

New SRO Interim Rules

Investment Dealer and Partially Consolidated Rules

The following are the revisions made to the Investment Dealer and Partially Consolidated Rules, primarily to address public comments received on CSA Staff Notice and Request for Comment 25-305:

Rule 1100, Interpretation

- Subsection 1103(1) - Correction of typographical error
- Subsection 1104(1) - Correction of typographical error
- Subsections 1105(1) through 1105(5) - Inclusion of transitional rule provisions within Corporation Investment Dealer and Partially Consolidated Rules

Rule 1200, Definitions

- Subsection 1201(2), Definition of "carrying broker" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Corporation requirements" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Dealer Member" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "introducing broker" - Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Mutual Fund Dealer Member" - Inclusion of new definition for "Mutual Fund Dealer Member" to be used in the application of the Investment Dealer and Partially Consolidated Rules
- Subsection 1201(2), Definition of "Regulated Persons" - Language revision to incorporate new definition for "Mutual Fund Dealer Member"

Rule 2200, Dealer Member Organization

- Rule 2200 – Language revisions have been made to the following subsections to include the option that the existing membership disclosure requirements may remain unchanged for a period after New SRO and New IPF commence operations:
 - Subsection 2216(9)
 - Subsection 2284(1)
 - Subsection 2285(1)

Rule 2300, Principal and Agent Relationships

- Subsection 2303(4) - Minor language revision
- Clause 2304(7)(viii) - Adoption of revisions announced in IIROC Rules Notice 22-0061

Rule 2400, Acceptable Back Office Arrangements

- Subsection 2401(2) - Conforming revisions to introduction section to reflect changes in scope of Parts A and B

- Rule 2400, Part A - Revisions to the following subsections have been made to limit scope of Part A to arrangements between two investment dealers:
 - Subsection 2403(1)
 - Subsection 2404(1)
 - Subsection 2405(1)
 - Subsection 2406(1)
 - Subsection 2407(1)
 - Subsection 2410(1)
 - Subsection 2410(14)
 - Subsection 2415(1)
 - Subsection 2415(14)
 - Subsection 2420(1)
 - Subsection 2420(14)
 - Subsection 2425(1)
 - Subsection 2425(14)
- Rule 2400, Part B - Revisions to the following subsections have been made to limit scope of arrangements between investment dealers and mutual fund dealers and to adopt more principles-based rule requirements for such arrangements:
 - Subsection 2430(1)
 - Subsection 2431(1)
- Subsection 2435(1) - Revisions to have been made to refer to arrangements between two investment dealers
- Subsection 2480(1) - Conforming revisions have been made to reflect revisions in the scope of Parts A and B

Rule 2500, Dealer Member Directors and Executives, and Approval of Individuals

- Clause 2551(1)(iii) - Language has been included in this clause that indicates that approval of an individual employed by a dual-registered firm as a Registered Representative mutual funds only is automatic once their registration is approved
- Subsection 2551(8) - Inclusion of exception that permits a mutual funds only licensed individual acting as agent on behalf of a dual-registered firm to direct commission under certain circumstances
- Subsections 2554(1) and 2554(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061

Rule 2600, Proficiency Requirements and Exemptions from Proficiencies

- Clause 2602(3)(vii) - Removal of Conduct and Practices Handbook Course requirement for mutual funds only licensed individuals employed by a dual-registered firm
- Clause 2602(3)(x) - Correction of incorrect cross reference
- Clause 2602(3)(xi) - Correction of incorrect cross reference
- Subsection 2603(1) - Correction of course references
- Subsection 2603(2) - Correction of course references
- Subsection 2603(3) and 2603(4) - Inclusion of proficiency requirements to trade in alternative mutual funds

- Subsection 2631(1) - Revision of the proficiency transitional provisions to reflect removal of Conduct and Practices Handbook Course requirement for mutual funds only licensed individuals employed by a dual-registered firm

Rule 2800, The National Registration Database

- Subsection 2801(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2803(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2804(2) - Correction of name of rules cross referenced within the mandatory submission text
- Subsections 2807(1) through 2807(4) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2808(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061

Rule 3100, Dealings with Clients

- Subsection 3115(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061

Rule 3200, Know-Your-Client and Client Accounts

- Subsection 3212(4) - Inclusion of provision to permit use of affiliate firm client account documents for transferred in accounts under certain conditions

Rule 3600, Communications with the Public

- Subsection 3623(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061

Rule 4200, General Dealer Member Financial Standards – Disclosure, Internal Controls, Calculations of Pries and Professional Opinions

- Clause 4275(1)(viii) - Minor language revision

Rule 4900, Other Internal Control Requirements – Derivatives Risk Management

- Subsection 4912(4) - Correction of typographical error

Rule 5400, Margin Requirements for Other Investment Products

- Subsection 5430(1) - Adoption of revisions announced in IIROC Rules Notice 22-0101

Rule 7100, Debt Markets

- Subsection 7104(1) - Correction of typographical error

Rule 7200, Transaction Reporting for Debt Securities

- Subsection 7202(1), Definition of "riskless principal trade" - Correction of typographical error