

# IIROC NOTICE

## **Rules Notice Notice of Approval/Implementation**

Dealer Member Rules and UMIR

*Please distribute internally to:*

Legal and Compliance  
Senior Management

**Implementation date:** *Immediately*

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**17-0224**

**November 30, 2017**

## **Housekeeping amendments to the IIROC Consolidated Enforcement, Examination and Approval Rules**

### **Executive Summary**

On September 13, 2017, by way of resolution, IIROC's Board of Directors (the **Board**) approved housekeeping amendments to the following sections of the IIROC Consolidated Enforcement, Examination and Approval Rules (the **Consolidated Rules**):

- 8107(1)(iii) *Continuing Jurisdiction*
- 8411(4) *Language of Hearings and Interpreters*
- 8415(4) *Response to a Notice of Hearing*
- 8427(8)(ii) and (iv) *Review of Protective Orders*
- 9204(1)(i) *Individual Approval Applications*
- 9209(2) *Review Hearings*
- 9305(2) *Review by a Securities Regulatory Authority*
- 9408(3) *Exchange of Written Submissions*



In addition, the Board approved housekeeping amendments to correct a typographical error (in section 2.1 *Specific Unacceptable Activities*) and repeal certain provisions of Policy 10.8 of the Universal Market Integrity Rules (**UMIR**) that were inadvertently not repealed when the Consolidated Rules came into force in September 2016. The following sections of Policy 10.8 were repealed:

- 4.3(2) *Date of Hearing*
- 9.5 *Order for Particulars or Amendment*
- 9.7 *Public Access to Hearing*
- 10.1 *Selection of Hearing Panel*

(Collectively, the **Amendments**.)

The Amendments are effective immediately.



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## 1. Discussion of Amendments

### 1.1 Analysis

The original proposal to consolidate certain enforcement, procedural, examination and approval rules was published for comment in March 2012 (the **Original Notice**).<sup>1</sup> Following extensive comments, IIROC staff prepared responses to those comments and made certain changes to the rules which were re-published for comment in November 2013 (the **Republication Notice**).<sup>2</sup>

In response to the Republication Notice, IIROC staff received one public comment letter from the Investment Industry Association of Canada (**IIAC**). In addition, we invited all commenters (from both the Original Notice and the Republication Notice) to participate in a “roundtable” meeting in March 2014.

The Canadian Securities Administrators (**CSA**) and the Board approved the Consolidated Rules and they were implemented on September 1, 2016 (the **Implementation Date**),<sup>3</sup> except Rule 8300 which became effective in June 2016.

As it is now the one-year anniversary of the implementation of the Consolidated Rules, we are proposing to implement amendments to 8 sections of the Consolidated Rules. Set out below is a brief description of each of the amendments:

<b>Consolidated Rule Reference</b>	<b>Nature of Amendment</b>
8107(1)(iii) <i>Continuing Jurisdiction</i>	Grammatical correction
8411(4) <i>Language of Hearings and Interpreters</i>	To ensure the language used is consistent with current practice
8415(4) <i>Response to a Notice of Hearing</i>	To ensure the language used is consistent

<sup>1</sup> See **Notice 12-0104** – *Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules*.

<sup>2</sup> See **Notice 13-0275** – *Republication of Proposed Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules* and **Attachment E** to Notice 13-0275.

<sup>3</sup> See **Notice 16-0122** – *Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules*.

**IIROC Notice 17-0224 – Rules Notice – Notice of Approval/Implementation – Housekeeping amendments to the IIROC Consolidated Enforcement, Examination and Approval Rules**



<b>Consolidated Rule Reference</b>	<b>Nature of Amendment</b>
	with current practice
8427(8)(ii) and (iv) <i>Review of Protective Orders</i>	Typographical correction
9204(1)(i) <i>Individual Approval Applications</i>	Corrects inaccurate cross-reference
9209(2) <i>Review Hearings</i>	Typographical correction
9305(2) <i>Review by a Securities Regulatory Authority</i>	Typographical correction
9408(3) <i>Exchange of Written Submissions</i>	Typographical correction

In addition, set out below is a brief description of the amendment in UMIR:

<b>UMIR Reference</b>	<b>Nature of Amendment</b>
UMIR 2.1 <i>Specific Unacceptable Activities</i>	Typographical correction

The purpose of the Amendments is to clarify the intentions in drafting the Consolidated Rules and UMIR, ensure that the language used is consistent with current practice, and make minor necessary changes of an editorial nature.

### **Classification of the Amendments**

We have classified the Amendments as “housekeeping” because they:

- do not represent a material change to IIROC rules
- have no material impact on investors, issuers, Dealer Members or the capital markets in Canada as they:
  - make amendments to correct typographical and grammatical mistakes and inaccurate cross-referencing
  - make necessary changes of an editorial nature (such as standardization of terminology)



- are reasonably necessary to ensure the Consolidated Rules and UMIR conform to applicable securities legislation, statutory or legal requirements.

## **2. Impacts of the Amendments**

We do not expect the Amendments to impose any burden or constraint on competition or innovation that is not necessary or appropriate to support IIROC’s regulatory objectives. Likewise, we do not expect they will impose costs or restrictions on the activities of market participants that are disproportionate to the regulatory objectives.

### **Technological implications**

The Amendments will not have an impact on Dealer Members’ systems, or on the systems of their service providers or other stakeholders.

## **3. Policy Development Process**

### **3.1 Regulatory purpose**

The Amendments maintain rules that are necessary or appropriate to govern and regulate all aspects of IIROC’s functions and responsibilities as a self-regulatory entity.

In deciding on the Amendments, IIROC identified a need to ensure the Consolidated Rules and UMIR are up to date by correcting typographical, grammatical and cross-referencing errors as well as ensuring that the language used is consistent with what is currently in practice.

The Amendments are housekeeping in nature and not detrimental to the best interests of the capital markets. As a result, the Board has classified the Amendments as a “Housekeeping Rule” that is not contrary to the public interest.

## **4. Appendices**

**Appendix A** - Blackline comparison of the amendments to the current Consolidated Rules

**Appendix B** - Clean copy of the amendments to the current Consolidated Rules

**Appendix C** - Blackline comparison of the amendments to the current UMIR

**Appendix D** - Clean copy of the amendments to the current UMIR

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA  
AMENDMENTS TO IIROC CONSOLIDATED ENFORCEMENT, EXAMINATION AND APPROVAL RULES  
BLACKLINE OF AMENDMENTS

Rule 8100  
Enforcement Investigations

8107. Continuing Jurisdiction

- (1) A Regulated Person remains subject to this Rule for six years following the date on which they cease to be:
- (i) a Dealer Member,
  - (ii) a non-Dealer Member user or subscriber of a Marketplace for which IIROC is the regulation services provider, or
  - (iii) an employee, partner, director, officer or any other representative designated in IIROC requirements of ~~a~~:
    - (a) a Dealer Member, or
    - (b) a non-Dealer Member user or subscriber of a Marketplace for which IIROC is the regulation services provider.

**Rule 8400**  
**Rules of Practice and Procedure**

**8411. Language of Hearings and Interpreters**

- (1) A [hearing](#) may be conducted in English or French or partly in English or French.
- (2) A [hearing](#) in a [District](#) other than Quebec must be conducted in English, unless the [parties](#), with the consent of a [hearing panel](#), agree that it be conducted in French.
- (3) A [hearing](#) in Quebec must be conducted in French, unless the [parties](#), with the consent of a [hearing panel](#), agree that it be conducted in English.
- (4) A [party](#) who wishes a [hearing](#) to be conducted in French, or in Quebec in English, must [file](#) a ~~notice requesting request with~~ the ~~consent of a hearing panel, accompanied by the agreement of the other parties, National Hearing Coordinator~~ as soon as possible after the proceeding is commenced ~~and no later than thirty days before the commencement of the hearing.~~
- (5) A [party](#) who requires an interpreter for a language other than the language in which a hearing is to be conducted, whether to assist the [party](#) or for the testimony of a witness to be called by the [party](#), must notify the [National Hearing Coordinator](#) at least thirty days before the commencement of the [hearing](#).
- (6) An interpreter must be competent and independent and must swear or affirm to interpret accurately.

**8415. Response to a Notice of Hearing**

- (1) A [respondent](#) must serve and [file](#) a response within 30 days from the date of service of a notice of hearing.
- (2) A response must contain a statement of:
  - (i) the facts alleged in the statement of allegations that the [respondent](#) admits,
  - (ii) the facts alleged that the [respondent](#) denies and the grounds for the denial, and
  - (iii) all other facts on which the [respondent](#) relies.
- (3) A [hearing panel](#) may accept as proven any facts alleged in a statement of allegations that are not specifically denied or for which grounds for the denial are not provided in a response.
- (4) If a [respondent](#) who has been served with a notice of hearing does not serve and [file](#) a response in accordance with subsection 8415(1), ~~Enforcement Staff~~ the [hearing panel](#) may proceed with the hearing of the matter on its merits on the date of the initial appearance set out in the notice of hearing, without further notice to and in the absence of the [respondent](#), and the [hearing panel](#) may accept as proven the facts and contraventions alleged in the statement of allegations and may impose sanctions and costs pursuant to section 8209 or 8210, as applicable.

**8427. Review of Protective Orders**

- (1) A [party](#) who requests a review of a [decision](#) made under section 8212 must serve and [file](#), within thirty days of the date of the [decision](#), a notice of request for review and a review record.
- (2) A notice of request for review must contain
  - (i) the date, time and location of the [hearing](#) of the request for review,
  - (ii) the relief sought,
  - (iii) the grounds for the relief sought, including reference to any [I/ROC requirements](#) or [laws](#),



- (iv) a list of evidence and other materials relied on, and
  - (v) whether it is proposed that the request for review be heard as an [oral hearing](#), [electronic hearing](#) or [written hearing](#).
- (3) A review record must contain
- (i) the notice of request for review, and
  - (ii) copies of any additional evidence, including affidavits and other materials relied on.
- (4) [Enforcement Staff](#) must [file](#), at least seven days prior to the date of the review [hearing](#), a record that contains the record of the [hearing](#) under section 8212, the [decision](#) and reasons of the [hearing panel](#), a transcript of the [hearing](#) and copies of any documentary or other evidence received by the [hearing panel](#) not otherwise contained in the record.
- (5) A [responding party](#) may serve and [file](#) a reply no later than seven days prior to the date of the review [hearing](#).
- (6) A reply must contain
- (i) the order requested by the [responding party](#) and a statement of the reasons for the order requested, and
  - (ii) copies of any additional evidence, including affidavits and other material relied on.
- (7) The [parties](#) may serve and [file](#) a memorandum of fact and law no later than two days prior to the date of the review [hearing](#).
- (8) A review [hearing](#) must be conducted in the following order:
- (i) the [requesting party](#) may present evidence,
  - (ii) the ~~[requesting party](#)~~[responding party](#) may present evidence,
  - (iii) the [requesting party](#) may make submissions,
  - (iv) the ~~[requesting party](#)~~[responding party](#) may make submissions, and
  - (v) the [requesting party](#) may reply to the submissions of the [responding party](#).
- (9) A [hearing panel](#) may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review [hearing](#) on any matter in issue and allow cross-examination on an affidavit.
- (10) At any time prior to a review [hearing](#), a [requesting party](#) may bring a motion for a stay of an order made under subsection 8212(4).

**Rule 9200**  
**Approvals and Regulatory Supervision**

**9204. Individual Approval Applications**

- (1) An *individual* may *apply* to a *District Council* for approval as a
  - (i) ~~*Supervisor*~~ under Dealer Member Rule 1300.2,
  - (ii) *Director* or *Executive* under Dealer Member Rule section 7.2,
  - (iii) *Registered Representative* or *Investment Representative* under Dealer Member Rule 18.2,
  - (iv) *Ultimate Designated Person*, *Chief Financial Officer*, or *Chief Compliance Officer* under Dealer Member Rules 38.5, 38.6, and 38.7, respectively, or
  - (v) *Trader* under Dealer Member Rule 500.
- (2) A *District Council* must approve an *application* under subsection 9204(1), unless in its opinion
  - (i) the applicant
    - (a) does not meet a *IIROC requirement*,
    - (b) is likely not to comply with *IIROC requirements*, or
    - (c) does not satisfy *securities legislation* relating to or is not suitable for approval on the basis of training, experience, solvency or integrity, or
  - (ii) the approval is otherwise not in the public interest.
- (3) A *District Council* may approve an *application* under subsection 9204(1), subject to any terms and conditions it considers appropriate.

**9209. Review Hearings**

- (1) Within 30 days after the release of a *decision* under section 9204, 9207 or 9208, an applicant, *Approved Persons* or *Dealer Member*, respectively, may request a review of the *decision* by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings).
- (2) An applicant may, within 30 days after the release of a *decision* under section 9206, request a review of the *decision* by a ~~*District Council panel*~~.
- (3) *Registration Staff* may, within 30 days after the release of a *decision*, other than a *decision* made by *Registration Staff*, request a review
  - (i) of a *decision* under section 9204 or 9207 by a *decision* under Rule 9300 (Regulatory Review Proceedings), or
  - (ii) of a *decision* under section 9206 by a *District Council panel*.
- (4) A request for review of a *decision* under section 9206 by *Registration Staff* operates as a stay of the *decision*.
- (5) If a review of a *decision* under section 9206 is requested, the *National Hearing Coordinator* must, subject to subsection 9209(7), select three members from the *District Council* of the applicable *District* as members of the *District Council panel* to review the *decision*, and subsections 8408(7), (10) and (11) apply to the selection and conduct of a *District Council panel*, with modifications required by the context of this Rule.
- (6) A member of a *District Council* who has participated in a *decision* must not participate as a member of a *hearing panel* or *District Council panel* on a review of the *decision*.
- (7) On a review of a *decision* made under section 9206, a *District Council panel* may:
  - (i) affirm the decision;

- (ii) quash the decision;
  - (iii) vary or remove any terms and conditions imposed on the applicant; and
  - (iv) make any decision that could have been made by the [District Council](#) under section 9206.
- (8) A [decision](#) of a [District Council panel](#) under subsection 9209(7) is a final decision for which no further review or appeal is provided under [IROC requirements](#).

**Rule 9300**  
**Regulatory Review Proceedings**

**9305. Review by a Securities Regulatory Authority**

- (1) A [party](#) may apply to the [securities regulatory authority](#) in the relevant [District](#) for a review of a final [decision](#) of a [hearing panel](#) under this Rule.
- (2) A [person](#) who is entitled to request a review of a [decision](#) under section 9304 may not apply to a [securities regulatory authority](#) for review of the [decision](#), unless the [person](#) has requested a review by a [hearing panel](#) and the [hearing panel](#) has made a final [decision](#).
- (3) For purposes of subsection 9305(1), [IIROC](#) staff is directly affected by a [decision](#) in a proceeding in which [IIROC](#) staff is a [party](#).

## Rule 9400

### Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters

#### 9408. Exchange of Written Submissions

- (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions.
- (2) [Registration Staff](#) must provide the applicant, [Approved Person](#) or [Dealer Member](#) with a written submission setting out the facts and law supporting [Registration Staff's](#) recommendation. [Registration Staff's](#) submission must be delivered to the applicant, [Approved Person](#) or [Dealer Member](#) within ten [business days](#) after [Registration Staff](#) receives the applicant's, [Approved Person's](#) or [Dealer Member's](#) Response.
- (3) An applicant, [Approved Person](#) or [Dealer Member](#) must then provide [Registration Staff](#) with a written submission responding to [Registration Staff's](#) submission, to be delivered within ten [business days](#) after the applicant, [Approved Person](#) or [Dealer Member](#) receives [Registration Staff's](#) submission.
- (4) Subject to agreement of the [parties](#) or a [decision](#) of the [decision maker](#), there will only be one exchange of written submissions so that the [decision maker](#) may render a decision without unnecessary delay; however, where the [parties](#) agree to make further submissions or either of them requests that the [decision maker](#) allow further submissions, such agreement or request must be made within five [business days](#) after delivery of the applicant's, [Approved Person's](#) or [Dealer Member's](#) submission under subsection 9408(3).
- (5) Unless an agreement or request is made under subsection 9408(4), [Registration Staff's](#) and the applicant's, [Approved Person's](#) or [Dealer Member's](#) respective submission will be delivered by [Registration Staff](#) to the [decision maker](#) within five [business days](#) after the applicant's, [Approved Person's](#) or [Dealer Member's](#) submission is delivered.
- (6) If an agreement or request is made under subsection 9408(4), the submissions of all [parties](#) will be delivered by [Registration Staff](#) to the [decision maker](#) when all submissions have been delivered or the time for their delivery has elapsed.

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA  
AMENDMENTS TO IIROC CONSOLIDATED ENFORCEMENT, EXAMINATION AND APPROVAL RULES  
CLEAN COPY OF AMENDMENTS

Rule 8100  
Enforcement Investigations

**8107. Continuing Jurisdiction**

- (1) A [Regulated Person](#) remains subject to this Rule for six years following the date on which they cease to be:
  - (i) a [Dealer Member](#),
  - (ii) a non-[Dealer Member](#) user or subscriber of a [Marketplace](#) for which [IIROC](#) is the regulation services provider, or
  - (iii) an employee, partner, director, officer or any other representative designated in [IIROC requirements](#) of:
    - (a) a [Dealer Member](#), or
    - (b) a non-[Dealer Member](#) user or subscriber of a [Marketplace](#) for which [IIROC](#) is the regulation services provider.

**Rule 8400**  
**Rules of Practice and Procedure**

**8411. Language of Hearings and Interpreters**

- (1) A [hearing](#) may be conducted in English or French or partly in English or French.
- (2) A [hearing](#) in a [District](#) other than Quebec must be conducted in English, unless the [parties](#), with the consent of a [hearing panel](#), agree that it be conducted in French.
- (3) A [hearing](#) in Quebec must be conducted in French, unless the [parties](#), with the consent of a [hearing panel](#), agree that it be conducted in English.
- (4) A [party](#) who wishes a [hearing](#) to be conducted in French, or in Quebec in English, must [file](#) a request with the [National Hearing Coordinator](#) as soon as possible after the proceeding is commenced.
- (5) A [party](#) who requires an interpreter for a language other than the language in which a hearing is to be conducted, whether to assist the [party](#) or for the testimony of a witness to be called by the [party](#), must notify the [National Hearing Coordinator](#) at least thirty days before the commencement of the [hearing](#).
- (6) An interpreter must be competent and independent and must swear or affirm to interpret accurately.

**8415. Response to a Notice of Hearing**

- (1) A [respondent](#) must serve and [file](#) a response within 30 days from the date of service of a notice of hearing.
- (2) A response must contain a statement of:
  - (i) the facts alleged in the statement of allegations that the [respondent](#) admits,
  - (ii) the facts alleged that the [respondent](#) denies and the grounds for the denial, and
  - (iii) all other facts on which the [respondent](#) relies.
- (3) A [hearing panel](#) may accept as proven any facts alleged in a statement of allegations that are not specifically denied or for which grounds for the denial are not provided in a response.
- (4) If a [respondent](#) who has been served with a notice of hearing does not serve and [file](#) a response in accordance with subsection 8415(1), the [hearing panel](#) may proceed with the hearing of the matter on its merits on the date of the initial appearance set out in the notice of hearing, without further notice to and in the absence of the [respondent](#), and the [hearing panel](#) may accept as proven the facts and contraventions alleged in the statement of allegations and may impose sanctions and costs pursuant to section 8209 or 8210, as applicable.

**8427. Review of Protective Orders**

- (1) A [party](#) who requests a review of a [decision](#) made under section 8212 must serve and [file](#), within thirty days of the date of the [decision](#), a notice of request for review and a review record.
- (2) A notice of request for review must contain
  - (i) the date, time and location of the [hearing](#) of the request for review,
  - (ii) the relief sought,
  - (iii) the grounds for the relief sought, including reference to any [I/ROC requirements](#) or [laws](#),
  - (iv) a list of evidence and other materials relied on, and
  - (v) whether it is proposed that the request for review be heard as an [oral hearing](#), [electronic](#)

hearing or written hearing.

- (3) A review record must contain
  - (i) the notice of request for review, and
  - (ii) copies of any additional evidence, including affidavits and other materials relied on.
- (4) Enforcement Staff must file, at least seven days prior to the date of the review hearing, a record that contains the record of the hearing under section 8212, the decision and reasons of the hearing panel, a transcript of the hearing and copies of any documentary or other evidence received by the hearing panel not otherwise contained in the record.
- (5) A responding party may serve and file a reply no later than seven days prior to the date of the review hearing.
- (6) A reply must contain
  - (i) the order requested by the responding party and a statement of the reasons for the order requested, and
  - (ii) copies of any additional evidence, including affidavits and other material relied on.
- (7) The parties may serve and file a memorandum of fact and law no later than two days prior to the date of the review hearing.
- (8) A review hearing must be conducted in the following order:
  - (i) the requesting party may present evidence,
  - (ii) the responding party may present evidence,
  - (iii) the requesting party may make submissions,
  - (iv) the responding party may make submissions, and
  - (v) the requesting party may reply to the submissions of the responding party.
- (9) A hearing panel may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review hearing on any matter in issue and allow cross-examination on an affidavit.
- (10) At any time prior to a review hearing, a requesting party may bring a motion for a stay of an order made under subsection 8212(4).



**Rule 9200**  
**Approvals and Regulatory Supervision**

**9204. Individual Approval Applications**

- (1) An *individual* may *apply* to a *District Council* for approval as a
  - (i) *Supervisor*,
  - (ii) *Director* or *Executive* under Dealer Member Rule section 7.2,
  - (iii) *Registered Representative* or *Investment Representative* under Dealer Member Rule 18.2,
  - (iv) *Ultimate Designated Person*, *Chief Financial Officer*, or *Chief Compliance Officer* under Dealer Member Rules 38.5, 38.6, and 38.7, respectively, or
  - (v) *Trader* under Dealer Member Rule 500.
- (2) A *District Council* must approve an *application* under subsection 9204(1), unless in its opinion
  - (i) the applicant
    - (a) does not meet a *IIROC requirement*,
    - (b) is likely not to comply with *IIROC requirements*, or
    - (c) does not satisfy *securities legislation* relating to or is not suitable for approval on the basis of training, experience, solvency or integrity, or
  - (ii) the approval is otherwise not in the public interest.
- (3) A *District Council* may approve an *application* under subsection 9204(1), subject to any terms and conditions it considers appropriate.

**9209. Review Hearings**

- (1) Within 30 days after the release of a *decision* under section 9204, 9207 or 9208, an applicant, *Approved Persons* or *Dealer Member*, respectively, may request a review of the *decision* by a *hearing panel* under Rule 9300 (Regulatory Review Proceedings).
- (2) An applicant may, within 30 days after the release of a *decision* under section 9206, request a review of the *decision* by a *District Council panel*.
- (3) *Registration Staff* may, within 30 days after the release of a *decision*, other than a *decision* made by *Registration Staff*, request a review
  - (i) of a *decision* under section 9204 or 9207 by a *decision* under Rule 9300 (Regulatory Review Proceedings), or
  - (ii) of a *decision* under section 9206 by a *District Council panel*.
- (4) A request for review of a *decision* under section 9206 by *Registration Staff* operates as a stay of the *decision*.
- (5) If a review of a *decision* under section 9206 is requested, the *National Hearing Coordinator* must, subject to subsection 9209(7), select three members from the *District Council* of the applicable *District* as members of the *District Council panel* to review the *decision*, and subsections 8408(7), (10) and (11) apply to the selection and conduct of a *District Council panel*, with modifications required by the context of this Rule.
- (6) A member of a *District Council* who has participated in a *decision* must not participate as a member of a *hearing panel* or *District Council panel* on a review of the *decision*.
- (7) On a review of a *decision* made under section 9206, a *District Council panel* may:
  - (i) affirm the decision;

- (ii) quash the decision;
  - (iii) vary or remove any terms and conditions imposed on the applicant; and
  - (iv) make any decision that could have been made by the [District Council](#) under section 9206.
- (8) A [decision](#) of a [District Council panel](#) under subsection 9209(7) is a final decision for which no further review or appeal is provided under [IIROC requirements](#).

**Rule 9300**  
**Regulatory Review Proceedings**

**9305. Review by a Securities Regulatory Authority**

- (1) A [party](#) may apply to the [securities regulatory authority](#) in the relevant [District](#) for a review of a final [decision](#) of a [hearing panel](#) under this Rule.
- (2) A [person](#) who is entitled to request a review of a [decision](#) under section 9304 may not apply to a [securities regulatory authority](#) for review of the [decision](#), unless the [person](#) has requested a review by a [hearing panel](#) and the [hearing panel](#) has made a final [decision](#).
- (3) For purposes of subsection 9305(1), [IIROC](#) staff is directly affected by a [decision](#) in a proceeding in which [IIROC](#) staff is a [party](#).

## Rule 9400

### Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters

#### 9408. Exchange of Written Submissions

- (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions.
- (2) [Registration Staff](#) must provide the applicant, [Approved Person](#) or [Dealer Member](#) with a written submission setting out the facts and law supporting [Registration Staff's](#) recommendation. [Registration Staff's](#) submission must be delivered to the applicant, [Approved Person](#) or [Dealer Member](#) within ten [business days](#) after [Registration Staff](#) receives the applicant's, [Approved Person's](#) or [Dealer Member's](#) Response.
- (3) An applicant, [Approved Person](#) or [Dealer Member](#) must then provide [Registration Staff](#) with a written submission responding to [Registration Staff's](#) submission, to be delivered within ten [business days](#) after the applicant, [Approved Person](#) or [Dealer Member](#) receives [Registration Staff's](#) submission.
- (4) Subject to agreement of the [parties](#) or a [decision](#) of the [decision maker](#), there will only be one exchange of written submissions so that the [decision maker](#) may render a decision without unnecessary delay; however, where the [parties](#) agree to make further submissions or either of them requests that the [decision maker](#) allow further submissions, such agreement or request must be made within five [business days](#) after delivery of the applicant's, [Approved Person's](#) or [Dealer Member's](#) submission under subsection 9408(3).
- (5) Unless an agreement or request is made under subsection 9408(4), [Registration Staff's](#) and the applicant's, [Approved Person's](#) or [Dealer Member's](#) respective submission will be delivered by [Registration Staff](#) to the [decision maker](#) within five [business days](#) after the applicant's, [Approved Person's](#) or [Dealer Member's](#) submission is delivered.
- (6) If an agreement or request is made under subsection 9408(4), the submissions of all [parties](#) will be delivered by [Registration Staff](#) to the [decision maker](#) when all submissions have been delivered or the time for their delivery has elapsed.

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**  
**AMENDMENTS TO IIROC UNIVERSAL MARKET INTEGRITY RULES**  
**BLACKLINE COPY OF AMENDMENTS**

**UMIR 2.1**

**Specific Unacceptable Activities**

**2.1 Specific Unacceptable Activities**

- (1) Without limiting the generality of any other Rule, a Participant or Access Person shall not:
  - (a) enter into a transaction for the purpose of rectifying a failure in connection with a failed trade prior to the time that a report must be filed in accordance with Rule 7.10 if the Participant or Access Person knows or ought reasonably to know that such transaction will result in a failed trade; or
  - (b) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person with Marketplace Trading Obligation to
    - (i) execute with one or more of the orders, or
    - (ii) purchase at a higher price or sell at a lower price with one or more of the orders in accordance with the Marketplace Trading Obligations that would not be imposed on the person with Marketplace Trading Obligations if the orders had been entered on the marketplace as a single order or entered at the same time.
- (2) Without limiting the generality of any other Rule, a Participant shall not:
  - (a) directly or indirectly use another person to effect a trade other than on a marketplace in circumstances when an exemption is not available for the Participant to complete the trade other than on a marketplace in accordance with Rule 6.4;
  - (b) make a pattern of trading in a particular security with knowledge of an expression of interest by a client in that particular security; or
  - (c) without the specific consent of the client, enter client and principal orders in such a manner as to attempt to obtain execution of a principal order in priority to the client order.

**Policy 10.8**  
**Practice and Procedure**

**POLICY 10.8 - PRACTICE AND PROCEDURE - Repealed**

**~~4.3 Date of Hearing~~**

~~(2) — For greater certainty, any hearing of a matter after the date of the initial hearing specified in the Notice of Hearing shall be as directed or ordered by the Hearing Panel.~~

**~~9.5 Order for Particulars or Amendment~~**

~~At any time in a hearing, the Hearing Panel may order:~~

- ~~(a) — any party to provide to any other party such particulars as the Hearing Panel considers necessary for a full and satisfactory understanding of the subject of the hearing; and~~
- ~~(b) — after providing the parties an opportunity to make submissions, that the Statement of Allegations be amended in accordance with the evidence introduced at the hearing.~~

**~~9.7 Public Access to Hearing~~**

~~(1) — Subject to subsections (2) and (3), each hearing shall be conducted in a manner:~~

- ~~(a) — in the case of an oral hearing, to be open to the public;~~
- ~~(b) — in the case of a written hearing, to provide the public with reasonable access to the documents submitted at the office of the Market Regulator during ordinary business hours; and~~
- ~~(c) — in the case of an electronic hearing, to provide the public with reasonable access to the proceedings.~~

~~(2) — A hearing shall be conducted in the absence of the public in the case of an oral or electronic hearing or without access to the documents submitted in the case of a written hearing if:~~

- ~~(a) — a specific provision of UMIR or any Policy provides that a hearing be conducted in the absence of the public or without access to the documents submitted;~~
- ~~(b) — in the opinion of the Hearing Panel, the absence of the public from an oral or electronic hearing is necessary for the maintenance of order at the hearing; and in the opinion of the Hearing Panel, intimate financial or personal matters or other matters may be disclosed at the hearing of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public.~~

~~(3) — Despite subsection (2), a hearing by a Hearing Panel in Quebec shall be public provided the Hearing Panel, on its own initiative or at the request of a party, may order the hearing be held in camera or ban the publication or release of any information or documents it indicates in the interest of morality or public order.~~

~~(4) — If a Hearing Panel decides that a hearing to consider a Settlement Agreement shall be conducted in the absence of the public in the case of an oral or electronic hearing or without access to the documents submitted in the case of a written hearing;~~

- ~~(a) — any record or transcript of the hearing or any document or other thing tendered at the hearing shall be made available to the public if the Hearing Panel approves the Settlement Agreement; and~~
- ~~(b) — any record or transcript of the hearing and any document or other thing tendered at the hearing shall not be made available to the public if the Hearing Panel rejects the~~

~~Settlement Agreement:~~

- ~~(5) — Despite subsection (4), if a Hearing Panel in Quebec approves a Settlement Agreement, any record or transcript of the hearing or any document or other thing tendered at the hearing shall not be made available to the public if the hearing is subject to an order that the hearing be held in camera or a ban on the publication or release of any information or documents except to the extent that such order is varied or vacated.~~

**Part 10 – Selection of Hearing Panels**

**10.1 — Selection of Hearing Panel**

~~Upon the issuance of a Notice of Hearing or upon acceptance of an Offer of Settlement, the Secretary shall select a Hearing Panel in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada’s Transition Rule 1 — Hearing Committee and Hearing Panels Rule.~~

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**  
**AMENDMENTS TO IIROC UNIVERSAL MARKET INTEGRITY RULES**  
**CLEAN COPY OF AMENDMENTS**

**UMIR 2.1**

**Specific Unacceptable Activities**

**2.1 Specific Unacceptable Activities**

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  - (b) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person with Marketplace Trading Obligation to
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    - (ii) purchase at a higher price or sell at a lower price with one or more of the orders in accordance with the Marketplace Trading Obligations that would not be imposed on the person with Marketplace Trading Obligations if the orders had been entered on the marketplace as a single order or entered at the same time.
- (2) Without limiting the generality of any other Rule, a Participant shall not:
  - (a) directly or indirectly use another person to effect a trade other than on a marketplace in circumstances when an exemption is not available for the Participant to complete the trade other than on a marketplace in accordance with Rule 6.4;
  - (b) make a pattern of trading in a particular security with knowledge of an expression of interest by a client in that particular security; or
  - (c) without the specific consent of the client, enter client and principal orders in such a manner as to attempt to obtain execution of a principal order in priority to the client order.



**Policy 10.8  
Practice and Procedure**

**POLICY 10.8 - PRACTICE AND PROCEDURE - Repealed**