

**13.1.2 IIROC – Notice of Request for Comments – Proposed Amendments Relating to the Cross-Guarantee Requirement**

**NOTICE OF REQUEST FOR COMMENT**

**THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)**

**AMENDMENTS RELATING TO THE CROSS-GUARANTEE REQUIREMENT**

IIROC is publishing for public comment proposed amendments to Dealer Member Rule section 6.6 and corollary amendments to section 1.1 and subsection 16.2(iv) relating to the cross-guarantee requirement (“proposed amendments”). The objectives of the proposed amendments are to encourage responsible behaviour by Dealer Members and reduce the risk of insolvency and/or loss of client property, to ensure (in the event of a Dealer Member insolvency) that all dealers in the commonly-owned corporate group that includes the defaulting Dealer Member pay first, and to demonstrate the industry’s willingness to self-impose prudential rules in order to minimize the risk that the industry would have to bear the cost of client losses caused by risky or inappropriate behaviour by commonly-owned dealer groups. A copy of the IIROC Notice including the amended documents was also published on our website at <http://www.osc.gov.on.ca>. The comment period ends on February 4, 2015.