

IIROC NOTICE

Rules Note
Notice of Approval / Implementation
UMIR

Please distribute internally to:

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22-0140

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Amendments Respecting the Trading of Derivatives on a Marketplace

Executive Summary

On August 25, 2022, the applicable securities regulatory authorities approved amendments (**Requirements**) to the Universal Market Integrity Rules (**UMIR**) to regulate the trading of listed derivatives on a marketplace for which IIROC acts as the regulation services provider (**RSP**).

On October 8, 2020, IIROC published for comment proposed amendments (**Proposed Amendments**) respecting the trading of derivatives on a marketplace¹. The Proposed Amendments constituted the first phase of a rule amendment project that was designed to provide a framework for the regulation of listed options trading on a derivatives exchange for which IIROC will act as the RSP. All relevant

¹ IIROC Notice [20-0202](#) – UMIR and IIROC Rules - Request for Comment - *Proposed Amendments Respecting the Trading of Derivatives on a Marketplace* (October 8, 2020).



background, including the description and impact of the Requirements, is set out in IIROC Notice [20-0202](#).

The Requirements will become effective 90 days after the publication of this Notice of Approval.

As this Notice is being published before IIROC has become the RSP of a marketplace that trades listed derivatives, there will be no impact to Dealer Members (**Dealers**) until Dealers become members of a derivatives marketplace for which IIROC acts as the RSP.

Comments Received

We received seven comment letters in response to IIROC Notice [20-0202](#). Appendix C provides a summary of the public comments received and our responses.

Description of Non-Material Changes to the Proposed Amendments

We have made the following changes to the amendments as proposed in IIROC Notice [20-0202](#):

- removed the requirement to include a client identifier in the form of an LEI or account number for each order in a listed derivative that is sent to a marketplace for which IIROC acts as the RSP
- removing a superfluous word in the definition of “derivative” in UMIR 1.1

At this time, we will not be implementing the client identifiers requirements for listed derivatives as published in Notice [20-0202](#) in order to harmonize the requirements where possible with the Montreal Exchange. We recognize that Dealers may trade listed derivatives on both the Montreal Exchange as well as on a derivatives marketplace for which IIROC may become the RSP. We believe it would be beneficial for all stakeholders, including Dealers, to have a single approach for client identifiers to derivatives trading in Canada. To that end we will continue to participate in providing input on the appropriate solution for client identifiers that will achieve our regulatory goals while minimizing the impact on market participants. Once an appropriate solution for client identifiers for listed derivatives is determined, IIROC will publish the proposed requirements related to client identifiers for a further comment period as part of the rule amendment process.



Attachments

[Appendix A](#) – Text of Amendments to UMIR

[Appendix B](#) – Blackline of Amendments to UMIR

[Appendix C](#) – Summary of comments received and IIROC's responses

Implementation

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