding IIROC's Withdrawn Limitations Proposal

On November 26, 2010, IIROC published certain proposed amendments to IIROC Dealer Member Rules 19 and 20, relating to limitations on enforcement investigations and proceedings (IIROC Rules Notice 10-0310 – Request for Comments, *Limitation on IIROC Enforcement Proceedings*, or the "Limitations Proposal"). Comments regarding the Limitations Proposal were received from three commenters, as follows:

(1) the Canadian Foundation for Advancement of Investor Rights (aka "FAIR"), in a letter dated January 25, 2011;
(2) certain counsel who appear on behalf of IIROC Dealer Members and their employees in connection with IIROC enforcement investigations and proceedings (the "Defense Bar"), in a letter dated January 25, 2011;[8] and
(3) Kenmar Associates ("Kenmar"), in a letter dated December 2, 2010.

Certain comments made by FAIR were repeated in its letter regarding the proposed consolidation of IIROC enforcement, procedural, examination and approval rules (the "Consolidated Rules"), which was published for public comment on March 23, 2012. IIROC staff responded to those comments in the response letter to which this Appendix is attached.

As part of its Consolidated Rules proposal, IIROC is proposing a number of changes to its procedural rules, including, in particular, certain limitation periods for IIROC enforcement investigations and proceedings that are identical to those set forth in the Limitations Proposal. Consequently, the Limitations Proposal was no longer required and, on September 6, 2012, in the interests of administrative efficiency, IIROC withdrew the Limitations Proposal.

Notwithstanding this withdrawal, we are providing below a summary of each of the comments made by the Defense Bar and Kenmar in response to the Limitations Proposal, followed by IIROC staff's response.

Defense Bar:

IIROC should clarify what is meant by the phrase "up to 6 years after the date of the occurrence of the last event on which the proceeding is based." There is ambiguity as to which event or series of events trigger the limitation period.

IIROC staff response: This language is based on the language used in the limitation provision contained in the Ontario *Securities Act* and the securities acts of several other

[8] The 18 individual lawyers who signed the January 25, 2011 comment letter are not identical to the 19 individual lawyers who signed a June 21, 2012 letter sent in response to IIROC Notice 12-0104 (regarding the proposed consolidation of IIROC enforcement, procedural, examination and approval rules), although there is some overlap between the two groups.

provinces and territories of Canada. The intent of this language is to ensure that the proposed six-year limitation period will not begin to run while the misconduct continues.

IIROC should clarify that different counts/charges will be treated separately for the purpose of establishing limitation periods.

IIROC staff response: Different counts or charges will not always be treated separately for the purpose of establishing limitation periods, particularly if they are related to ongoing misconduct. For example, if there is wilful concealment of a misappropriation a single limitation period may apply to both the misappropriation and the concealment.

The language should be clarified so the period will commence immediately after the occurrence of all facts necessary for the alleged offence to crystallize, without consideration for the date the breach was identified or the time required by IIROC to investigate.

IIROC staff response: The proposed limitation period does not take into consideration the date when a breach is identified or the time required to investigate it. The limitation period is triggered by the occurrence of a breach of the Rules or the last date of a continuing breach.

The proposed language under section 19.9 [now Consolidated Rule, section 8107] could allow a Former Dealer Member or Former Approved Person to be investigated even if IIROC could no longer commence a proceeding against them. The language should be clarified to prohibit this.

IIROC staff response: An investigation will not be commenced or pursued if it is determined that the prospective subject of the investigation is not subject to prosecution due to the expiry of the limitation period. There may be instances, however, where the timing or scope of conduct being investigated is not known at the outset of the investigation. The proposed limitation rule allows Enforcement Staff to determine whether a limitation period has expired in circumstances where wrongdoing has been uncovered.

In addition, there may be instances in which an ongoing investigation concerns a person who is employed in the industry, but possible witnesses for that investigation have terminated their IIROC status. Under existing rules, Enforcement staff might not be able to compel such former regulated persons to respond to investigation requests. Under the proposed provision, staff will be able to do so for up to six years from the time the witnesses terminated their IIROC status.

Kenmar:

IIROC should require Dealers to agree to OBSI's Consent/Tolling Agreement to stop the limitation clock in provinces where this is permitted.

IIROC staff response: This is a separate issue dealing with the provincial limitation periods

applicable to a client's civil claims. The current proposal applies only to IIROC enforcement proceedings.

IIROC's limitation period should be harmonized with that of the MFDA to provide a common standard.

IIROC staff response: The MFDA's five-year period relating to former members is similar to the existing provision in IIROC Dealer Member Rule 20. A six-year limitation period harmonizes the period with securities laws in most provinces and territories.

IIROC and the MFDA should automatically sanction registrants sanctioned by the other, so a registrant under one SRO cannot simply become employed under the authority of the other SRO after being sanctioned.

IIROC staff response: IIROC cannot impose sanctions against parties who are not under its jurisdiction. Nor can it impose sanctions against a Regulated Person without an IIROC hearing. IIROC considers sanctions imposed by other regulatory organizations when determining whether an individual is fit and proper to be approved, or to continue to be approved, under IIROC Dealer Member Rule 20.18 [now Consolidated Rule, section 9204]. In addition, an IIROC hearing panel's finding that a Regulated Person has violated another regulator's rules may provide a basis for a disciplinary sanction under our rules.

Dealer Members should be liable for the payment of fines and investigation costs levied against their employees and agents, since the Dealer Members are responsible for the supervision of Approved Persons.

IIROC staff response: A Dealer Member should not be made responsible for paying an unpaid fine imposed against one of its employees. Vicarious liability should not apply to disciplinary sanctions.

Under existing IIROC Rules, Dealer Members are responsible for the supervision of their employees (the definition of which includes individuals in a principal/agent relationship with the Dealer Member) and are subject to enforcement proceedings and, ultimately, fines and costs, if they have inadequately supervised their employees. In addition, in appropriate circumstances, Dealer Members may be found liable for a violation of an IIROC Rule based on the acts or omissions of their employees, since firms can only act through the natural persons who are their representatives and employees. However, it would be inappropriate—and possibly even a breach of natural justice—for IIROC to hold any Regulated Person liable for a fine, or any other sanction, without first holding a hearing to determine whether the Regulated Person should be held liable. Indeed, we are not aware of any regulator whose rules automatically impose an obligation on a regulated firm to pay unpaid fines of a regulated individual who is or was employed by that firm.