

IIROC NOTICE

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Amendments to Research Report Quiet Periods

Summary of Amendments

The Investment Industry Regulatory Organization of Canada (“IIROC”) Board of Directors (“Board”) recently approved the publication of amendments (“Amendments”) to Requirement 14 of Dealer Member Rule 3400 (“Rule 3400”). The Amendments reduce the quiet periods from 40 days to 10 days following the date of the offering in respect of initial public offerings and from 10 days to 3 days following the date of the offering in respect of secondary offerings.¹

A copy of the Amendments is included as Attachment A.

Immediate Implementation

The Amendments are effective as of September 25, 2015. This immediate implementation was approved by the Recognizing Regulators, in accordance with s.7 of the Joint Rule Review Protocol contained in the IIROC Recognition Order. Analysis in support of the urgent need to implement the Amendment because of a substantial risk of material harm to investors, market participants and Dealer Members is contained in IIROC Request for Comment Notice 15-0217.

¹ The meaning of the “date of the offering” for different types of offering is set out in IIROC Guidance Notice [12-0369](#). For example, the date of the offering for a prospectus offering is the date of the final receipt for the prospectus.

Purpose of Amendments

The primary objective of the Amendments is to create a regulatory framework that ensures a level playing field for research report dissemination in the context of cross-border transactions between Canada and the United States. The Amendments would prevent a substantial risk of material harm to investors, market participants and Dealer Members by harmonizing with the United States (“US”) requirements.

The current timeframes for quiet periods were initially intended to allow independent analysis to reach investors before dissemination of research reports by Dealer Members who participated in an offering by acting as manager or co-manager. However, IIROC recognizes the importance of timely dissemination of information and believes that a reduced quiet period would not disadvantage investors. Therefore the Amendments will apply to both domestic, as well as Canada-US cross-border offerings.

Classification of Amendments

IIROC has determined that the Amendments are Public Comment Rules and a separate IIROC Request for Comment Notice 15-0217 has been issued, which contains additional information regarding analysis of the Amendments, the potential impact of not immediately implementing and alternatives considered by IIROC.

Attachments

Attachment A - Amendments to Dealer Member Rule 3400, Requirement 14.

ATTACHMENT A

AMENDMENTS TO DEALER MEMBER RULE 3400, REQUIREMENT 14 (QUIET PERIODS)

1. Requirement 14 of Dealer Member Rule 3400 is amended as follows:

“14. No Dealer Member may issue a research report for an equity or equity related security regarding an issuer for which the Dealer Member acted as manager or co-manager of

(i) an initial public offering of equity or equity related securities, for ~~40~~10 calendar days following the date of the offering; or

(ii) a secondary offering of equity or equity related securities, for ~~10~~3 calendar days following the date of the offering;

but requirement 14(i) and (ii) do not prevent a Dealer Member from issuing a research report concerning the effects of significant news about or a significant event affecting the issuer within the applicable ~~40~~10 or ~~10~~3 day period.”