

# IIROC NOTICE

## **Rules Notice Request for Comment**

Dealer Member Rules

*Please distribute internally to:*

Legal and Compliance

Operations

Senior Management

*Contact:*

Angie Foggia

Policy Counsel, Member Regulation Policy

416-646-7203

[afoggia@iiroc.ca](mailto:afoggia@iiroc.ca)

**14-0265**

**November 13, 2014**

## **Revised Requirement to Disclose Membership in IIROC as a Dealer Member**

### **Summary of nature and purpose of amendments**

On May 15, 2013, the Board of Directors (the “Board”) of the Investment Industry Regulatory Organization of Canada (“IIROC”) approved the republication for comment of certain previously proposed amendments to the Dealer Member Rules relating to the requirements to disclose membership in IIROC as a Dealer Member, as revised.

### **Objectives of the amendments**

The proposed amendments are intended to promote and raise public awareness of IIROC’s regulatory oversight of IIROC-regulated firms and advisors, thereby helping clients assess the regulatory status of these firms and advisors.

### **Relevant proposal history**

The previously proposed amendments were published for public comment with the issuance of IIROC Rules Notice 11-0344 on December 2, 2011. Over the 60-day comment period, six public comment



letters were received. In addition, IIROC received comments from staff of the Canadian Securities Administrators (“CSA Staff”). In response to the comments received from the public and CSA Staff, IIROC staff has made material and non-material changes to the previously proposed rule amendments to provide further clarification of the intent and scope of the amendments. A copy of IIROC’s responses to public comments is included as Attachment G.

### **Reason for republication**

At this time, IIROC is proposing revisions to the previously published proposed rule amendments to accomplish the following:

- (a) the removal of the requirement to include the IIROC Logo, as defined in IIROC’s membership disclosure policy (“IIROC Membership Disclosure Policy”), on client account statements and client trade confirmations; and
- (b) the incorporation of the Canadian Investor Protection Fund’s (“CIPF”) proposed revised CIPF disclosure policy (“CIPF Disclosure Policy”) for public comment, as set out in proposed new Dealer Member Rule 29.28.

As these revisions constitute material changes to the previously proposed rule amendments, the amendments are being re-published for a further comment period of 60 days.

### **Current rules**

IIROC’s current disclosure rules, which are set out in Dealer Member Rule 700 (*Use of Name or Logo of the Corporation*), give Dealer Members the option to disclose their membership in IIROC if they wish, provided that the disclosure is compliant with Dealer Member Rule 700. To ensure that Dealer Members use the IIROC name and logo properly, Dealer Members may be required to provide samples of materials bearing the IIROC name and logo upon IIROC’s request, and under certain circumstances, where improper use is identified, cease using the IIROC name and logo.

### **Proposed amendments**

#### *Material change to the proposed IIROC Membership Disclosure Policy*

As part of the current proposal (as was the case in the original proposal), Dealer Member Rule 700 is being amended to provide that Dealer Members must comply with the disclosure requirements set forth in the new IIROC Membership Disclosure Policy. This amendment is appropriate to ensure that clients of an IIROC Dealer Member are aware that their firm is regulated by IIROC.

A previous version of the IIROC Membership Disclosure Policy, which was published in December 2011, required Dealer Members to:

- (a) display the IIROC Decal, as defined in the IIROC Membership Disclosure Policy, at each place of business location to which the public has access;

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- (b) include the IIROC Logo on client trade confirmations, account statements, and websites; and
- (c) distribute the IIROC Official Brochure, as defined in the IIROC Membership Disclosure Policy, to new clients at the time of account opening and make it available to existing clients upon request.

In response to public and CSA Staff comments, a material change has been made to remove the previously proposed requirement to include the IIROC Logo on client account statements and client trade confirmations. This material change is being proposed because IIROC staff believes that clients will be adequately informed of IIROC's regulatory oversight of Dealer Members through:

- (a) the display of the IIROC Decal at each business location of a Dealer Member to which the public has access;
- (b) the inclusion of the IIROC Logo on the homepage of a Dealer Member's website or, where the Dealer Member's website or internet presence is part of a combined financial institution group website, on the main page for the Dealer Member, and
- (c) the distribution of the IIROC Official Brochure to new clients at the time of account opening and its availability to existing clients upon request.

Furthermore, IIROC staff believes that the additional costs incurred by Dealer Members to display the IIROC Logo on client account statements and client trade confirmations are not warranted. At this time, IIROC staff seeks to republish the amendments for comment in light of this material revision. A clean copy of the revised proposed IIROC Membership Disclosure Policy is included as Attachment B, and a blackline (to the previously published version) is included as Attachment C.

#### Corollary amendments

In addition to amendments made to Dealer Member Rule 700, the following corollary amendments were also proposed in December 2011:

1. Dealer Member Rule 22: the requirements set out in Dealer Member Rule 22, detailing the conditions under which a Dealer Member may use IIROC's name and logo, are covered in Article 15 of General By-Law No.1; therefore, Dealer Member Rule 22 is redundant and will be repealed in its entirety.
2. Dealer Member Rule 29.14: the CIPF membership disclosure requirements set out in Dealer Member Rule 29.14 are repealed in their entirety. New Dealer Member Rule 29.28, in a manner similar to the IIROC membership disclosure requirements, will refer Dealer Members to the CIPF Disclosure Policy for compliance with their CIPF disclosure requirements.
3. Proposed Plain Language Rule sections 2355, 2356, and 2357: these provisions, which were originally published for public comment in February 2011 in connection with the Plain Language

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Rewrite project (see IIROC Rules Notice 11-0061), were revised to reflect the December 2011 amendments to the existing rules, as described above.

As noted above, proposed new Dealer Member Rule 29.28 states that Dealer Members must comply with the disclosure requirements set out in the CIPF Disclosure Policy. Attached to this Notice (as Attachment E) is a copy of the proposed revised CIPF Disclosure Policy. The changes, set out in the CIPF Disclosure Policy, are as follows:

- (a) The CIPF Official Brochure, as defined in the CIPF Disclosure Policy, must be distributed to new clients, either in electronic or hard copy form, at the time of account opening;
- (b) The CIPF Membership Symbol, as defined in the CIPF Disclosure Policy, must be displayed on the homepage of a Member's website or, where the Member's website or internet presence is part of a combined financial institution group website, on the main page for the Member;
- (c) Members are prohibited from making any reference about its CIPF risk classification to third parties;
- (d) The CIPF Membership Symbol is optional on written, visual and audio advertising materials;
- (e) Members must obtain advance approval to broadly distribute to clients any materials relating to CIPF and the protection provided to clients;
- (f) An alternate CIPF Explanatory Statement which includes the CIPF website address (note: the existing CIPF Explanatory Statement continues to be acceptable) is available; and
- (g) Members must take reasonable efforts to ensure that all communication referring to CIPF complies with the general principles set out in the CIPF Disclosure Policy.

Additional guidance, including acceptable practices for complying with the CIPF Disclosure Policy and the ordering of electronic and hard copy brochures can be found in the updated CIPF Supplemental Guide to the CIPF Disclosure Policy, included as Attachment F. Members can also refer to CIPF's website at [www.cipf.ca](http://www.cipf.ca) for information relating to the proposed amendments. Any comments received by IIROC regarding Attachments E and F will be addressed by CIPF.

The amendments proposed in December 2011 with regard to Dealer Member Rules 700, 22, 29.14, and new Dealer Member Rule 29.28 are being carried forward as part of this republication notice. Moreover, other than a minor typographical change that has been made to Dealer Member Rule 700 (namely, the addition of the article "the" before the word "requirements"), no further amendments have been proposed to the aforementioned rules since the original publication for comment in December 2011. In light of this fact, a blacklined copy of the proposed amendments to these rules has been omitted. A clean copy of the proposed amendments to Dealer Member Rules 700, 22, 29.14 and new Dealer Member Rule 29.28, however, has been included as Attachment A.



### Summary of non-material revisions

Certain non-material revisions have also been made to the previously published proposed amendments to further clarify the intent and scope of the amendments. Among the comments received, both the public and CSA Staff requested further clarification on the permitted uses of:

- (a) the IIROC corporate name and logo; and
- (b) the specially designed logo which indicates that the Dealer Member is regulated by IIROC (referred to as the “IIROC Logo” in the proposed IIROC Membership Disclosure Policy).

Currently, the IIROC Dealer Member Rules refer to the use of the IIROC name and logo in those instances where a Dealer Member elects to disclose their membership in IIROC. However, we have replaced this rule, which allows for a Dealer Member’s optional use of the IIROC name and logo, with a rule requiring Dealer Members to use the specially designed IIROC Logo under certain defined circumstances. IIROC believes it is appropriate to mandate the use of the IIROC Logo in these defined circumstances, as use of the IIROC Logo serves to inform investors that the investment firm with which they are dealing is subject to the regulatory oversight of IIROC. Therefore, in response to public and CSA Staff concerns, we have revised the IIROC Membership Disclosure Policy to clarify that Dealer Members can only use the IIROC Logo to satisfy their mandatory IIROC membership disclosure requirements. In all other circumstances, and unless otherwise prohibited under section 5 (previously section 6) of the IIROC Membership Disclosure Policy, the IIROC Logo is optional and available for general use by Dealer Members. Wording has been added to the IIROC Membership Disclosure Policy to provide further clarification to this effect.

Other noteworthy non-material changes are as follows:

#### IIROC Membership Disclosure Policy

- Defined terms and sections unrelated to a Dealer Member’s membership disclosure requirements have been deleted;
- Wording was added to provide additional guidance relating to the colour, size and surrounding space of the IIROC Logo;
- Wording was added to clarify that the required IIROC Logo must appear on the homepage of a Dealer Member’s website or, where the Dealer Member’s website or internet presence is part of a combined financial institution group website, on the main page for the Dealer Member;
- Wording was added to clarify that Dealer Members are permitted to provide new and existing clients with an electronic PDF version of the IIROC Official Brochure;
- Wording was added to clarify that Dealer Members are responsible for the cost of providing a hard copy of the IIROC Official Brochure to clients; and



- Wording was added to clarify that a hard copy of the IIROC Official Brochure can only be obtained from the IIROC-designated printer, as set out in the IIROC Membership Disclosure Policy.

A clean and blacklined copy of the changes made to the IIROC Membership Disclosure Policy is included as Attachments B and C, respectively.

#### Proposed Plain Language Rule sections 2355, 2356 and 2357

- Proposed Plain Language Rule sections 2355, 2356 and 2357 have been updated to reflect the revisions being made as part of the amendments described in further detail above.

A copy of Plain Language Rule sections 2355, 2356 and 2357, blacklined to the version published for public comment in February 2011 in connection with the Plain Language Rewrite project, is included as Attachment D.

### **Alternatives considered**

IIROC staff considered the possibility of maintaining the status quo, which is the optional disclosure of membership in IIROC. However, IIROC rejected this alternative as staff is committed to ensuring that clients are made aware of the dealers that are regulated by IIROC. IIROC staff also considered providing an exemption from the amendments for alternative trading systems (“ATs”); however, IIROC staff concluded that the application of the amendments imposes no undue regulatory burden on ATs, given that the only requirement that will apply to them will be the obligation to disclose their membership in IIROC on their websites. IIROC staff believes that, with a requirement for all Dealer Members to disclose their IIROC membership, clients are better informed as to these firms’ regulatory status, which in turn enhances investor protection and strengthens market integrity.

### **Proposal Classification**

Statements have been made and analysis provided elsewhere as to the nature and effects of the amendments. The purpose of the amendments is to promote the education and protection of investors.

The IIROC Board has determined that the amendments are not contrary to the public interest.

Due to the extent and substantive nature of the proposal, it has been classified as a Public Comment Rule proposal.

### **Effects of the proposal on market structure, Dealer Members, non-Dealer Members, competition and costs of compliance**

The most significant costs associated with the amendments will be related to the distribution of the IIROC Official Brochure to new and existing clients. However, Dealer Members are permitted to (a)



provide new clients with either an electronic PDF version or a hard copy of the IIROC Official Brochure at the time of account opening, and (b) make it available to existing clients (either on their website or by other means) upon request. In order to facilitate the electronic distribution of the brochure, IIROC has included English and French electronic PDF versions of the IIROC Official Brochure on the IIROC website. By providing new or existing clients with an electronic copy of the IIROC Official Brochure, Dealer Members will be able to significantly reduce the cost associated with this requirement. Furthermore, to keep the costs associated with providing paper copies of the IIROC Official Brochure to a minimum, we have ensured that Dealer Members are able to benefit from substantial savings thanks to the requirement to order hard copies of the brochure from IIROC's designated printer, as set out in the IIROC Membership Disclosure Policy.

The amendments do not impose any burden or constraint on competition or innovation that is not necessary or appropriate in furtherance of IIROC's regulatory objectives. Further, the amendments do not impose costs or restrictions on the activities of market participants (including Dealer Members and non-Dealer Members) that are disproportionate to the benefits of the regulatory objectives sought to be realized.

### **Technological implications and implementation plan**

The amendments will be subject to a 6-month transition period made effective on a date to be determined by IIROC staff after receiving notification of approval by the Recognizing Regulators.

### **Request for public comment**

Comments are sought on the amendments. Comments should be made in writing. Two copies of each comment letter should be delivered within 60 days from the publication date of this notice. One copy should be addressed to the attention of:

Angie Foggia  
Policy Counsel, Member Regulation Policy  
Investment Industry Regulatory Organization of Canada  
Suite 2000, 121 King Street West  
Toronto, Ontario, M5H 3T9  
[afoggia@iiroc.ca](mailto:afoggia@iiroc.ca)

The second copy should be addressed to the attention of:

Manager of Market Regulation  
Ontario Securities Commission  
19<sup>th</sup> Floor, Box 55  
20 Queen Street West  
Toronto, Ontario, M5H 3T9  
[marketregulation@osc.gov.on.ca](mailto: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](http://www.iiroc.ca)) under “Notices – Dealer Rules - All – Request for Comments – Proposed Policy”.

Questions may be referred to:

Angie Foggia  
Policy Counsel, Member Regulation Policy  
Investment Industry Regulatory Organization of Canada  
416-646-7203  
afoggia@iiroc.ca

### **Attachments**

- Attachment A - Amendments to Dealer Member Rules 700, 22, 29.14 and 29.28 (clean)
- Attachment B - IIROC Membership Disclosure Policy (clean)
- Attachment C - IIROC Membership Disclosure Policy, blacklined to the previously published version
- Attachment D - Plain Language Rule sections 2355, 2356 and 2357, blacklined to the version published for public comment in February 2011
- Attachment E - CIPF Disclosure Policy
- Attachment F - CIPF Supplemental Guide to the CIPF Disclosure Policy
- Attachment G - Summary of public comments received and IIROC staff responses to comments on the previously published amendments



## ATTACHMENT A

### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA REQUIREMENT TO DISCLOSE MEMBERSHIP IN IIROC AS DEALER MEMBER AMENDMENTS TO DEALER MEMBER RULES 700, 22, 29.14 AND 29.28

1. Dealer Member Rule 700 is repealed and replaced as follows:

**“RULE 700  
MEMBERSHIP DISCLOSURE REQUIREMENTS IN THE CORPORATION FOR  
DEALER MEMBERS**

“700.1 A Dealer Member must disclose to its clients that it is regulated by the Corporation in accordance with the requirements set out in the IIROC Membership Disclosure Policy.”

2. Dealer Member Rule 22 is repealed in its entirety.
3. Dealer Member Rule section 29.14 is amended as follows:
  - (a) The definitions of the terms “Advertising”, “CIPF”, “CIPF official explanatory statement”, “CIPF official brochure” and “CIPF official symbol”, as set out in subsection 29.14(a), are repealed.
  - (b) Subsections 29.14(b) through 29.14(i) are repealed.
4. A new Dealer Member Rule section 29.28 regarding the Canadian Investor Protection Fund’s membership disclosure requirements is enacted as follows:

“29.28 **Membership Disclosure Requirements in the Canadian Investor Protection Fund for Dealer Members**

A Dealer Member must disclose to its clients, in accordance with the CIPF Disclosure Policy, membership in the Canadian Investor Protection Fund and the coverage available for eligible accounts.”



**IIROC Membership Disclosure Policy**  
**XXXX XX, XXXX**

**1. Definitions**

For the purpose of the disclosure requirements described in this policy, the term:

- (a) **“IIROC Decal”** means any decal so prescribed by IIROC, from time to time, for use by Dealer Members.
- (b) **“IIROC Disclosures”** refers to the IIROC Decal, Logo and Official Brochure, collectively.
- (c) **“IIROC Logo”** means the logo prescribed as such by IIROC, from time to time, for use by Dealer Members.
- (d) **“IIROC Official Brochure”** means any publication prescribed as such by IIROC which explains the purpose of IIROC and which IIROC authorizes for public distribution.

**2. IIROC Decal**

The IIROC Decal must be clearly visible to clients at each business location to which the public has access. No Dealer Member shall be required to display the IIROC Decal until 30 days after the first day of operation as a Dealer Member.

IIROC will only accept orders for the IIROC Decal from the Dealer Member’s head office, which is responsible for ordering and distributing the IIROC Decal to each of its locations.

IIROC will supply the IIROC Decals to the Dealer Member at no cost. Dealer Members are required to order the IIROC Decal from IIROC by sending an email to [publicaffairs@iiroc.ca](mailto:publicaffairs@iiroc.ca) with the following information:

- (a) Dealer Member name
- (b) Contact name, address and phone number
- (c) Email address
- (d) Quantities required

Orders will be processed and sent by regular mail.

**3. IIROC Logo**

Dealer Members must use the IIROC Logo to satisfy all IIROC membership disclosure requirements set out in this policy. Specifically, a Dealer Member must include the IIROC Logo and a link to the IIROC website (i.e. [www.iiroc.ca](http://www.iiroc.ca)) on the Dealer Member’s homepage



or, where the Dealer Member site or internet presence is part of a combined financial institution group website, on the main page for the Dealer Member.

Unless prohibited under section 5 of this policy, use of the IIROC Logo is optional in all other circumstances and available for general use by Dealer Members.

### **IIROC Logo Specifications**

The IIROC Logo must be clearly visible and reproduced directly from the format provided below:

#### Black and White (English and French)



#### Colour (English and French)



Additional requirements:

- No font or colour changes are permitted.
- The minimum size for reproduction is 6.35 millimeters (0.25 inches) in height.
- Font used must be not less than 6.35 millimeters (0.25 inches) in height.
- A separate black and white version must be used when the document/material is not being reproduced in colour.
- The IIROC Logo must include a surrounding blank area equivalent to the height of the letter 'I' in IIROC.

#### **4. IIROC Official Brochure**

The IIROC Official Brochure is entitled “*Why IIROC Matters to You, the Investor*”. Dealer Members must:

- provide an electronic or hard copy of the current version of the IIROC Official Brochure to new clients at the time of account opening, and
- make it available to existing clients (either on their website or by other means) upon request.

A PDF version of the IIROC Official Brochure is available in English and French and is located on the IIROC website. Dealer Members are responsible for the cost of providing a hard copy of the IIROC Official Brochure to clients.

A hard copy of the IIROC Official Brochure is available in French and English and can only be ordered directly from the IIROC designated printer at:

SLG Commercial Printing  
ATT: Dave Gibbons

Tel: 905.792.7887  
Fax: 905.793.7796



106 East Drive  
Brampton, ON L6T 1C1

Toll Free: 1.866.299.6685  
Email: dave.gibbons@slgcp.ca

5. **Prohibitions**

IIROC may direct a Dealer Member to cease using the IIROC Disclosures in the following circumstances:

- (a) if IIROC decides that its use is detrimental to the public's interests or the interests of IIROC or its Dealer Members; and
- (b) upon suspension of its membership.

A Dealer Member is prohibited from using the IIROC Disclosures in the following circumstances:

- (a) where use of the IIROC Disclosures approves, endorses or guarantees a Dealer Member service or an investment product or is otherwise false or misleading;
- (b) upon the termination of its membership, and
- (c) in connection with a subject matter or activity that is not regulated by IIROC.

Upon request by IIROC, a Dealer Member must provide samples of any materials that use or make reference to the IIROC Disclosures.

6. **IIROC Contact**

If you have any questions concerning the use of the IIROC Disclosures, please contact Public Affairs or Member Regulation Policy at 416.364.6133.



## IIROC Membership Disclosure Policy

XXXX XX, 2011XXXX

### 1. **Definitions**

For the purpose of the ~~IIROC membership~~ disclosure requirements described ~~herein~~ in this policy, the term:

- (a) ~~“Advertising” means any published material promoting a Dealer Member’s business, whether in written, audio or visual form, and includes materials available electronically.~~
- (b) ~~“IIROC Membership Disclosure Policy” means the membership disclosure policy prescribed as such by IIROC for use by Dealer Members.~~
- (c) ~~“IIROC Official Acronym” means «IIROC» for Investment Industry Regulatory Organization of Canada and «OCRCVM» for l’Organisme canadien de réglementation du commerce des valeurs mobilières.~~
- (d) ~~“IIROC Official Brochure” means any publication prescribed as such by IIROC which explains the purpose of IIROC and which IIROC authorizes for public distribution.~~
- (e) ~~“IIROC Official IIROC Decal” means any decal so prescribed by IIROC, from time to time, for use by Dealer Members.~~
- (f) ~~“IIROC Disclosures” refers to the IIROC Decal, Logo and Official Brochure, collectively.~~
- (c) ~~“IIROC Logo” means the logo prescribed as such by IIROC, from time to time, for use by Dealer Members.~~
- (g) ~~“IIROC Official Name” means IIROC, Investment Industry Regulatory Organization of Canada, OCRCVM or Organisme canadien de réglementation du commerce des valeurs mobilières.~~
- (d) “IIROC Official Brochure” means any publication prescribed as such by IIROC which explains the purpose of IIROC and which IIROC authorizes for public distribution.

### 2. **IIROC Official Decal**

The IIROC ~~Official~~ Decal must be clearly visible to clients at each business location to which the public has access. No Dealer Member shall be required to display the IIROC ~~Official~~ Decal until 30 days after the first day of operation as a Dealer Member.



IIROC will only accept orders for the IIROC ~~Official~~ Decal from the Dealer Member's head office, which is responsible for ordering and distributing the IIROC ~~Official~~ Decal to each of its locations.

IIROC will supply the IIROC Decals to the Dealer Member at no cost. Dealer Members are required to order the IIROC ~~Official~~ Decal from IIROC by sending an email to [secretarypublicaffairs@iiroc.ca](mailto:secretarypublicaffairs@iiroc.ca) with the following information:

- (a) Dealer Member name
- (b) Contact name, address and phone number
- (c) Email address
- (d) Quantities required

Orders will be processed and sent by regular mail ~~within one week of receipt of the order.~~ ~~Questions concerning the IIROC Official Decal can be sent to secretary@iiroc.ca.~~

### 3. **IIROC ~~Official~~ Logo**

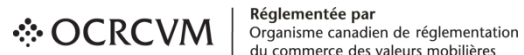
Dealer Members must use the IIROC Logo to satisfy all IIROC membership disclosure requirements set out in this policy. Specifically, a Dealer Member must include the IIROC Logo and a link to the IIROC website (i.e. [www.iiroc.ca](http://www.iiroc.ca)) on the Dealer Member's homepage or, where the Dealer Member site or internet presence is part of a combined financial institution group website, on the main page for the Dealer Member.

Unless prohibited under section 5 of this policy, use of the IIROC Logo is optional in all other circumstances and available for general use by Dealer Members.

#### **IIROC Logo Specifications**

The IIROC ~~Official Logo (shown below in a low-resolution format that should not be used)~~, Logo must be clearly visible and reproduced directly from the ~~IIROC website at [www.iiroc.ca](http://www.iiroc.ca)~~ format provided below:

##### Black and White (English and French)



##### Colour (English and French)



Additional requirements:

- No font or colour changes are permitted.
- The minimum size for reproduction is 6.35 millimeters (0.25 inches) in height.
- Font used must be not less than 6.35 millimeters (0.25 inches) in height.



- A separate black and white version must be used when the document/material is not being reproduced in colour.
- The IIROC ~~Official~~ Logo must include a surrounding blank area equivalent to the height of the letter 'I' in IIROC.

### **Client Account Statement and Client Trade Confirmation Requirements**

~~Each Dealer Member shall include the IIROC Official Logo on the front of each trade confirmation and account statement that is sent to a client.~~

### **Website Requirements**

~~If a Dealer Member has a website, it must include both the IIROC Official Logo and a link to the IIROC website at [www.iiroc.ca](http://www.iiroc.ca).~~

### **Advertising Requirements**

~~The use of the IIROC Official Logo in Advertising is optional. A Dealer Member must provide samples of any Advertising that use or make reference to the IIROC Official Name, Logo, Brochure and Decal upon IIROC's request.~~

#### 4. **IIROC Official Name and Acronym**

~~Dealer Members are permitted to use the IIROC Official Name or Acronym. However, on the first instance of the use of the IIROC Official Acronym, it must be preceded by the IIROC Official Name. At no point is IIROC to be referred to as "The IIROC" or any other deviation from the IIROC Official Acronym.~~ 5. **IIROC Official Brochure**

The IIROC Official Brochure is entitled "*Why IIROC Matters to You, the Investor*". Dealer Members must:

- ~~Each Dealer Member must distribute~~provide an electronic or hard copy of the current version of the IIROC Official Brochure to new clients at the time of account opening, and ~~make it available to existing clients upon request.~~
- ~~make it available to existing clients~~ (either on their website or by other means) upon request.

A PDF version of the IIROC Official Brochure is available in English and French and is located on the IIROC website. Dealer Members are responsible for the cost of providing a hard copy of the IIROC Official Brochure to clients.

~~There are 2 ways to order~~A hard copy of the IIROC Official Brochure:~~(1) — Go to the IIROC website is available in French~~ and ~~print copies:~~English

~~[www.iiroc.ca/English/MemberResources/Brochures/Pages/IIROCMattersInvestor.asp](http://www.iiroc.ca/English/MemberResources/Brochures/Pages/IIROCMattersInvestor.asp)~~

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~~French~~[www.iiroc.ca/French/MemberResources/Brochures/Pages/IIROCMattersInvestor.aspx\(2\)](http://www.iiroc.ca/French/MemberResources/Brochures/Pages/IIROCMattersInvestor.aspx(2)) ~~Order~~ and can only be ordered directly from the IIROC designated printer at:

SLG Commercial Printing  
ATT: Dave Gibbons  
106 East Drive  
Brampton, ON ~~L6T~~ 1C1

Tel: 905.792.7887  
Fax: 905.793.7796  
Toll Free: 1.866.299.6685  
Email:  
~~dave.gibbons@slgcp.ca~~ dave.gibbons@slgcp.ca

### ~~6.5.~~ **Prohibitions**

IIROC may direct a Dealer ~~Members are prohibited from~~ Member to cease using the IIROC ~~Official Name, Acronym, Logo, Decal and Brochure~~ Disclosures in the following circumstances:

- (a) if IIROC decides that its use is detrimental to the public's interests or the interests of IIROC or its Dealer Members; and
- (b) upon suspension of its membership.

A Dealer Member is prohibited from using the IIROC Disclosures in the following circumstances:

- (a) where use of the IIROC ~~Official Name, Acronym, Logo, Decal or Brochure gives the impression that IIROC~~ Disclosures approves, endorses or guarantees a Dealer Member service or an investment product or is otherwise false or misleading;
- (b) upon the termination of its membership, and
- (c) in connection with a subject matter or activity that is not regulated by IIROC; ~~and~~
- ~~(d) upon the termination or suspension of its membership.~~

Upon request by IIROC, a Dealer Member must provide samples of any materials that use or make reference to the IIROC Disclosures.

### ~~7.6.~~ **IIROC Contact**

If you have any questions concerning the ~~treatment~~ use of the IIROC ~~Official Name, Logo, or Brochure~~ Disclosures, please contact Public Affairs ~~at 416.943.6921 or at publicaffairs@iiroc.ca.~~ Member Regulation Policy at 416.364.6133.



## ATTACHMENT D

### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA REQUIREMENT TO DISCLOSE MEMBERSHIP IN IIROC AS DEALER MEMBER BLACKLINE OF PLAIN LANGUAGE RULE SECTIONS 2355, 2356 AND 2357

1. The following is a blackline showing the revisions to proposed Plain Language Rule sections 2355, 2356 and 2357, as compared with the original version of these rules published as part of IIROC Rules Notice 11-0061, *Plain language rule re-write project – Dealer Member Organization and Registration Rules – Proposed Rules 2100 - 2700* (February 11, 2011):

**2355. ~~Compliance with~~ Membership Disclosure Policy of Requirements of the Canadian Investor Protection Fund (CIPF) for Dealer Members**

- (1) A Dealer Member must ~~comply~~ disclose to its clients, in accordance with the CIPF's Disclosure Policy, membership in the Canadian Investor Protection Fund and the coverage available for eligible accounts.

**2356. ~~Use of~~ Membership Disclosure Requirements of the Corporation name and logo for Dealer Members**

- (1) A Dealer Member ~~may only use the Corporation name in the following forms:~~ must disclose to its clients that it is regulated by the Corporation in accordance with the requirements set out in the IIROC Membership Disclosure Policy.
  - ~~(i) Dealer Member(s) of the Investment Industry Regulatory Organization of Canada;~~
  - ~~(ii) Membre(s) de l'Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières;~~
  - ~~(iii) Dealer Member(s) of the Investment Industry Regulatory Organization of Canada – Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières; or~~
  - ~~(iv) Membre(s) de l'Organisme Canadien de Réglementation du Commerce des Valeurs Mobilières – Investment Industry Regulatory Organization of Canada~~

- (2) — When using the Corporation name in its office or on its windows, a Dealer Member must use the form required by this rule but, in smaller type than the name of the Dealer Member.
- (3) — If a Dealer Member uses the Corporation logo in the form below together with the Corporation name, the size of the logo must give equal prominence to both the Corporation name and logo.
- (4) — A Dealer Member must not use the Corporation name and logo in a manner that is misleading or confusing to the public.

### **2357. Corporation governance of its name and logo**

- (1) — The Board may set certain terms and conditions for a Dealer Member's use of the Corporation name or logo.
- (2) — The Corporation will prohibit a Dealer Member from using the Corporation name or logo and require the Dealer Member to destroy all materials that use the Corporation name or logo if:
  - (i) — the Corporation decides that the use of the name or logo is detrimental to the interests of the Corporation or its Dealer Members;
  - (ii) — the Dealer Member is no longer a Corporation Dealer Member; or
  - (iii) — the Corporation suspends or terminates the Dealer Member's membership.
- (3) — When the Corporation requests, a Dealer Member must provide samples of letterhead, circulars, or other promotional materials that use the Corporation's name or logo.
- (4) — The Corporation may prohibit a Dealer Member from using the Corporation name or logo and require the Dealer Member to destroy all materials that use the Corporation name or logo if:
  - (i) — the Dealer Member fails to respond to a request for samples; or
  - (ii) — the Dealer Member does not comply with the requirements for using the Corporation name or logo.
- (5) — A Dealer Member's use of the Corporation name or logo does not give the Dealer Member any proprietary interest in that name or logo.



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**PURPOSE**

This Policy has been adopted by the Board of Directors of the Canadian Investor Protection Fund (CIPF) to describe the requirements for disclosure of CIPF Membership by CIPF Members as referred to in the IIROC Dealer Member Rule 29.28.

**GENERAL PRINCIPLES**

- Members must disclose Membership in the Canadian Investor Protection Fund to clients.
- No Member is to make any false or misleading or deceptive statement about the purpose of, or protection provided by, the Canadian Investor Protection Fund.
- Where practical, communication about CIPF Coverage must be done in the same language as other communication from the Member to the client.
- Members must not refer to CIPF Membership in respect of premises or advertising whose business or subject relates solely to activities in respect of which CIPF protection is not available.

**1. DEFINITIONS**

a) **Member**

Member means a Dealer Member of the Investment Industry Regulatory Organization of Canada (IIROC).

b) **CIPF Membership Symbol**

The CIPF Membership Symbol means the symbol, mark or other designation prescribed as such by CIPF in the CIPF Supplemental Guide to the CIPF Disclosure Policy for use by Members.

c) **CIPF Decal**

The CIPF Decal shall be a decal so designated by CIPF in the CIPF Supplemental Guide to the CIPF Disclosure Policy and made available to Members by CIPF at the expense of the Member.

d) **CIPF Explanatory Statement**

The CIPF Explanatory Statement must be one of the following:

Customers' accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request.

or

Customers' accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request or at [www.cipf.ca](http://www.cipf.ca).

**e) CIPF Official Brochure**

The CIPF Official Brochure means any publication prescribed as such by CIPF in the CIPF Supplemental Guide to the CIPF Disclosure Policy. The CIPF Official Brochure, authorized by CIPF for public distribution, explains the purpose of CIPF and the protection it offers.

**2. COMPLIANCE WITH GENERAL PRINCIPLES**

Members must take reasonable efforts to ensure that their communication referring to CIPF complies with the General Principles.

**3. DISPLAY OF THE CIPF DECAL AT PREMISES**

The CIPF Decal must be clearly visible to clients at each business location to which clients, or potential clients, have access. No Member shall be required to display the CIPF Decal until 30 days after the first day of operation as a Member.

**4. CIPF OFFICIAL BROCHURE**

Each Member must provide an electronic or hard copy of the current version of the CIPF Official Brochure to all new clients at the time of account opening and to all other clients upon request. The electronic copy must be obtained from CIPF's printer.

**5. DISPLAY OF THE CIPF MEMBERSHIP SYMBOL AND CIPF EXPLANATORY STATEMENT ON CONFIRMATIONS AND ACCOUNT STATEMENTS**

Each Member must include the following, in legible print, on all confirmations and account statements made available to clients:

- a) The CIPF Membership Symbol on the first page, and
- b) The CIPF Explanatory Statement.

**6. DISPLAY OF THE CIPF MEMBERSHIP SYMBOL IN MEMBER ADVERTISING**

Display of the CIPF Membership Symbol is optional on written, visual and audio advertising.

**7. DISPLAY OF THE CIPF MEMBERSHIP SYMBOL ON MEMBER WEBSITES**

Members must display the CIPF Membership Symbol and a link to the CIPF website (i.e. [www.cipf.ca](http://www.cipf.ca)) on the Member's homepage or, where the Member site is part of a combined financial institution group website, on the main page for the Member site unless such display of the CIPF Membership Symbol and link would not be in compliance with the General Principles of this Policy.

**8. OTHER**

- a) Members may provide explanations about CIPF and its protection to clients, however any material created by the Member for broad distribution must be approved by CIPF in advance.

- b) No Member is permitted to make any reference to a third party about its CIPF risk classification.
- c) Upon suspension or termination of IIROC membership, each Member shall immediately cease using the CIPF Explanatory Statement, CIPF Official Brochure, CIPF Membership Symbol and CIPF Decal and shall cease identifying itself as a Member of CIPF.
- d) An implementation date will be set for any change to the CIPF Membership Symbol, the CIPF Decal, the CIPF Explanatory Statement, or the CIPF Official Brochure after considering the nature of the change and the Members' cost of implementation.
- e) Members must follow the CIPF Supplemental Guide to the CIPF Disclosure Policy, available on CIPF's website at [www.cipf.ca](http://www.cipf.ca).

## INTRODUCTION

This is a Supplemental Guide to the CIPF Disclosure Policy and defines the prescribed format, as well as interprets certain acceptable practices for complying with the CIPF Disclosure Policy.

## CIPF CONTACT

If you have any questions about the information in this guide or how to implement these guidelines, please contact us at [info@cipf.ca](mailto:info@cipf.ca) or call either toll-free at 1 866 243 6981 or 416 866 8366.

### 1. Display of the CIPF Membership Symbol– guide to requirement to include on “first page” of confirmations and account statements:

- If provided in hard copy, the requirement to include the CIPF Membership Symbol on the “first page” will be met if the CIPF Membership Symbol is included on the front page.
- If provided electronically (html or otherwise), the requirement to include the CIPF Membership Symbol on the “first page” will be met if it is located on the document as it is displayed electronically.

### 2. CIPF Membership Symbol

The CIPF Membership Symbol shall be in one of the following forms, either the CIPF Member Identifier graphic or text:

#### a) CIPF Member Identifier

It consists of three elements: the abbreviation of the full name; the full name; and the word Member.



If a Member opts to use the CIPF Member Identifier, the CIPF Member Identifier must:

- Not be redrawn, digitally manipulated or altered.
- If enlarged, be enlarged proportionally in each direction (i.e., the same percentage horizontally and vertically).

- Always be reproduced from a digital master reference, which is available from CIPF in eps, jpeg and gif formats.
- Comply with the following format, colour and size requirements:

**Format:** The appropriate artwork format should be used as follows:

- eps – all professionally printed applications
- jpeg – Microsoft programs
- gif – online usage

**Colour:** The CIPF Member Identifier must only appear in the three colour variants:

- black
- reverse white (white on a coloured background, which may be either black or a colour consistent with the colour scheme used in the Member’s document)
- black and taupe (PMS 7530)



**Contrast:** The identifier must always have good contrast with the background to ensure maximum impact and accessibility.

**Exclusive Zone:** In order to maximize its visual presence, the CIPF Member Identifier requires a surrounding area clear of any other graphic elements or text. The exclusion zone is equal to or greater than the top part of the capital letter P in the identifier.



**Size:** The CIPF Member Identifier must be clearly visible and reproduced consistently.

i) **Print – Unilingual CIPF Member Identifier**

The minimum size for reproduction across print formats is 0.5 inch or 12.7 millimetres measured across the width of the identifier and 0.33 inch or 8.4 millimetres high.



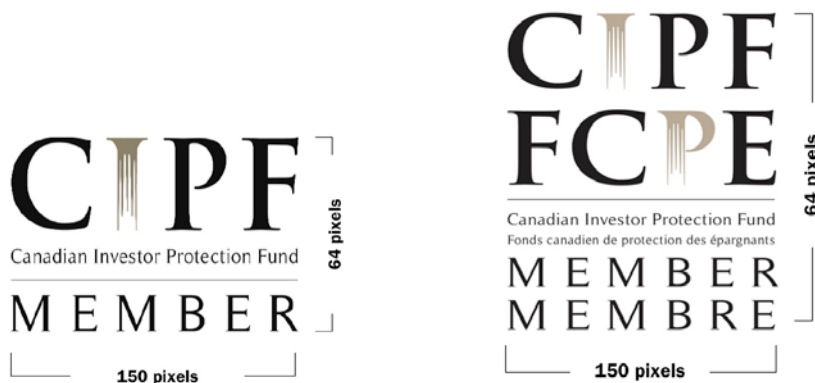
ii) **Print – Bilingual CIPF Member Identifier**

The minimum size for reproduction across print formats is 0.5 inch or 12.7 millimetres measured across the width of the identifier and 0.5 inch or 12.7 millimetres high.



iii) **Electronic Applications – CIPF Member Identifier**

The minimum size for electronic applications (e.g., websites) is 150 pixels wide and 64 pixels high, subject to the “Relative Size” provision described in section iv) below.



iv) **Relative Size – CIPF Member Identifier**



The CIPF Member Identifier in print, visual materials, websites or media shall be in a manner and size such that the visual impact of the official symbol shall not be greater than that of the Member's name, logo or identifying symbol where used in the same materials, websites or medium or in the same location within the Member's premises. If the Member identifies other associations or memberships in its materials, the CIPF Membership Symbol shall be of the same print size and/or visual impact.

### Incorrect Use of CIPF Member Identifier

Do not attempt to recreate the CIPF Member Identifier or make changes to the final art file.



### Do Not:

- Change colours of the identifier.
- Change the typeface of the identifier.
- Distort the identifier by scaling it disproportionately.
- Enclose the identifier in a box or a shape.
- Show only a partial identifier.
- Shift the organization's name.
- Reproduce the identifier over photography.
- Use any artistic fillers on the identifier such as embossing.
- Stretch, rotate or distort the identifier.

### b) CIPF Member Text Versions

The acceptable text versions of the CIPF Membership Symbol are as follows:

- Member – Canadian Investor Protection Fund
- Member of the Canadian Investor Protection Fund
- <<Insert Your Dealer Member Name Registered with IIROC>> is a Member of the Canadian Investor Protection Fund
- Member–Canadian Investor Protection Fund / Membre–Fonds canadien de protection des épargnants
- Member of the Canadian Investor Protection Fund / Membre Fonds canadien de protection des épargnants
- <<Insert Your Dealer Member Name Registered with IIROC>> is a Member of the Canadian Investor Protection Fund / Fonds canadien de protection des épargnants

Text versions of the CIPF Membership Symbol must comply with the following standards:

- Font:** ITC Franklin Gothic Medium, OR  
Consistent with the predominant font used in the Member's document.
- Minimum Point Size:** 6 pts
- Colour:** black, taupe (PMS 7530), reverse white (white on a coloured background), or a colour consistent with the colour scheme used in the Member's document.

Note: Neither font nor colour changes are permitted for the CIPF Member Identifier described in section 2a).

### 3. CIPF Decal

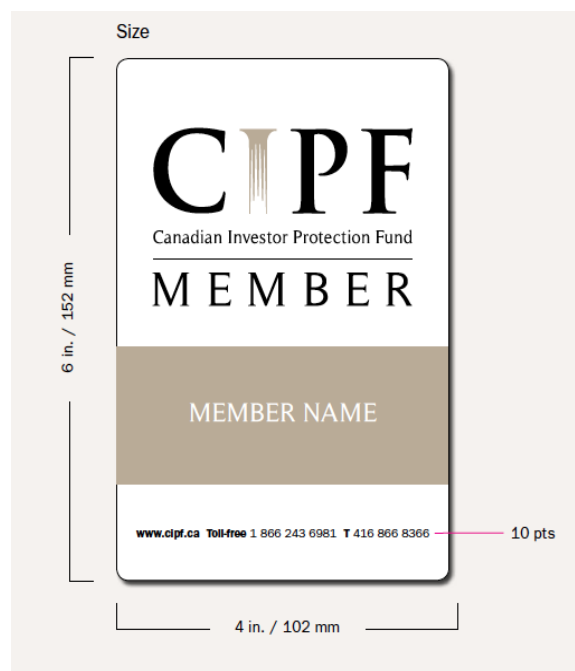
Order instructions for CIPF Decals are available on CIPF's website, under the Members section.

#### a) Prescribed Information

The CIPF Decal contains the CIPF Member Identifier and an area for imprinting the Member's legal entity name.

#### b) Size

The CIPF Decal is 4 inches or 102 millimetres wide by 6 inches or 152 millimetres high.



c) **Display and Placement**

- The CIPF Decal may be placed on a door, window, in a plaque on a counter or other similar visible surface.
- If in any location the Member also displays a sign or symbol of membership or affiliation with an SRO, the CIPF Decal should be displayed in the same manner and adjacent to such other sign or symbol.
- Members should ensure that the display and placement of the CIPF Decal shall not cause, or be reasonably expected to cause, clients of another financial intermediary or institution to believe that they are entitled to CIPF protection if they are not.

**Example of Acceptable Display of the CIPF Decal**



d) **Member Responsibility to Remove the CIPF Decal**

When vacating a place of business, the Member is responsible for ensuring the CIPF Decal is removed from the vacated premises.

**4. CIPF Official Brochure**

The CIPF Official Brochure must be provided in one of the following formats:

- Electronic (pdf) – must be purchased by the Member from the CIPF designated printer;
- Hard copy – must be purchased by the Member from the CIPF designated printer; or
- Integrated in a comprehensive new client application kit – produced by a third party that has been approved by CIPF.

The CIPF designated printer is:

Avant Imaging & Information Management Inc. (AIIM)

Email: cipf@aiim.com

Fax: 905 841 6678 • Tel: 416 798 7110 ext 342

If Members choose to deliver an electronic version of the brochure, the CIPF designated printer will imprint the name of the Member onto a PDF and provide the imprinted secure PDF version of the CIPF Official Brochure to the Member for electronic distribution.

If Members choose to deliver a hard copy of the brochure, they have the option of ordering either **blank** or **imprinted** brochures from the CIPF designated printer.

a) **Blank**

Blank brochures **MUST** be stamped or printed by the Member with the legal name that is registered with IIROC, in the white space on the back of the brochure.

b) **Imprinted**

Imprinted brochures **MUST** include the legal name that is registered at IIROC. The imprinting may also include the Member's logo and/or address.

Instructions for ordering electronic or hard copy brochure, and for the approval of comprehensive new client application kits are available on CIPF's website.



November 13, 2014

**Re: IIROC response to comments on the proposed requirement to disclose membership in IIROC as a Dealer Member**

We are publishing this letter in response to the comment letters received relating to the proposed amendments to Dealer Member Rule 700 and the new IIROC Membership Disclosure Policy, which sets out a Dealer Member’s requirement to disclose its membership in IIROC (the “Proposal”).

We received 6 comment submissions in response to the request for comments. We thank all of the commenters for their submissions.

The comments have been summarized and grouped according to the issues raised. The response by IIROC staff follows each particular issue.

***THE IIROC LOGO***

1. Potential confusion over the use of the IIROC corporate logo and the IIROC Official Logo may arise. We recommend mandating the use of the IIROC Official Logo only.

***IIROC staff response***

IIROC agrees that it is only appropriate to mandate the use of the IIROC Official Logo (now referred to as the “IIROC Logo”), which is the logo that informs the client that the Dealer Member is regulated by IIROC. We have, therefore, revised the IIROC Membership Disclosure Policy to clarify that Dealer Members must use the IIROC Logo to satisfy their IIROC membership disclosure requirements.

2. The inclusion of another logo in the client account statement or client trade confirmation, in addition to the logos of the Dealer Member, such as its carrying dealer, if applicable, and the Canadian Investor Protection Fund logo, will result in “logo overload” that will only serve to confuse the client.

***IIROC staff response***

We have revised the previously proposed rule amendments to remove the requirements to include the IIROC Logo on client account statements and client trade confirmations.

3. In order to minimize costs, IIROC should consider permitting Dealer Members to use either a graphic logo or text logo to disclose that they are IIROC members, which has been permitted by CIPF in the past.

***IIROC staff response***

IIROC staff retained a graphic designer to create a logo that was effective, legible and did not exceed the height of the CIPF Membership Symbol. This specially designed logo includes both graphics and text.

If text alone were used, we believe the logo would not be sufficiently visible to clients, as the text would be more likely to be lost within all of the other text that may appear on a Dealer Member's website. Furthermore, we believe it is important that all Dealer Members provide this disclosure in a consistent manner.

4. Firms will require more time to make the necessary changes to display the IIROC Official Logo on account statements and trade confirmations. IIROC should consider extending the transition period to two years.

***IIROC staff response***

The Proposal no longer requires Dealer Members to include the IIROC Logo on client account statements and client trade confirmations.

***DEALER MEMBER WEBSITES***

5. The IIROC Official Logo and the CIPF Official Logo should appear on the initial homepage of a Dealer Member's website.

***IIROC staff response***

We have revised the IIROC Membership Disclosure Policy to clarify that the IIROC Logo and a link to the IIROC website must appear on the initial homepage of the Dealer Member's website. Furthermore, we have added language to make it clear that, in cases where the Dealer Member site or internet presence is part of a

combined financial institution group website that includes other business operations that may not be regulated by IIROC, the IIROC Logo and link to the IIROC website must appear on the main page for the Dealer Member.

### **IIROC OFFICIAL BROCHURE**

6. The IIROC Official Brochure should be sent to all existing clients upon the adoption of the Proposal. Alternatively, we recommend that Dealer Members be required to make existing clients aware that the IIROC Official Brochure is available upon request.

#### ***IIROC staff response***

Although the Proposal does not require Dealer Members to send a copy of the IIROC Official Brochure to all existing clients or make existing clients aware that it is available upon request, IIROC is committed to promoting the IIROC Official Brochure in other ways. For example, we include it in conference materials and make reference to it in news releases, interviews, as well as newspapers and magazine articles.

7. Dealer Members should have the option of delivering the IIROC Official Brochure electronically, such as on their website or through electronic communication, as an alternative to physically delivering the document at the time when the account is open. By distributing the IIROC Official Brochure in this manner, it would be readily accessible to clients (as opposed to being given as a one-off delivery), environmentally friendly and cost effective.

#### ***IIROC staff response***

We have revised the IIROC Membership Disclosure Policy to clarify that Dealer Members are permitted to provide new clients with either an electronic or hard copy of the IIROC Official Brochure at the time of account opening. An English and French electronic version of the IIROC Official Brochure is available on the IIROC website to facilitate the electronic distribution of the brochure to new and existing clients. By providing new or existing clients with an electronic copy of the IIROC Official Brochure, Dealer Members will significantly reduce the cost associated with this requirement.

8. The content of the IIROC Official Brochure is focused on information that is useful and, in certain circumstances, only applies to retail clients, such as, CIPF protection and suitability tools. The Proposal should be revised so that the

delivery of the IIROC Official Brochure only results when a retail account is opened and upon request by any client.

***IIROC staff response***

IIROC believes that the IIROC Official Brochure contains information that is also useful to institutional clients, and should therefore be provided to all new clients, and available to all existing clients upon request.

9. IIROC should consider notifying Dealer Members with an “IIROC Notice” when changes occur to the content of the IIROC Official Brochure whether the amendments are material or non-material. In addition, IIROC should allow for a transition period when changes are made to the brochure in order to provide Dealer Members with the time necessary to implement the changes for clients.

***IIROC staff response***

It is our existing practice to issue a Notice to notify Dealer Members of changes made to an IIROC brochure, and to provide Dealer Members with a reasonable transition period (6 months) to use up their existing inventory before being required to provide the revised brochure to clients.

**ADVISORREPORT**

10. IIROC should further promote awareness of its *AdvisorReport* to the investing public to encourage Canadian investors to verify the background of IIROC-regulated individuals from whom they may wish to seek advice or other investment services.

***IIROC staff response***

IIROC has and continues to promote *AdvisorReport* broadly. A news release was issued during Fraud Prevention Month (February 2013) encouraging investors to use *AdvisorReport* to conduct background checks when selecting an advisor. Additionally, IIROC issued news releases at the time *AdvisorReport* was launched and on its one-year anniversary. We also include information relating to this service in our enforcement releases, and IIROC staff mention it in broadcast TV interviews. This approach has resulted in *AdvisorReport* being referenced repeatedly in national and regional media. IIROC is also launching a partnership with the Better Business Bureau of Canada to raise awareness about *AdvisorReport*, partly through the distribution of 40,000 promotional bookmarks to consumers across the country. Furthermore, a section on *AdvisorReport* is



included in the IIROC Official Brochure, which will be provided to clients at the time of account opening and made available to existing clients upon request.

### ***COST VERSUS BENEFITS OF PROPOSED AMENDMENTS***

11. We received three comments which relate to potential costs versus benefits of the proposed amendments relating to the inclusion of the IIROC Official Logo on client account statements and trade confirmations.

#### ***IIROC staff response***

The Proposal no longer requires Dealer Members to include the IIROC Logo on client account statements and client trade confirmations.

### ***CONSISTENCY BETWEEN THIS PROPOSAL AND THE CLIENT RELATIONSHIP MODEL***

12. To allow firms to streamline their implementation of changes in a more efficient and cost-effective manner, it was suggested that the changes mandated by the Client Relationship Model to account statements and trade confirmations follow the same timeline as those outlined in the Proposal.

#### ***IIROC staff response***

The Proposal no longer requires Dealer Members to include the IIROC Logo on client account statements and client trade confirmations.

### ***ADVERTISING MATERIALS***

13. Any audit relating to advertising materials should be conducted in conjunction with any potential annual audit to minimize disruption from a business standpoint.

#### ***IIROC staff response***

While IIROC will strive to request samples of advertising material in the course of a scheduled examination in an effort to enhance the efficiency of the audit examination process, there may be occasions when IIROC will be required to audit advertising materials outside of a scheduled examination, such as during a targeted audit or an investigation.

**OPTIONAL DISCLOSURE REQUIREMENTS**

14. The Dealer Member should have the option to choose whether it adds the IIROC Official Logo on the client account statement and client trade confirmations or sends the IIROC Official Brochure at the time of account opening.

***IIROC staff response***

The Proposal no longer requires Dealer Members to include the IIROC Logo on client account statements and client trade confirmations.