

IIROC NOTICE

Rules Notice Request for Comments

Dealer Member Rules

Comments Due By: May 12, 2017

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17-0054

March 9, 2017

Re-publication of Proposed IIROC Dealer Member Plain Language Rule Book

Executive Summary

IIROC has undertaken a project to rewrite, reformat, rationalize, and reorganize our Dealer Member Rules (**DMRs**) in plain language (the **PLR Project**). The intended benefits of the PLR Project are to:

- (i) improve clarity and understanding of the DMRs
- (ii) focus on core requirements and move non-essential details to guidance
- (iii) eliminate obsolete, duplicative and unnecessary requirements
- (iv) reorganize the rule structure in a more logical way
- (v) clearly state the objective of each rule.

The PLR Project is part of a larger project started in 2008 by our predecessor, the Investment Dealers Association of Canada (the **IDA**), to create a single set of rules governing the conduct of all people and entities we regulate – Dealer Members and their Approved Persons, exchanges and alternative trading systems.

The PLR Project was not intended to result in substantive changes to the DMRs; however, during the course of the PLR Project we identified a number of DMRs that required substantive changes to reflect the



evolution of regulatory policy and, in some cases, to conform our requirements to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

The PLR Project was initially drafted and published for comment in a number of discrete tranches (the **original publications**). We compiled the separately published tranches to create the proposed IIROC Dealer Member Plain Language Rule Book (the **proposed PLR Rule Book**) which we published for comment in March 2016 ([Notice 16-0052](#)) (the **previous publication**).

We are republishing the proposed PLR Rule Book (the **current publication**) with changes that respond to comments we received on the previous publication from the public, the Canadian Securities Administrators and from our own review.

We added our [Consolidated Enforcement, Examination and Approval Rules](#) (**Consolidated Enforcement Rules**) into the current publication. The Consolidated Enforcement Rules became effective on September 1, 2016 and are therefore not being published for further comment except to the extent changes have been made to formatting and definitions to conform to the proposed PLR Rule Book. These changes are discussed in section 3.1. Rather, we have added them to the proposed PLR Rule Book, in the location reserved for them, to illustrate how the final PLR Rule Book will look.

How to Submit Comments

Comments on the proposed PLR Rule Book should be made in writing and delivered by May 12, 2017 to

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and to

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Commentators should be aware that a copy of their comment letter will be made publicly available on the IIROC website at www.iirc.ca.



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1. Background

1.1 Consolidated Rules Project

Prior to the formation of IIROC in 2008, our predecessor, the IDA, started a project (the **Consolidated Rules Project**) to create a single set of rules governing the conduct of all people and entities we regulate – Dealer Members and their Approved Persons, exchanges and alternative trading systems.

Currently, IIROC has four sets of rules:

- DMRs
- Universal Market Integrity Rules (**UMIR**)
- Consolidated Enforcement Rules
- Transition Rules (these rules dealt with transition issues upon the merger of Market Regulatory Services Inc. and the IDA in 2008).

The Consolidated Rules Project has three phases:

- (i) The first phase was the consolidation and plain language rewrite of UMIR and DMRs relating to:
 - enforcement, investigations and hearings, compliance examinations
 - registration-related regulatory approvals and reviews(the Consolidated Enforcement Rules implemented on September 1, 2016).
- (ii) The second phase is the PLR Project that deals with all DMRs, other than (1) those that were included in the Consolidated Enforcement Rules¹ and (2) current DMRs that are the subject of discrete rule amendment proposals that are currently ongoing (discussed in detail in section 1.5).
- (iii) The third and final phase will combine UMIR with the plain language DMRs (which will at that time include the Consolidated Enforcement Rules) to form a single consolidated set of rules governing the conduct of all people and entities regulated by IIROC.

1.2 PLR Project – structure of proposed PLR Rule Book

The proposed PLR Rule Book consists of the following series of Rules:

Series	Title and Description
1000	Interpretation and Principles Rules – a consolidated set of definitions applicable to both Dealer Member and market matters (when UMIR is incorporated)
2000	Dealer Member Organization and Registration Rules – rules

¹ Dealer Member Rule 19, *Examinations and Investigations* and Dealer Member Rule 20, *Corporation Hearing Processes*.



Series	Title and Description
	concerning Dealer Member ownership and structure, and approval and proficiency of individuals acting on behalf of the Dealer Member
3000	Business Conduct and Client Accounts Rules – rules concerning business conduct (e.g. books and records), conflicts of interest, client accounts (e.g. account supervision), and dealing with clients (e.g. suitability obligations and complaints)
4000	Dealer Member Financial and Operational Rules – rules concerning Dealer Member financial and operational matters
5000	Dealer Member Margin Rules – rules concerning margin requirements
6000	Reserved for UMIR
7000	Debt Markets and Inter-Dealer Bond Brokers Rules – rules concerning debt market trading activities and inter-dealer bond brokers
8000	Procedural Rules - Enforcement – rules concerning investigations, enforcement proceedings, disciplinary proceedings, hearing committees, and rules of practice and procedure
9000	Procedural Rules - Other – rules concerning compliance examinations, approvals and regulatory supervision, regulatory review procedures, opportunities to be heard, alternative dispute resolution, and CIPF requirements

1.3 PLR Project – publication process

We initially published the proposed PLR Rule Book for comment in a number of discrete tranches between 2010 and 2014. We then compiled the original published tranches to create the proposed PLR Rule Book and published that for comment in March 2016 (see [IIROC Notice 16-0052](#)).

We made substantive and non-substantive changes to the proposed PLR Rule Book based on comments we received on the previous publication and we have incorporated the Consolidated Enforcement Rules to illustrate how the final version of the PLR Rule Book will look. We are publishing the revised proposed PLR Rule Book for a 60-day comment period.

1.4 Guidance

We are not publishing any guidance at this time but are continuing with our review of existing guidance in the context of the proposed PLR Rule Book to assess whether the guidance:

- (i) remains relevant and does not need to be amended
- (ii) remains relevant but needs to be amended



- (iii) is no longer relevant and needs to be repealed.

There may also be instances where new guidance is required.

We intend to complete our work on the guidance and issue revised or new guidance in conjunction with the implementation of the final PLR Rule Book.

1.5 Dealer Member Rules that are the subject of separate rule amendment proposals

Some DMRs are the subject of proposed amendments that were published for comment separately from the PLR Project (e.g. best execution, free credit usage and segregation, personal financial dealing rules and T+2 settlement). To avoid confusion, we have not included these separate proposed amendments in the proposed PLR Rule Book except for certain personal financial dealing requirements, as described in section 2.2.3(c) below. We intend to finalize these discrete proposed amendments on a case-by-case basis and then add them to the final version of the PLR Rule Book.

1.6 Tools to assist you in reviewing the material

To assist in your review of the proposed PLR Rule Book, we have provided the following helpful tools.

- (i) A blackline of the proposed PLR Rule Book showing the changes to the previous publication attached as **Appendix 1**. A clean version of the proposed PLR Rule Book is attached as **Appendix 2**.
- (ii) A Table of Concordance that tracks the provisions of the proposed PLR Rule Book to the existing DMRs, attached as **Appendix 3**. The substantive changes are highlighted in yellow. For all non-substantive changes, we indicate in the last column of the Table of Concordance the nature of the change. We set out additional detail on the identification of substantive and non-substantive changes in section 2 below. We will also be providing the Table of Concordance in a downloadable excel format on the IIROC website that will allow you to more easily search and sort the document. The Table of Concordance does not include the Consolidated Enforcement Rules. A separate Table of Concordance for the Consolidated Enforcement Rules can be found in the implementation notice for those rules [IIROC Notice 16-0122](#).
- (iii) The left side columns of Appendix 1 and Appendix 2 (titled “Repealed Current Rule”) are intended as a general guide to the current rule(s) the proposed PLR provision intends to replace. More detailed tracking of the provisions of the proposed PLR Rule Book to the existing DMRs is set out in the left side columns of Appendix 3 (“Existing Dealer Member Rule”). Where there is a discrepancy between the Repealed Current Rule column and Appendix 3, Appendix 3 prevails. The Repealed Current Rule column will be removed from the IIROC Rulebook prior to the final publication.



2. Substantive and non-substantive changes

2.1 Identification of substantive and non-substantive changes

As mentioned above, substantive and non-substantive changes to the existing DMRs were made in the original publications, the previous publication, and this publication to:

- (i) eliminate unnecessary rule provisions
- (ii) clarify IIROC's expectations with respect to certain rules
- (iii) ensure that the rules reflected actual IIROC practices
- (iv) ensure consistency with other IIROC Dealer Member Rules and applicable securities laws
- (v) respond to comments we received on the publications.

A summary of the public comments we received on the previous publication and our responses is attached as **Appendix 4**.

We have not repeated in this Notice the discussion of the changes made in the original publications or in the previous publication, but if you wish to reference them, **Appendix 5** sets out the applicable IIROC Notice numbers.

In this Notice, we limit our discussion to the key substantive changes we have made since the previous publication. In addition to the key substantive changes, we made other minor substantive changes and, to clarify drafting, we made non-substantive changes. The other substantive and the non-substantive changes not discussed in detail in this Notice are identified in the blacklined version of the proposed PLR Rule Book in Appendix 1 and in the Table of Concordance in Appendix 3.

2.2 Key substantive changes

2.2.1 Proficiency and Continuing Education Requirements Changes

We propose a number of substantive changes to the proficiency and continuing education requirements. Many of these changes are a result of the proficiency assurance regulatory review we undertook in 2014 and 2015. Other changes address unintended consequences in the current DMRs and rationalize the way the rules work together.

A summary of these rule proposals follows:

(a) **Proficiency Requirements – PLR Rule 2600 – Proficiency:**

- The Conduct and Practices Handbook (**CPH**) is a current proficiency requirement for a Registered Representative conducting discretionary portfolio management activities on managed accounts. We propose to continue to require that Portfolio Managers and Associate Portfolio Managers successfully complete the Conduct and Practices Handbook Course (**CPH Course**).



- We amended the experience requirement for Chief Compliance Officers to harmonize with the proficiency requirements in NI 31-103.
- We removed several of the items listed in PLR sections 2605 and 2606 as these alternative qualifications are captured in the proficiency chart under PLR Rule sub-section 2602(3) and are not considered exemptions.
- We rationalized and removed certain exemptions from writing and rewriting specific courses set out in in PLR sections 2605 and 2606 after reviewing courses for content equivalency.

We are reviewing the Effective Management Seminar. We encourage and welcome any comments and feedback with respect to the requirement, content, structure, and delivery of the Effective Management Seminar.

(b) Continuing Education Requirements – PLR Rule 2650 – Continuing Education (CE):

The changes we propose in this publication are informed by the following policy objectives:

- IIROC’s commitment to high standards of proficiency, professionalism and ethics
- reinforcement of the role of the CPH Course as a cornerstone of IIROC’s proficiency platform (the content of the CPH is being reformulated)
- IIROC’s desire to encourage ethics training
- modernization of the CE program.

IIROC is reviewing its CE program. We consulted with the IIROC CE Subcommittee in 2016 and will do additional public consultation in 2017.

In 2010, the Education and Proficiency Committee made a recommendation to shorten the CE cycle from three to two years and adjust the total required hours to 30 over the two-year cycle. We have adopted the recommendation and have proposed this change in the PLR Rule Book.

We reviewed the purpose and parameters of IIROC’s CE program. We propose broadening the CE program to allow more flexibility for IIROC registrants. It is our view that continuing education should not be limited to product knowledge or an Approved Person’s current role. Learning and development that is relevant to the business of investment dealers can be valuable and support professional growth and development.

Under the proposed PLR Rule Book, the voluntary participation program will only extend the validity period of the Canadian Securities Course. The CPH is being reformulated. It should be rewritten when stale-dated. Accordingly, the compliance components of the voluntary participation program will be removed.

We propose other changes to the continuing education program including:



- increasing the number of foreign compliance course credit hours that can be applied to satisfy the compliance course requirement
- permitting Approved Persons to repeat an ethics course for continuing education credit (IIROC will publish a list of approved ethics courses)
- reducing the regulatory burden associated with certain reporting requirements by discontinuing the requirement that Dealer Members report CE completions on a monthly basis.

We consulted the IIROC CE Subcommittee and we propose the following based on its feedback:

- Training delivered by Dealer Members about regulatory and compliance developments can be considered CE. Such training would take the form of seminars, or webinars with a method of evaluation. Reading the compliance manual and answering related questions would not qualify as continuing education.
- Approved Persons should complete some CE in each cycle. People who have been out of the industry or working in unregulated sectors or capacities should not be exempt from CE by virtue of rewriting the CSC or CPH. We are proposing that former Approved Persons rewriting the CSC may receive ten hours towards their professional development course requirement. Approved Persons rewriting the CPH may receive five hours towards their compliance course requirement.
- IIROC will limit the carry forward of professional development course credit hours to ten, which is half of the professional development course requirement. We are of the view that Approved Persons should do some continuing education in each cycle.
- We will provide relief to current CE participants by permitting these Approved Persons to carry forward 20 hours of a single professional development course to satisfy the professional development course requirement in the first two-year CE cycle, which starts on January 1, 2018.

2.2.2 Substantive changes to multiple sections of the Rules

We propose a number of substantive changes that affect multiple sections of the Rules. Instead of itemizing them by section, we have summarized them by theme. In Appendix 3, we labeled each section impacted by these changes as having undergone a substantive change.

(a) Introducing Broker/Carrying Broker Requirements – PLR Rule 2400 – Acceptable

Back Office Arrangements: We propose a number of changes to the introducing broker/carrying broker requirements to align with current practices and expectations. These include a requirement that each type of carrying broker report the balance of the principal trading account the introducing broker has with them on their Form 1 or Monthly Financial Report, as opposed to reporting the introducing broker's principal positions.



- (b) **Replacing CFOs and CCOs— PLR Rule 2500 – Dealer Member Directors and Executives:** We propose amending the previous publication to provide for a 90-day period in all cases where the CFO and/or CCO cease to be approved in the applicable category but remains employed with the Dealer Member. However, the proposed change does not eliminate the requirement for Dealer Members to immediately appoint and seek approval for an acting CCO and/or acting CFO as applicable.
- (c) **Chief Compliance Officer, Chief Financial Officer and Chief Operating Officer Responsibilities – PLR Rule 3900 – Supervision:** We removed the specific responsibilities assigned to Chief Operating Officers (COOs). This change recognizes that there is not a separate COO approval category and better reflects existing Dealer Member Rules (which do not allocate separate compliance responsibilities to the COO).
- The Chief Financial Officer’s (CFO) and Chief Compliance Officer’s (CCO) responsibilities have also been more clearly delineated through mirroring provisions in sections 3912 and 3913. Responsibility for reporting of financial matters and access to the UDP and board is expressly assigned to the CFO, on the basis that the CFO is responsible for compliance with IIFC’s financial requirements. Likewise, we have expressly clarified that CCOs are not responsible for the reporting of financial compliance matters. This is consistent with what we believe is the current practice and expectation of CFOs and CCOs.
- (d) **Responsibility Changes – PLR Rule 4400 – Protection of Client Assets:** In two sections, we propose replacing “Chief Financial Officer” with “Dealer Member’s appropriate Executives” because the existing rule intended for these situations to be reported to more than one Executive. In a few sections, we propose replacing the terms “a supervisor or manager” or “management” with “the department manager or another appropriate manager” to clarify who must provide approval.

2.2.3 Substantive changes to specific sections

- (a) **PLR section 1502 – Responsibility of managing significant areas of risk:** We propose removing the term “manage” to clarify our original policy intent that Executives are responsible for supervising a significant area of risk. This is in contrast to overall responsibility for compliance, which is assigned to the CCO or CFO in sections 3912 and 3913 respectively. We propose revising this section to clarify that a list of responsible Executives does not need to be maintained within the firm’s policies and procedures manual. We expect Dealer Members will maintain this list in an appropriate place. We also clarified the differences between the supervision and compliance roles within a firm. We note these distinct functions may not necessarily (and preferably would not) be the responsibility of the same Executive.
- (b) **PLR section 2555 – Business activities outside of the Dealer Member:** We propose amending this section for greater consistency with section 4.1 of NI 31-103. We would require Approved Persons seek IIFC approval to engage in an outside business activity with another dealer that is a member of a self-regulatory organization.



- (c) **PLR section 3115 – Personal financial dealing:** We propose expanding the scope of the lending, borrowing and control arrangement requirements to include Associate Portfolio Managers and Portfolio Managers. We are proposing this change for consistency with other changes we made to incorporate the Associate Portfolio Manager and Portfolio Manager categories of registration.
- (d) **PLR section 3210 – Definitions:** We propose a new defined term “client account records” based on terms used in current DMRs 1300 and 2500. This term is meant to clarify account record requirements in Part B of Rule 3200. We propose changes to other sections in Part B of Rule 3200 to reflect this new defined term.
- (e) **PLR section 3211 – Account appropriateness:** In the original publication, we included a requirement for Dealer Members to assess whether trading on margin is appropriate for a client prior to allowing that client to do so. In the current publication, we propose a new requirement to assess whether the account(s) and product(s) are appropriate for a client before opening the account(s) or recommending the product(s).

We currently expect Dealer Members will analyze and determine the following, as part of their account opening process:

- (i) whether it would be appropriate for a potential client to become the Dealer Member’s client
- (ii) the scope of products and account types that would be appropriate for the client to access.

In circumstances where it would not be appropriate for a client to have access to a particular product or account type, the Dealer Member should restrict access to such product(s) and/or account type(s) for that client, as applicable.

This new requirement codifies the discussion in [IIROC Rules Notice 12-0109](#) that “[t]he Dealer Member and Registered Representatives, at the time of account opening, should ensure that the account type (margin, trust, option accounts, etc.) is appropriate for the client given the client’s particular circumstances”.

- (f) **PLR section 3213 – Account opening procedures:** We propose that account opening procedure requirements, which were previously applicable only to retail accounts, also be applicable to institutional clients. We do not necessarily expect firms to have the same procedures for both retail and institutional clients, nor do we expect them to collect identical information for both client types when opening accounts. We do expect all Dealer Members to have policies and procedures for collecting, maintaining and recording required account documentation for all types of clients.
- (g) **PLR section 3278 - Managed account agreement:** We propose amending the managed account agreement requirements to include the same “know-your-client” and account portfolio information as must be considered for suitability assessment purposes. Currently, only investment objectives and risk tolerance must be described or referred to. We propose this change for greater consistency with the suitability assessment requirements.



- (h) **PLR section 3280 – Conflicts of interest:** To be consistent with NI 31-103, we propose transactions between a client's managed account and a responsible person not be permitted. We currently permitted these transactions with the client's written consent.
- (i) **PLR section 3402 – Retail client suitability requirements:** We propose amending sub-clause 3402(1)(iii)(a) to require a suitability determination be made when the client's securities are transferred out of their account (in addition to when they are received into the client's account). A transfer out of securities may affect the suitability analysis for the client's portfolio. For example, when a lower risk position is transferred out, this may materially increase the risk of the remaining account portfolio of assets.
- (j) **PLR section 3406 – Delegation:** We propose clarifying the current expectation that suitability is primarily the responsibility of the Registered Representative, Portfolio Manager or Associate Portfolio Manager assigned to the client account.
- (k) **PLR section 3509 – Premarketing:** We propose removing the requirement for Dealer Members, when acting as underwriters, to file a premarketing certificate. We would instead require them to maintain records verifying their compliance with section 3509. We propose removing this administrative requirement to reduce the regulatory burden.
- (l) **PLR section 3608 – Research report disclosure of potential conflicts of interest:** We propose clarifying that disclosure is not required in instances where:
- issuer securities aren't owned
 - services have not been provided to the issuer
 - the dealer is not a market maker for any of the issuer's securities.
- We also propose changing clause 3608(2)(ii) to ensure all indirect positions are disclosed and clause 3608(2)(iv) to mirror the remuneration requirement in clause 3602(2)(iii).
- (m) **PLR section 3612 – Directing the reader to disclosure:** We propose including price target disclosures under section 3616 in the compendium reporting provision to ensure a consistent approach is taken for required disclosures in Rule 3600.
- (n) **PLR section 3624 – Annual certification:** We propose removing the research report annual certification requirement to reduce regulatory burden.
- (o) **PLR section 3703 – Reporting by a Dealer Member to IIROC:** We propose removing the requirement for Dealer Members to report changes to Approved Person's information from this section as it was duplicative of a requirement in Rule 2700.
- (p) **PLR section 3804 – General requirements to maintain records:** We propose amending this section to be consistent with section 11.5 of NI 31-103 . We would include a detailed list of what types of books and records must be maintained. While this would be a substantive change to our existing rules, we do not expect it to be a substantive change to Dealer Member practices, as they are required to comply with section 11.5 of NI 31-103.



2.3 Structural Changes

We made some structural changes to the proposed PLR Rule Book as follows:

- (a) **Reserved Sections:** We have maintained a number of reserved sections throughout the proposed PLR Rulebook. These reserved sections are intended to allow future provisions to be easily added without disrupting the existing numbering. We will review the number of reserved sections and condense them as necessary in the final version of the PLR Rule Book.
- (b) **Reordering of Rule 3200:** We reorganized a number of provisions in Rule 3200 to improve readability and clarity. We included client account record requirements in Part B and we structured Parts C through G by account type.

3. Consequential Changes

3.1 Changes to the Consolidated Enforcement Rules

3.1.1 General changes

We are proposing non-substantive changes to the Consolidated Enforcement Rules. The purposes of these changes are for greater clarity, to eliminate any duplication and to ensure consistency with the proposed PLR Rule Book. We are also proposing changes to section 9204 to incorporate the Associate Portfolio Manager and Portfolio Manager categories of registration. These changes are identified in the blackline version of the PLR Rule Book in Appendix 1.

3.1.2 Changes to Consolidated Enforcement Rules Defined Terms

We are also proposing non-substantive changes to the terms defined in the Consolidated Enforcement Rules. Defined terms only used in one series will be moved from Consolidated Enforcement Rule 1200 to their respective series in the proposed PLR Rule Book. We propose changing the definitions of certain terms in Consolidated Enforcement Rule 1200 to align them with the defined terms used in the proposed PLR Rule Book.

A blackline of the changes to the defined terms can be found in **Appendix 6**.

3.2 Changes to the Investor Application Form, Investor Notification Form and updated Guidance

In a separate publication – IIROC Notice [17-0055](#) – we propose changes to our Investor Application Form and our Investor Notification Form. These changes reflect current practices and help make the application process more efficient.

We are also proposing updated guidance (“Investment in a Dealer Member – Notification and Approval”) to assist Dealer Members in completing these forms. This guidance would replace [Member Regulation Notice 0308](#) (“Investor Notification and Approval Process”). We are updating this guidance for two purposes:

- (i) better alignment with sections 11.9 and 11.10 of NI 31-103



- (ii) consistency with the new timing requirements that will be introduced when the PLR Rule Book is final.

4. Alternatives considered

We considered the following:

- (i) the comments received from the public and the CSA on the previous publication
- (ii) the need to proceed with the registration reform related changes to ensure that IIROC rules are consistent with CSA requirements
- (iii) the independent policy matters that arose in the period between the original publications and today.

We balanced these considerations and our objective of ensuring that the proposed PLR Rule Book was as complete as possible with the need to complete the PLR Project. In light of this, we were not able to deal with issues that we considered to be out of scope of the PLR Project – i.e. issues that were not related to the plain language rewrite process or the registration reform related process. We intend to address the out-of-scope issues raised during the course of the PLR Project in the context of our future policy priorities.

5. Impact of the proposed PLR Rule Book

IIROC, Dealer Members and individuals acting on their behalf, and other interested parties will benefit from the enhanced clarity and certainty the proposed PLR Rule Book offers. We recognize that the operationalization of the proposed PLR Rule Book by Dealer Members and individuals acting on their behalf will require a significant amount of time and effort, and we will consider this in the implementation phase.

6. Policy development process

6.1 Regulatory purpose

In addition to what we have discussed throughout this Notice, the proposed PLR Rule Book's purpose is also to:

- (i) establish and maintain rules necessary or appropriate to govern and regulate all aspects of IIROC's functions and responsibilities as a self-regulatory entity
- (ii) ensure compliance with securities laws
- (iii) prevent fraudulent and manipulative acts and practices
- (iv) promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith
- (v) foster cooperation and coordination with entities engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities
- (vi) foster fair, equitable and ethical business standards and practices
- (vii) promote the protection of investors.



We classified the proposed PLR Rule Book as a public comment rule proposal due to its breadth and substantive nature.

6.2 Regulatory process

IIROC's Board of Directors (**Board**) determined the proposed PLR Rule Book to be in the public interest and on January 25, 2017 approved it for republication for public comment.

IIROC consulted Dealer Members extensively throughout the PLR Project including consultations with the Executive and various sub-committees of each of the Compliance and Legal Section and the Financial Administrators Section, and with the National Advisory Committee.

After considering the comments on the proposed PLR Rule Book received in response to this Notice together with any comments of the Recognizing Regulators, IIROC may recommend changes to the proposed PLR Rule Book. If the changes and comments received are not of a material nature, the Board has authorized the President to approve the changes on behalf of IIROC and to seek approval of the proposed PLR Rule Book from the Recognizing Regulators. If the changes or comments are material, the proposed changes including any changes will be submitted to the Board for approval for republication or implementation as applicable.

7. Attachments

[Appendix 1](#) – Proposed PLR Rule Book (blacklined to previous publication)

[Appendix 2](#) – Proposed PLR Rule Book (clean)

[Appendix 3](#) – Table of Concordance

[Appendix 4](#) – Response to public comments on the previous publication

[Appendix 5](#) - IIROC Rules Notice numbers for the original and previous publications

[Appendix 6](#) – Changes to the Consolidated Enforcement Rules Defined Terms