

IIROC NOTICE

Rules Notice

Request for Comments

Dealer Member Rules and UMIR

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12-0104

March 23, 2012

Consolidation of IIROC Enforcement, Procedural, Examination and Approval Rules

Summary of nature and purpose of proposed Rule

The primary objective of this project is to consolidate and rationalize enforcement-related rules that are currently contained within UMIR and the Dealer Member Rules. In addition to this consolidation exercise, several enforcement-related provisions have been amended in order to improve IIROC's overall regulatory policy framework. The most important of these amendments are discussed in this Rules Notice, while other less salient amendments are commented on within the table of concordance attached as "Attachment D". In addition to the project's primary objective, the project has also involved the relocation and, in certain cases, the updating of rules relating to compliance examinations as well as registration approvals and reviews.



These proposed Consolidated Rules reflect a years-long process that included staff from the Compliance, Enforcement, Policy and Registration departments, as well as the General Counsel's Office and external legal counsel, Philip Anisman, who performed a significant role in the formulation and drafting of the proposed Consolidated Rules.

Framework for the development of Consolidated Rules

Currently, IIROC has the following three sets of rules that govern the conduct of its Regulated Persons:

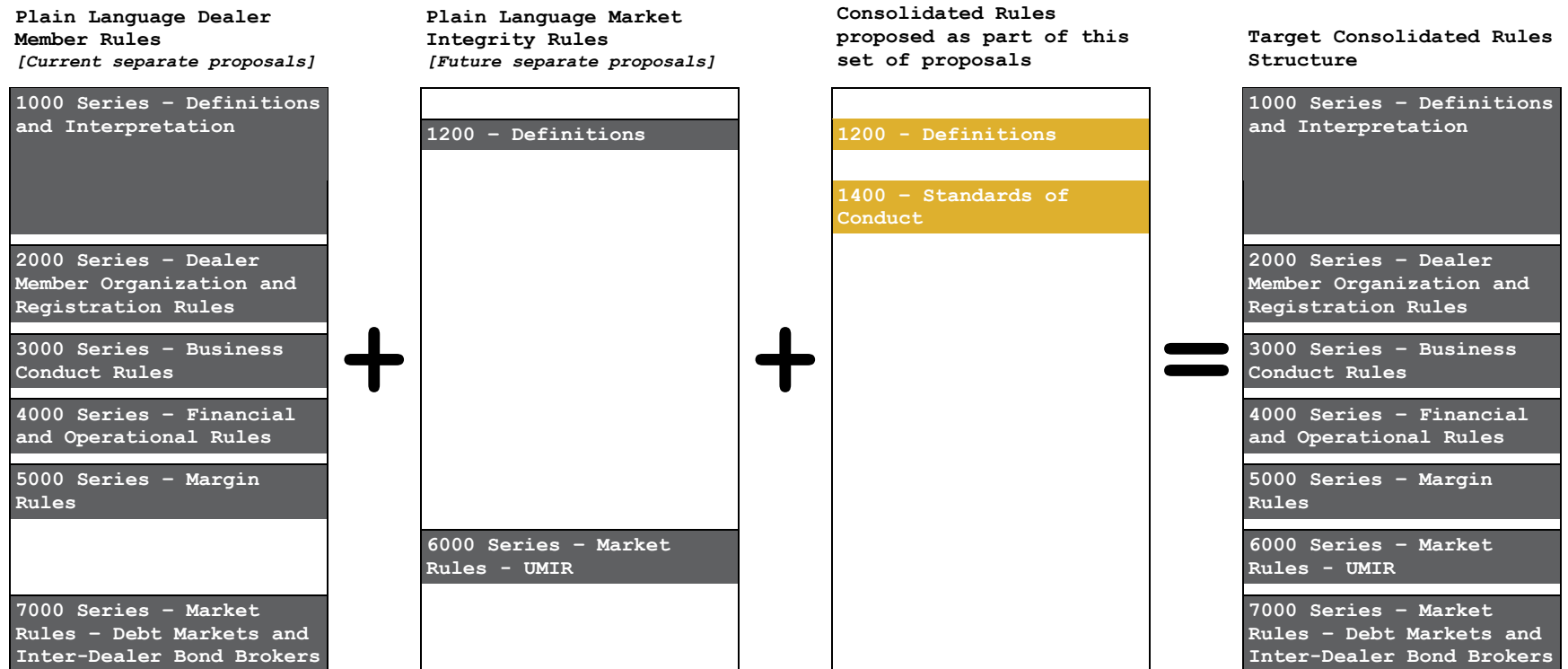
- Transition Rules
- Dealer Member Rules
- Market Integrity Rules

Ultimately, it is IIROC's intention to have one set of Consolidated Rules that governs the conduct of its Regulated Persons.

A separate project is also underway to rewrite the IIROC Rules in plain language. The first stage of this project is to rewrite the Dealer Member Rules in plain language with the exception of Dealer Member Rule 19, *Examinations and Investigations* and Dealer Member Rule 20, *Corporation Hearing Processes*.



The primary objective of these proposals is to consolidate and rationalize enforcement-related rules that are currently contained within Dealer Member Rules 19 and 20 and certain sections within UMIR 10. To achieve this objective and to start the process of developing a consolidated set of IIROC rules, the proposed Consolidated Rules relating to standards of conduct, enforcement investigations, enforcement proceedings, hearing committees, rules of practice and procedure, compliance examinations, approvals and regulatory supervision, regulatory review proceedings and procedures for opportunities to be heard, are highlighted below in gold, and have been drafted and numbered with the following target Consolidated Rules structure in mind:





**Plain Language Dealer
Member Rules**
[Current separate proposals]

9500 - Alternative Dispute Resolution
9600 - Compliance Fees
9700 - Canadian Investor Protection Fund

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**Plain Language Market
Integrity Rules**
[Future separate proposals]

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**Consolidated Rules
proposed as part of this
set of proposals**

8100 - Enforcement Investigations
8200 - Enforcement Proceedings
8300 - Hearing Committees
8400 - Rules of Practice and Procedure
9100 - Compliance Examinations
9200 - Approvals and Regulatory Supervision
9300 - Regulatory Review Proceedings
9400 - Procedures for Opportunities to be Heard

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**Target Consolidated Rules
Structure**

8000 Series - Procedural Rules - Enforcement
9000 Series - Procedural Rules - Other

Issues and specific proposed rules

IIROC is publishing for public comment the proposed Consolidated Rules for a 90-day comment period. The rules include:

Consolidated

Rule Number	Title and Description
1200	Definitions - a consolidated set of definitions applicable to both Dealer Member and market matters
1400	Standards of Conduct - a consolidated set of principles of conduct that apply to all Regulated Persons
8100	Enforcement Investigations - updated and harmonized requirements for conducting enforcement investigations relating to Dealer Member and market matters
8200	Enforcement Proceedings - updated and harmonized processes for conducting disciplinary hearings relating to both Dealer Member and market matters
8300	Hearing Committees - updated and harmonized processes for appointing members of Hearing Panels drawn from IIROC's District Hearing Committees
8400	Rules of Practice and Procedure - updated practices and procedures to be followed by parties, Hearing Panels and the National Hearing Coordinator with respect to or in connection with disciplinary and regulatory review appeal proceedings
9100	Compliance Examinations - separate harmonized rules for conducting compliance examinations
9200	Approvals and Regulatory Supervision - separate and updated rules for the approval of individuals, the granting of individual and firm approval exemptions and the imposition of individual and firm approval terms and conditions
9300	Regulatory Review Proceedings - separate and updated rules for the conducting of regulatory review proceedings relating to approval rule (9200) and early warning rule decisions
9400	Procedures for Opportunities to be Heard - practices and procedures to be followed by District Councils (or their delegates) when making decisions impacting the status of an individual IIROC approved person and by the Corporation when making a decision to impose terms and conditions on the continued membership of a Dealer Member.

Analysis & Discussion

The remainder of this Rules Notice explains the most important proposed rule amendments. Less significant amendments are commented on briefly within the table of concordance attached to this Rules Notice (Attachment D). The proposed Consolidated Rules include changes to the following major areas:

- Definitions;
- Investigations;
- Disciplinary Hearings;
- Compliance; and
- Registration.

DEFINITIONS

Definitions [Consolidated Rule 1200]

A separate set of Consolidated Rule definitions has been drafted. These definitions incorporate definitions currently contained within UMIR and the Dealer Member Rules, as well as certain new definitions where necessary. In many cases, the definitions reflect those currently set forth in section 1.1 of IIROC General By-law No. 1. Where definitions are used throughout the Consolidated Rules, they are defined in proposed Consolidated Rule 1200; where they are used in only one Consolidated Rule, they are defined in that rule. Some of the new definitions also appear in a separate Rule proposal dated January 6, 2012 (*Plain language rule re-write project - Interpretation and standards; Proposed Rules 1100 through 1400*), currently pending Canadian Securities Administrators ("CSA") approval. Since we cannot determine in advance which of these two proposals will be implemented first, we have included several of the same defined terms in both proposals.

The Consolidated Rules are drafted in a manner that attempts to ensure that the consistent use of defined terms is maintained. Where a defined term is unique to a particular rule, the definition has been tailored to the substance of that rule.

INVESTIGATIONS

Enforcement Investigations [Consolidated Rule 8100]

The proposed "Enforcement Investigations Rule" is essentially the same as the existing investigation rule, with a few changes to clarify the responsibilities of persons who are subject to IIROC's jurisdiction. The most significant changes are:

1. *Notification*

The Enforcement Investigations Rule does not require IIROC staff to notify a person who is the subject of an investigation that an investigation has been initiated. A requirement of this nature is currently contained in IIROC's Dealer Member Rules, but not in UMIR. While IIROC staff expects to follow its past practice in most cases relating to Dealer Members and their employees, the proposed rule adopts the position under UMIR because of the need in many cases to conduct the initial stages of an investigation without informing the person being investigated, for example, when fraud or manipulation may be involved. Under the Consolidated Rule, notification and the timing of notification of the subject of an investigation, or the Regulated Person employing the subject, are therefore left to the discretion of IIROC Enforcement Department staff to be exercised in light of the circumstances particular to an investigation.

2. *Timing of response*

The Enforcement Investigations Rule makes clear that the timing of a response required of a person who receives an investigation request, as well as other elements of the investigation, are within IIROC staff's discretion. IIROC's investigation staff has consistently taken the view that they must exercise their discretion in a reasonable manner [*Consolidated Rule subsection 8104(1)*].

3. *IIROC's jurisdiction over employees and other non-approved persons*

The Enforcement Investigations Rule authorizes IIROC enforcement staff to require cooperation not only from Regulated Persons, but also from their employees, as well as other persons who are not subject to IIROC's general or disciplinary jurisdiction, if authorized by law to do so. In particular, the rule obligates:

- a Regulated Person to require its non-approved employees, and
- a person required by legislation to comply with an investigation request from IIROC, as is the case in Alberta.

to provide documents and/or answer questions in connection with an IIROC investigation at staff's request [*Consolidated Rule subsection 8104(3)*].

4. *Right to counsel*

The Enforcement Investigations Rule also codifies IIROC's longstanding practice of providing a right to counsel to any person compelled to attend and give oral evidence. While investigation staff's practice is to reschedule to accommodate counsel's availability, a party should not be allowed to delay an investigation because his or her counsel is not available within a reasonable time.

The rule makes clear that the right to counsel does not entitle a person to refuse to attend and answer questions at the time specified in an investigation staff request on the basis that his or her counsel is not available to attend with the person on the specified date.

The current process that Enforcement Staff follow is to send a letter to Respondent's counsel with at least two proposed dates. Often counsel will respond, requesting new dates. Staff will often agree with a date requested by counsel if the proposed date doesn't unreasonably delay the enforcement process. Going forward, our approach of working with counsel to arrive at mutually agreeable dates will not change. However, when counsel proposes dates that are months away, staff will remind them of section 8105 and will ask counsel to propose dates that are more timely. If staff and Respondent's counsel are not able to agree, then staff will set a date for an interview and send it to both the Respondent and the Respondent's counsel. The notice setting out the date for the interview will remind the Respondent of their obligations under section 8104 [*Consolidated Rule section 8105*].

5. *Confidentiality of investigations*

The Enforcement Investigations Rule prohibits a Regulated Person from disclosing to anyone other than their counsel, or to another person if required by law, any information related to an IIROC investigation, without the consent of IIROC enforcement staff. The purpose of this new rule is to protect the integrity of IIROC investigations and the reputation of persons who may be subject to them, except when disclosure of the investigation is necessary. The Rule is based on section 16 of the Ontario *Securities Act* [*Consolidated Rule section 8106*].

6. *Limitation*

Under a separate proposal to amend IIROC's limitation periods, currently awaiting CSA approval, IIROC will be able to investigate Dealer Members, Former Dealer Members, Approved Persons and former Approved Persons for up to 6 years from the date they ceased their activity regulated under Corporation requirements. The investigation related amendments of this proposal have been incorporated into the proposed Enforcement Investigations Rule and have been extended to apply to Regulated Persons [*Consolidated Rule section 8107*].

DISCIPLINARY HEARINGS

A. *Standards of Conduct* [Consolidated Rule 1400]

The proposed "Standards of Conduct Rule" prescribes standards of conduct by requiring that Regulated Persons observe high ethical standards in the conduct of their business and prohibiting them from engaging in any conduct that is unbecoming, detrimental to the public interest or inconsistent with just and equitable principles of trade. The Rule consolidates Dealer Member Rule 29.1 ("Rule 29.1") and UMIR 2.1 by including conduct that is unbecoming, conduct that is detrimental to the public interest and conduct that is inconsistent with just and equitable principles of trade in the same provision and making the various existing standards applicable to all Regulated Persons. Like Rule 29.1 and UMIR 2.1, Proposed Consolidated Rule 1400 is intended to impose high standards of conduct and to leave broad discretion to hearing panels to determine in specific circumstances whether the conduct of a Regulated Person requires sanctioning. The proposed rule recognizes that it is impossible to define in advance all circumstances that may require disciplinary action.

The rule also addresses issues raised by staff of the Ontario Securities Commission ("OSC Staff") in a CSA review of IIROC's disciplinary functions concerning the interpretation of Rule 29.1 by clearly stating that negligence may be a basis for a determination that a general standard of conduct has been violated.

The new Standards of Conduct Rule is not intended to create any new or different standards of conduct than those that exist under current IIROC rules, nor to expand IIROC's existing jurisdiction to enforce its rules on the firms and individuals who are presently subject to UMIR, the Dealer Member Rules, or both, as the case may be; rather, the proposed Rule is intended as a consolidation and codification of existing principles of law for all Regulated Persons under one succinct and comprehensive Rule. In this respect, the standards set forth in proposed Consolidated Rule subsection 1402(1), like the public interest jurisdiction of securities regulators or FINRA Rule 2010 ("Standards of Commercial Honor and Principles of Trade"), comprise a "catch-all" rule that recognizes the impossibility of defining in advance all circumstances that may require disciplinary action. It is expected that hearing panels will continue to refer back to precedents decided under the various existing standards of conduct set forth in UMIR 2.1 and Dealer Member Rule 29.1, as well as their predecessor rules, all of which Staff believe, though different in wording, are substantively similar and likely to lead to a similar application on a given set of facts.

Rule 1400 applies to all Regulated Persons, including Access Persons. It incorporates the current requirement in UMIR 2.1 that trading in securities markets be conducted in accordance with just and equitable principles of trade in place of the overlapping standards, which also require that market participants and Access Persons "transact business openly and fairly" when trading on a marketplace or otherwise dealing in securities eligible to be traded on a marketplace. The rule is intended to consolidate and codify existing standards applicable to all Regulated Persons without:

- creating any new standards of conduct applicable to any such persons, or
- imposing any new requirements to comply with specific stand-alone UMIR or Dealer Member Rules that are not otherwise applicable to such persons.

For example, Access Persons will never be found to have violated a general standard of conduct for a failure to comply with a client-related duty imposed under another IIROC Rule, since Access Persons by definition have no clients to which such a duty could be owed.

Similarly, Dealer Members who do not trade on a marketplace subject to UMIR, will never be found to have violated a general standard of conduct for a failure to comply with a UMIR requirement.

The rule is also intended to make clear that Regulated Persons are obligated to exercise due diligence in complying with IIROC's requirements and other applicable legal, regulatory and contractual obligations. Finally, the rule is also intended to address IIROC's commitment to OSC Staff by making clear that negligent conduct may be conduct contrary to the specified standards.

Proposed Consolidated Rule subsection 1402(2) thus defines conduct that is unbecoming, detrimental to the public interest or inconsistent with just and equitable principles of trade as including (1) negligent conduct, (2) conduct resulting from a failure to exercise due diligence to comply or ensure compliance with IIROC requirements or a legal, regulatory, contractual or other obligation of a Regulated Person, including a firm's internal rules and policies, (3) conduct that displays an unreasonable departure from standards expected to be observed by a Regulated Person, and (4) conduct that is likely to diminish investor confidence in the integrity of the securities market. All of these standards have been applied in decisions of hearing panels.

The remainder of this summary describes significant elements of this rule in greater detail.

1. *Negligence standard*

Subsection 1402(2) addresses the issues raised by OSC Staff concerning the interpretation of Rule 29.1 by IIROC hearing panels to require intentional conduct or gross or aggravated negligence as a prerequisite to a finding that a Dealer Member or Approved Person engaged in conduct that is "unbecoming or detrimental to the public interest." Over the past decade, a number of hearing panels have held that conduct that is "merely negligent" does not constitute "conduct unbecoming" and cannot, therefore, constitute a violation of Rule 29.1. A few hearing panels have treated Rule 29.1 as analogous to a criminal prohibition and have required intentional or knowing conduct or an improper purpose for a violation. A few other hearing panels on a similar basis have required at least "aggravated negligence" or "gross negligence" as a prerequisite to conduct unbecoming. OSC Staff recommended bringing proceedings to reverse these holdings.

In its response to OSC Staff's review, IIROC undertook to address this issue. IIROC staff concluded, however, that the issue is better addressed through the rulemaking process than on a case-by-case basis. An amended rule permits IIROC to clarify the standard of culpability for such conduct on a principled basis, in a manner that is consistent with and reinforces its regulatory mandate. In attempting to do so, it has taken into account the securities regulatory context and the disciplinary standards applicable to regulatory legislation and regulatory licensing regimes, as reflected in court and OSC decisions. Proposed Consolidated Rule 1400 is intended to establish, in principled terms, the standards of conduct expected of Regulated Persons and to define the standards that hearing panels must apply when determining whether conduct is "unbecoming, detrimental to the public interest or inconsistent with just and equitable principles of trade."

As noted above, Rule 1400 is analogous to the public interest jurisdiction of securities commissions in Canada. It is also analogous to the quasi-criminal offences contained in securities and other regulatory legislation, which treat a failure to comply as a matter of strict liability, subject to a defence of due diligence or a reasonable mistake of fact; accordingly, negligent conduct cannot constitute a defence to a failure to comply, even though a conviction may result in imprisonment in some

circumstances. In view of the regulatory context and the customary treatment of regulatory offences in Canada, it would be anomalous if the rules of a self-regulatory organization like IIROC were interpreted more strictly. For these reasons, proposed clause 1402(2)(i) establishes negligence as a possible basis for a determination that a general standard of conduct has been violated.

While IIROC staff accept that not every negligent act or inadvertent error will constitute "conduct unbecoming" or be "detrimental to the public interest" or "inconsistent with just and equitable principles of trade," staff are firmly of the view that a negligent failure to comply with IIROC rules or policies and other negligent conduct may justify disciplinary action. Hearing panels will continue to have discretion to make this determination in the circumstances of each case, taking into account the nature of the negligent conduct.

The definition states that negligent conduct *may be* prohibited in order to retain the discretion of a hearing panel to conclude that a single negligent act is not "conduct unbecoming ..." in the circumstances of a specific case, while making clear that it may be in others. It thus allows hearing panels to reach appropriate results in individual cases, taking into account the nature of the negligent conduct, its significance in terms of regulatory requirements and the factual context, and its relationship to a Regulated Person's responsibilities to clients or to the market generally. Thus a hearing panel applying the general standards of conduct in section 1402 may take into account the position of a Regulated Person, including whether it is a securities professional or an Access Person.

2. *Failure to exercise due diligence*

The due diligence requirement codifies the accepted understanding that Regulated Persons have an obligation to exercise reasonable care to comply with IIROC's rules and other regulatory requirements in connection with activities that may affect the integrity of the securities market. Unlike court and OSC decisions, however, Rule 1400 does not treat due diligence as a defence, which must be proved by a respondent; IIROC enforcement staff always bear the burden of proving that alleged conduct is contrary to the standards in Rule 1400.

Proposed Consolidated Rule subsection 1402(2) extends this due diligence obligation beyond IIROC's rules and requirements to include legal, regulatory, contractual and other obligations, and thus codifies holdings in decisions of hearing panels that a

breach of securities legislation, other legislation or a contractual obligation relating to a Regulated Person's business conduct may be conduct that is unbecoming. In addition, it makes clear that a failure to comply with the rules, requirements and policies of a Regulated Person, whether by the Regulated Person itself or one of its employees, is covered.

As Rule 1402 is permissive ("may be"), not every instance of a failure to comply with a regulatory, contractual or other obligation will violate it. Rather, a hearing panel will have a discretion not to impose discipline for insignificant errors that do not raise regulatory concerns.

3. *Unreasonable departure from expected standards*

The provision in Consolidated Rule subsection 1402(2) relating to an unreasonable departure from standards expected to be observed by a Regulated Person empowers hearing panels to take into account industry expectations, but in terms that make clear that the standard is based on that of a reasonable Regulated Person. The reasonable Regulated Person requirement emphasizes that the standard is one that is objective and negligence-based.

4. *Investor confidence in securities market integrity*

The standard relating to investor confidence in the integrity of securities markets derives from the basic purposes of securities legislation, namely, to foster "confidence in capital markets" (e.g., *Securities Act (Ontario)*, s. 1.1(b)). It thus encompasses conduct that is likely to diminish the reputation of members of the securities industry and the effect of their conduct on investors and others, held by hearing panels to be relevant to a determination of the public interest.

B. *Enforcement Proceedings [Consolidated Rule 8200]*

The proposed "Enforcement Proceedings Rule" integrates the existing provisions relating to disciplinary proceedings in the Dealer Member Rules and UMIR, and introduces amendments that are intended to rationalize the disciplinary process and codify existing practices. This summary describes the most significant amendments.

1. *Commencement of proceedings*

Going forward, a disciplinary proceeding will be commenced by either a notice of hearing or notice of application, issued by the National Hearing Coordinator, following a request by IIROC staff. A disciplinary proceeding will normally be commenced by the issuance of a notice of hearing. Where circumstances require an immediate order to protect investors or market integrity,

IIROC staff may bring an application for a temporary order before a hearing panel, without first giving notice to a respondent [*Consolidated Rule sections 8205, 8211 and 8212*].

2. *Limitation Period*

Under a separate proposal to amend IIROC's limitation periods, currently awaiting CSA approval, IIROC will be able to initiate enforcement proceedings against Dealer Members, Former Dealer Members, Approved Persons and former Approved Persons for up to 6 years from the date of the occurrence of the last event on which the proceeding against them is based (the "limitation period"). The enforcement proceeding related amendments of this proposal have been incorporated into the proposed Enforcement Proceedings Rule and have been extended to apply to Regulated Persons.

If a proceeding is commenced within the limitation period, IIROC has the ability to continue a proceeding against a Regulated Person who has ceased their activity regulated under Corporation requirements until the completion of the proceeding, including reviews or appeals [*Consolidated Rule section 8206*].

3. *Sanctions*

Some modifications have been made to the current sanctions that may be imposed by a hearing panel following a disciplinary hearing. Under the proposed rule amendment, in addition to the sanctions currently available, a hearing panel will have the express authority to:

- order disgorgement of amounts obtained by a Regulated Person as a result of a rule contravention;
- appoint a monitor over the business and affairs of a Dealer Member (the current rules expressly permit appointment of a monitor only following an expedited hearing);
- prohibit an individual from being employed by a Regulated Person in any capacity, whether or not the position requires registration approval. This authority is complemented by a new provision prohibiting a Regulated Person from employing a person who has been so sanctioned. Regulated Persons will thus be expected, before hiring an individual, to review a list of such persons that IIROC will maintain.

[*Consolidated Rule sections 8209 and 8210*].

4. *Enforcement Staff*

As a result of a recent decision interpreting IIROC's rules, "Enforcement Staff" will now be specifically referenced as being a party to a proceeding in order to:

- clarify the separate and distinct roles of Enforcement Staff and the hearing panel in conducting a proceeding;
- reaffirm the independence of hearing panels from IIROC and its Enforcement Staff; and
- reaffirm that Enforcement Staff, as a party to a proceeding and consistent with case law, have status to appeal a decision of a hearing panel.

C. *Hearing Committees* [Consolidated Rule 8300]

The "Hearing Committees Rule" provides for:

- the appointment of hearing committees in each District, from which members of hearing panels are selected by the National Hearing Coordinator, and
- the composition of hearing committees and the nomination, appointment, terms and removal of members of hearing committees.

This proposed rule is based largely on IIROC Transition Rule No. 1, Schedule C.1, with few changes. It expressly requires the appointment of a hearing committee in each District, a requirement that is implicit in the Transition Rule.

The proposed Hearing Committees Rule also contains a new provision concerning the qualification of individuals to serve as public members of a hearing committee. An individual who is or was employed within the past eighteen months by a Member or Regulated Person (including Access Persons) is not eligible to serve as a public member of a hearing committee. Such a person may, however, be appointed to a hearing committee as an industry member, if otherwise qualified.

D. *Rules of Practice and Procedure* [Consolidated Rule 8400]

By expressly incorporating the "Rules of Practice and Procedure" into the Consolidated Rules, the rules of practice are imbued with the full authority of IIROC Rules, as opposed to mere subordinate instruments or guidelines, which they may have appeared to be in the past.

The Rules of Practice and Procedure cover the major aspects of all proceedings relating to any form of hearing before a hearing panel. They thus apply not only to disciplinary proceedings, but also to regulatory review proceedings involving, for instance, a registration matter. While they generally follow IIROC's Dealer Member Rules, they reflect, as well, consideration of the procedural rules in UMIR and those of the Ontario Securities Commission, the Mutual Fund Dealers Association, and in a few cases, Ontario's *Rules of Civil Procedure*.

Although the proposed Rules of Practice and Procedure largely codify IIROC's current practices, they contain the following significant amendments, which are intended to facilitate an expeditious and orderly handling of proceedings, while maintaining fairness for respondents:

1. *National Hearing Coordinator*

Proceedings are to be administered by the National Hearing Coordinator, who acts as a registrar with authority to administer all proceedings by:

- selecting members of hearing panels,
- scheduling hearings,
- controlling filing of documents,
- maintaining hearing records,
- dating and distributing decisions and reasons, and
- performing all other administrative functions necessary for the conduct of proceedings.

The National Hearing Coordinator is also expressly authorized to issue practice guidelines and prescribe the form and format of documents required to be filed [*Consolidated Rule section 8407*].

2. *Continuation of Panel*

The current rules permit a hearing panel to complete a hearing if one of its members retires during a proceeding, even if the member is the chair. As a result, the hearing panel may continue without a public member who has legal training and experience. Under the proposed rules, if a chair resigns, the remaining panel members are given discretion to retain their own legal counsel to advise them on procedural and legal issues, but not on the merits of a proceeding [*Consolidated Rule subsection 8408(10)*].

3. *Prehearing Conferences and Motions*

The expeditious conduct of disciplinary proceedings is encouraged under the Rules of Practice and Procedure through the use of prehearing conferences and case management. An initial prehearing conference will now be required immediately following the conclusion of an initial appearance in a disciplinary proceeding.

Similarly, a motion may be brought, with leave of a hearing panel, prior to the commencement of a proceeding in order to resolve issues that may expedite or resolve the proceeding. Motions and prehearing conferences may be heard by a single

public member. The rules authorize the National Hearing Coordinator to:

- select a single public member to act as the hearing panel on preliminary motions and prehearing conferences, and
- appoint such a public member to case manage a proceeding at the request of the parties or at the instance of a hearing panel.

Hearing panels are expressly granted authority to control all procedural aspects of hearings over which they preside [*Consolidated Rule sections 8413 and 8416*].

4. *Compulsion of Witnesses*

The Rules of Practice and Procedure also provide a process for a hearing panel to exercise the authority conferred upon it under the Enforcement Proceedings Rule to compel certain persons to testify or produce documents. The rules distinguish between:

- persons who are subject to IIROC's contractual jurisdiction, including Dealer Members, Approved Persons, and other Regulated Persons, and
- persons who are not, but are obligated to comply by legislation, as is the case in Alberta,

and require the National Hearing Coordinator to serve notice on such persons.

The Rules of Practice and Procedure also set out a procedure for notifying both:

- an employee who is not subject to IIROC's contractual jurisdiction, as well as
- the employing Regulated Person,

of the hearing panel's order, in order to invoke the Regulated Person's obligation under the Enforcement Proceedings Rule to require the employee to attend.

In addition, in a jurisdiction in which a hearing panel is granted statutory authority to compel compliance with a summons, as in Alberta, the rules specify that the hearing panel's procedure must be the same as the procedure followed by a regulatory tribunal in that jurisdiction [*Consolidated Rule section 8421*].

COMPLIANCE

Compliance Examinations [Consolidated Rule 9100]

The proposed "Compliance Examinations Rule" is a free standing rule that authorizes Corporation staff to:

- conduct compliance examinations as well as trade review and analysis work, and
- request information necessary to conduct the examinations/work.

It also makes it clear that compliance examinations are aimed at regulatory compliance, rather than disciplinary matters. This approach differs from the approach in existing Dealer Member Rule 19, where enforcement investigations and compliance examinations are addressed in a single rule, blurring the distinction between an enforcement investigation and a compliance examination. While both the proposed Compliance Examinations Rule and the proposed Enforcement Investigations rule are derived from the same sections in IIROC's existing rules, and parallel each other in many ways, the Compliance Examinations Rule differs in some material ways, including the fact that the Compliance Examinations Rule:

- does not authorize compliance staff to compel attendance of individuals for examination, but merely requires that questions be answered;
- expressly authorizes compliance staff to refer information obtained in the course of an examination to IIROC's Enforcement Staff or other IIROC staff; and
- expressly authorizes compliance staff to take any other action that they consider appropriate based on such information, including for example, the imposition of terms or conditions on an approval or membership under the Approvals and Regulatory Supervision Rule.

REGISTRATION

A. Approvals and Regulatory Supervision [Consolidated Rule 9200]

The "Approvals Rule" sets out the authority of the Corporation to:

- approve applications for approval of individuals employed by Dealer Members, and
- adjudicate requests for exemptions from IIROC's proficiency, examination or continuing education requirements.

It also authorizes the Corporation and its District Councils, or their delegates, to make decisions that will promote the continuing compliance of Approved Persons and Dealer Members with IIROC requirements.

For the most part, the sections of the Approvals Rule relating to individuals reflect the current Dealer Member Rules with respect to approval applications and exemption requests. The exemption application process has been moved to the Approvals Rule in order to provide a common and coherent process and procedure for all applications and other actions relating to approvals and Approved Persons. The standards governing the granting of an approval are contained in proposed section 9204, while the standards governing applications for exemptions will remain in Dealer Member Rule 2900, which governs proficiency and education generally.

The sections of the Approvals Rule relating to firm applications for membership as a Dealer Member have been modified to be consistent with the processes regarding the opportunity to be heard that apply to other such determinations as set out in Rule 9400.

The Approvals Rule also contains the provisions of the Dealer Member Rules authorizing District Councils to:

- impose terms and conditions on an Approved Person's continued approval, and
- suspend or revoke an approval (Dealer Member Rule subsections 20.18(3) and (4)). This authority was originally added to the Dealer Member Rules in September 2009 to parallel the registration authority over individuals that has been delegated to IIROC by a number of securities regulatory authorities.

The standard governing the imposition of terms and conditions upon granting of an approval, namely, that the District Council considers it appropriate to "ensure continuing compliance with Corporation requirements" serves to distinguish these decisions from disciplinary proceedings.

The most significant change contained within the Approvals Rule, found in section 9208, authorizes the Corporation to impose terms and conditions on a Dealer Member's membership, but not to suspend or revoke a membership. This new authority was included in order to address scenarios in which there are outstanding compliance issues that clearly require action by IIROC, but do not justify disciplinary proceedings. If a Dealer Member's circumstances warrant suspension or revocation of its membership, and thus its registration, it will be treated as a disciplinary proceeding subject to IIROC's enforcement rules. As a result, this rule also includes a standard reflecting the compliance focus of the authority to impose terms and conditions on a membership.

The rule requires that an Approved Person or Dealer Member who may be adversely affected by a decision made under it, has an opportunity to

be heard before the decision is made. It is worth noting that all such hearings are conducted without public notice, in the absence of the public. Notice of all decisions and reasons for decisions that have an adverse effect on an individual or Member must be provided to them. Affected parties, including Registration Staff, are entitled to have a decision reviewed by a hearing panel pursuant to the Regulatory Review Proceedings Rule, but staff may not seek the review of a staff decision made with respect to a Member or pursuant to a delegation by a District Council of its authority to make the decision.

B. *Regulatory Review Proceedings* [*Consolidated Rule 9300*]

As stated above, the Approvals Rule authorizes a party to request a review by a hearing panel of a decision made under the Approvals Rule. The "Regulatory Review Proceedings Rule" governs the conduct of such reviews, as well as reviews of early warning level 2 decisions. Review proceedings under this rule are similar to review proceedings of temporary orders and expedited hearings under the Enforcement Proceedings Rule and, like them, are open to the public and governed by the Rules of Practice and Procedure.

C. *Procedures for Opportunities to be Heard* [*Consolidated Rule 9400*]

Hearings held under the Approvals Rule are not subject to the Rules of Practice and Procedure, but follow more expeditious, less formal procedures. To date these procedures have not been published, but persons who request an opportunity to be heard are informed of the procedures by staff.

The "Opportunity to be Heard Procedures" are intended to codify the procedures that have generally been followed by Registration Staff with respect to decisions, including those covered by the Approvals Rule. They are intended to ensure that an affected party wishing to exercise their opportunity to be heard, is able to do so in a manner that, while informal, ensures a fair hearing process. These procedures are intended to be binding.

In essence, the Opportunity to be Heard Procedures require staff to advise an applicant, Approved Person or Dealer Member of staff's intention to oppose an application or seek a decision under the rule and at the same time, to provide a copy of the procedures. Although arguments are generally expected to be submitted in writing, an affected person may request an oral hearing before a decision maker. Decisions must be made and issued in writing no more than thirty days after the conclusion of a hearing.

The Opportunity to be Heard Procedures make it clear that hearings relating to the imposition of terms and conditions on a Dealer

Member's membership will be considered by a senior officer of IIROC and not a District Council. This follows from the fact that, under proposed Consolidated Rule section 9208 of the Approvals Rule, such decisions are to be made by the Corporation, rather than a District Council, in order to protect the confidential information of Dealer Members. Nevertheless, any terms and conditions that are imposed on an Approved Person or on a Dealer Member's registration will be made available to the public. Staff is currently considering how to ensure that terms and conditions imposed only on a Dealer Member's membership, but not on its registration, can be made publicly available.

The Opportunity to be Heard Procedures also make it clear that hearings relating to the consideration of an application for Dealer Member membership will be considered by the Board of Directors, which is consistent with the current process.

OTHER CHANGES

Some of the other changes included in the proposed Consolidated Rules are as follows:

- *Temporary Orders [Consolidated Rule section 8211]*: The authority to make temporary orders is new. It is based on the authority given to securities regulators to issue temporary orders, where necessary, in the public interest and is intended to be used in similar circumstances. An example of a temporary order under this rule would be an order requiring an Approved Person to cease trading to prevent an ongoing manipulation.
- *Expedited Hearings [Consolidated Rule section 8212]*: The types of hearings that may be brought as expedited hearings have been restricted to achieve greater fairness by limiting their availability to circumstances in which contested facts are unlikely to arise. (For example, an expedited hearing can no longer be based upon the laying of a criminal charge, but only a conviction.) Also, the respondent must now be given notice that an expedited hearing is being held. Both temporary orders and expedited hearings are treated as disciplinary. IIROC's regulatory orders relating to continuing approvals of Members and Approved Persons and market integrity and other trading orders are now found under separate rules as matters of regulatory compliance.
- *Exhausting all Remedies for Judicial Review [Consolidated Rule sections 8217 and 9210]*: The proposed Rules codify the long-standing principle of administrative law that a party who seeks judicial review of an administrative decision must first exhaust all review procedures available within the administrative tribunal itself.

CONSEQUENTIAL AMENDMENTS TO DEALER MEMBER RULES

As a result of the introduction of the Consolidated Rules relating to standards of conduct, enforcement investigations, enforcement proceedings, hearing committees, rules of practice and procedure, compliance examinations, approvals and regulatory supervision, regulatory review proceedings and procedures for opportunities to be heard, the following Dealer Member requirements will be repealed:

- Dealer Member Rule sections 19.1, 19.2 and 19.4 through 19.7;
- Dealer Member Rule sections 20.1 through 20.27, and 20.30 through 20.52;
- Dealer Member Rule sections 29.1; and
- Dealer Member Rules of Practice and Procedures.

In addition, the following Dealer Member requirements are repealed and, in some cases, replaced:

- Dealer Member Rule section 19.3 requires that complaints received by the Corporation against a Dealer Member or a person approved or seeking approval may be required to be put in writing and signed by the complainant. Since the requirement to request that a complaint be submitted in writing is unnecessary, the section will be repealed.
- Dealer Member Rule section 19.8 sets out requirements for Dealer Members to provide information to certain exchanges when requested. This requirement will be retained as the only remaining section within Rule 19 and the rule will be renamed "Provision of Information."
- Dealer Member Rule sections 20.28 and 20.29 set out the authority to impose Early Warning Level 2 prohibitions on Dealer Members. Since the remainder of Dealer Member Rule 20 will be repealed, and these provisions are not enforcement-related items, they will be moved to Dealer Member Rule 30 which deals with the Early Warning System. Also, the reference in Dealer Member Rule 30 to Rule 20 regarding Early Warning Level 2 prohibitions will be repealed.

CONSEQUENTIAL AMENDMENTS TO UMIR

The most significant consequential amendments to UMIR would be the repeal of numerous provisions that are currently found in Part 10 of UMIR. The majority of these provisions are procedural in nature.

In addition, UMIR 2.1 ("Just and Equitable Principles") would be repealed and replaced with a new Rule that would prohibit a Participant and/or an Access Person from engaging in certain "unacceptable activities". Certain of these prohibitions would apply only to Participants.

Accordingly, the consequential amendments to UMIR in reference to the Consolidated Rules are:

- Rule 1.1 UMIR definitions of "Hearing Committee" and "Hearing Panel" are repealed as they are included in the definitions to the Consolidated Rules and referenced in the new Hearing Committees Rule 8300.
- Rule 1.1 UMIR definition of "Regulated Persons" is preserved but to alleviate confusion with the term "Regulated Person" adopted from the IIROC General By-law for the purposes of the Consolidated Rules, the term will be amended to "Subject Persons".
- Rule 2.1 of UMIR is repealed and replaced with a new Rule, setting out "Specific Unacceptable Activities".
- Rule 10.1 of UMIR is amended to repeal discrete provisions referencing compliance with the conduct of "investigations and hearings" by IIROC, as the obligation is included in the new consolidated compliance examinations rule 9100 and enforcement investigations and proceedings rules 8100 and 8200.
- Rule 10.2 of UMIR concerning investigations is repealed as covered by the new consolidated investigations rule 8100.
- Rule 10.3 of UMIR concerning extension of responsibility generally to Regulated Persons for the conduct of their employees is repealed as covered under the new consolidated Standards of Conduct Rule 1400 which sets out the responsibility of Regulated Persons for the acts or omissions of their employees as well as included in the new consolidated enforcement rule 8200.
- Rule 10.4 of UMIR is amended by repealing and replacing the text "just and equitable principles of trade" in clauses 1(a) and 2(a) with the text "specific unacceptable activities".
- Rule 10.5 of UMIR is amended to repeal the powers and associated remedies that may be imposed following a determination of a contravention of a requirement under UMIR as covered under the new consolidated enforcement proceedings rule 8200, and refers to the consolidated enforcement proceedings rule 8200 regarding the commencement of hearing following the issuance of an interim order without notice by IIROC to suspend or restrict access to the marketplace.
- Rule 10.6 of UMIR relating to exercise of authority by a hearing panel will be repealed as covered under the new consolidated enforcement proceedings rule 8200.
- Rule 10.7 of UMIR concerning assessment of expenses will be repealed as covered under the new consolidated enforcement proceedings rule 8200.

- Rule 10.8 of UMIR governing practice and procedure related to disciplinary proceedings is repealed as covered by the new rule consolidated Rule 8400 Rules of Practice and Procedure.
- Rule 10.12 of UMIR is repealed in part as relates to the requirement to permit inspection of records by IIROC as this obligation is included in the new consolidated enforcement investigations and compliance examinations rules 8100 and 9100.
- Rule 10.16 of UMIR is amended by repealing and replacing the text in clauses (1) (a) and (2) (a) with text that includes references to the relevant provisions in Rule 2.1 ("Specific Unacceptable Activities").
- Rule 11.8 of UMIR is repealed.

CONSEQUENTIAL AMENDMENTS TO TRANSITION RULES

As a result of the introduction of the new consolidated enforcement, procedural, examination and approval rules, a new Schedule C.1 to Transition Rule No. 1 (which sets out the transitional provisions relating to the consolidated enforcement rules) has been enacted.

Consultation and Alternatives Considered:

In addition to thorough consultation across the Compliance, Enforcement, Policy and Registration departments and the General Counsel's Office at IIROC, input was sought from Dealer Members through the Compliance and Legal Section, District Councils, and National Advisory Committee.

The text of the proposed consolidated Rules, along with the existing Rules that they will replace, is set out in Attachment B. The text of the proposed consequential amendments (not otherwise included in Attachment B) is set out in Attachment C. A table of concordance showing precise equivalent provisions in the proposed consolidated Rules and the existing General By-law No. 1, Transition Rule No. 1, UMIR, Dealer Member Rules and Rules of Practice is set out in Attachment D.

In drafting the proposed consolidated rules, the issue of whether or not to require Dealer Members to include in their contracts with their third-party service providers a requirement that they and their employees subject themselves to IIROC's jurisdiction for the purposes of enforcement investigations and to give testimony in enforcement hearings was considered. IIROC staff determined that this would be a substantial change to existing practice and therefore will be pursued as a separate rule amendment project.

Proposed Rule classification

Statements have been made elsewhere as to the nature and effects of the proposed rule, as well as analysis. The purposes of the proposed rule are to:

- establish and maintain rules that are necessary or appropriate to govern and regulate all aspects of IIROC's functions and responsibilities as a self-regulatory entity,
- ensure compliance with securities laws,
- prevent fraudulent and manipulative acts and practices,
- promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith,
- foster fair, equitable and ethical business standards and practices,
- promote the protection of investors, and
- provide for appropriate discipline of those whose conduct IIROC regulates.

IIROC proposes that the enforcement-related rules be consolidated and rewritten to:

- streamline enforcement processes between Market and Dealer Member matters;
- eliminate redundant provisions;
- update enforcement procedures to ensure fair and transparent enforcement hearings;
- separate the rules for compliance examinations;
- separate the rules for registration-related approvals or proficiency exemptions; and
- increase the clarity relating to an applicant's opportunity to be heard regarding a Corporation decision affecting registration-related approvals or proficiency exemptions.

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

Due to the extent and substantive nature of the proposed amendments, they have been classified as Public Comment Rule proposals.

Effects of the proposed Rule on market structure, Dealer Members, non-Dealer Members, competition and costs of compliance

The proposed 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. They do not impose costs or restrictions on the activities of market participants (including Dealer Members and non-Dealer Members) that are disproportionate to the goals of the regulatory objectives sought to be realized.

All parties to enforcement proceedings, both IIROC and respondents, will benefit from the enhanced clarity and certainty that the proposed

Consolidated Rules offer. Dealer Members, Approved Persons, and applicants will also benefit from the codification and transparency of a party's "opportunity to be heard".

Technological implications and implementation plan

IIROC does not anticipate that the Consolidated Rules will result in any noteworthy technological implications.

The proposed amendments relating to confirmation disclosure requirements will be made effective three months after IIROC staff issues a Notice indicating that approval has been received from IIROC's recognizing regulators.

Request for public comment

Comments are sought on the proposed amendments. Comments should be made in writing. Two copies of each comment letter should be delivered by June 21, 2012 (90 days from the publication date of this notice). One copy should be addressed to the attention of:

Robert Keller
Policy Counsel, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600, 121 King Street West
Toronto, ON M5H 3T9

The second copy should be addressed to the attention of:

Manager of Market Regulation
Ontario Securities Commission
19th Floor, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
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 under the heading "IIROC Rulebook - Dealer Member Rules - Policy Proposals and Comment Letters Received").

Questions may be referred to:

Richard J. Corner
Vice President, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
416.943.6908
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Timothy P. Ryan
Director, Market Regulation Policy
Investment Industry Regulatory Organization of Canada
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Attachments

- Attachment A - Board resolution approving publication for comment of the Proposed Consolidated Rules
- Attachment B - Proposed Consolidated Rules and comparison to existing provisions
- Attachment C - Consequential Amendments to Dealer Member Rules, Universal Market Rules and Transition Rule No. 1
- Attachment D - Table of Concordance

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
CONSOLIDATION OF IIROC ENFORCEMENT, PROCEDURAL, EXAMINATION AND APPROVAL RULES
BOARD RESOLUTION**

BE IT RESOLVED ON THIS 14TH DAY OF SEPTEMBER, 2011 THAT:

1. The English and French versions of the proposed amendments to the Consolidated Rules, the Transitional Rules, the Dealer Member Rules and the Universal Market Integrity Rules to consolidate the IIROC enforcement, procedural, examination and approval rules, in the form presented to the Board of Directors:
 - (a) be approved for publication for public comment for 90 days;
 - (b) be approved for submission to the Recognizing Regulators for review and approval;
 - (c) be determined to be in the public interest; and
 - (d) be approved for implementation if there are no material comments from the public or the Recognizing Regulators.
2. The President be authorized to approve such non-material changes to the proposed amendments prior to publication and/or implementation as the President considers necessary and appropriate.

Consolidated Rules and UMIR, Dealer Member Rule, Transitional Rule and General By-law Equivalents

1. The following consolidated Rules are introduced, and the equivalent UMIR, Dealer Member Rule, Transitional Rule and General By-law sections are repealed or amended as indicated:

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
<p>Rule 1200 Definitions</p> <p>1201. Definitions</p> <p>(1) Terms used in more than one Consolidated Rule are defined in subsection 1201(2). Additional terms are set out in <i>Corporation</i> General By-Law No. 1. Terms that are used only in a single Rule are defined in that Rule. Any term not defined in subsection 1201(2) or in a specific Rule, which is defined in <i>securities legislation</i>, has the same meaning as the defined term in the relevant Securities Act, Rule, and Regulation, National Instrument or similar document.</p> <p>(2) The following terms have the meanings set out when used in the Consolidated Rules:</p> <p>"affiliate" Where used to indicate a relationship between two corporations, means:</p> <p style="padding-left: 20px;">(i) one corporation is a <i>subsidiary</i> of the other corporation;</p> <p style="padding-left: 20px;">(ii) both corporations are <i>subsidiaries</i> of the same corporation; or</p> <p style="padding-left: 20px;">(iii) both corporations are <i>controlled</i> by the same person.</p> <p>"Approved Person" An <i>individual</i> approved by the <i>Corporation</i> under <i>Corporation</i> requirements to carry out a</p>	<p>New</p> <p>Not defined in UMIR.</p> <p>However, there is a definition of "related entity" which includes "an affiliated entity". Related entity will remain as a separately defined term in UMIR.</p> <p>Not defined in UMIR.</p>	<p>New</p> <p>"Affiliate" or "Affiliated Corporation" means in respect of, where used to indicate a relationship between two corporations, either means:</p> <p><u>(i) one</u> corporation if one of them is the <u>subsidiary</u> of the other or if <u>corporation;</u></p> <p><u>(ii) both corporations</u> are subsidiaries of the same corporation, or if each of them is</p> <p><u>(iii) both corporations are</u> controlled by the same person;</p> <p>[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]</p> <p>"Approved Person" means, in respect of a Dealer Member, an individual who is a partner, Director, Officer, employee or</p>

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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	function for a <i>Dealer Member</i> .		agent of a Dealer Member who is approved by the Corporation or another Canadian Self Regulatory Organization to perform any function required under any Rule <u>under Corporation requirements to carry out a function for a Dealer Member;</u> [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.] "Business days" means: a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded. [Note: This Dealer Member Rule 20.1 definition will be repealed.]
"business day"	A day other than Saturday, Sunday and any statutory holiday in the relevant <i>District</i> .	Not defined in UMIR.	
"Chief Compliance Officer" or "CCO"	An <i>individual</i> approved by the <i>Corporation</i> to act as chief compliance officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"Chief Financial Officer" or "CFO"	An <i>individual</i> approved by the <i>Corporation</i> to act as chief financial officer.	Not defined in UMIR.	Not defined in Dealer Member Rules.
"control" or "controlled"	Where used to indicate control of a corporation, means a <i>person</i> who has beneficial ownership of voting securities in the corporation that carry more than 50% of the votes for election of directors of the corporation and such votes allow the <i>person</i> to elect a majority of the directors; but if a <i>District Council</i> orders that a <i>person</i> does or does not control the corporation, that order defines	Not defined in UMIR.	"Control" or "Controlled", in respect where <u>used to indicate control</u> of a corporation by another person or by two or more corporations, means the circumstances where: (i) — Voting, means a person who has beneficial ownership of voting securities of in the first mentioned corporation carrying that carry more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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their relationship under
Corporation requirements.

~~for the benefit of the other
corporations; and~~

~~(ii) The votes carried by such
securities are entitled, if
exercised, of the corporation and such
votes allow the person to elect a
majority of the board of directors of
the first mentioned corporation;~~

~~And where the applicable; but if a District
Council in respect of a particular Dealer
Member or its holding company orders that a
person shall, or shall not, be deemed to be
controlled by another person, then such
order shall be determinative of their
relationships in the application of the
Rules and Rulings with respect to that
Dealer Member or holding company~~
does or
does not control the corporation, that
order defines their relationship under
Corporation requirements;

**[Note: This Dealer Member Rule 1.1
definition will be amended to conform to
the Consolidated Rule 1200 definition.]**

"Corporation" The same meaning as set out in
General By-law No. 1, Section
1.1.

This is defined in General By-law No. 1,
Section 1.1, as follows:

"Corporation" means Investment
Industry Regulatory Organization of
Canada / Organisme Canadien de
Réglementation du Commerce des
Valeurs Mobilières.

**[Note: This General By-law No. 1, Section
1.1 definition will not be repealed.]**

This is defined in General By-law No. 1,
Section 1.1, as follows:

"Corporation" means Investment
Industry Regulatory Organization of
Canada / Organisme Canadien de
Réglementation du Commerce des
Valeurs Mobilières.

**[Note: This General By-law No. 1, Section
1.1 definition will not be repealed.]**

"Corporation requirements" Requirements set out within the
Corporation's letters patent, by-
laws and rules, along with all
other instruments prescribed or
adopted under the *Corporation's*
by-laws and rules, and rulings of
the *Corporation* and the *District
Councils.*

Not defined in UMIR.

Not defined in Dealer Member Rules.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section	
"Dealer Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]	This is defined in General By-law No. 1, Section 1.1, as follows: "Dealer Member" means a Member that is an investment dealer in accordance with securities legislation. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"Director"	A member of a <i>Dealer Member's</i> board of directors or an <i>individual</i> performing similar functions at a <i>Dealer Member</i> that is not a corporation.	Not defined in UMIR.	"Director" means a member of the <u>Dealer Member's</u> board of directors of, as the context dictates, a Dealer Member or the Corporation or a person <u>or an individual</u> performing a similar function in <u>functions at</u> a Dealer Member that is not a corporation; [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.] "Disciplinary Hearing" means: A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1).
"disciplinary hearing"	A hearing under Rule 8200 (Enforcement Proceedings), except for a <i>settlement hearing</i> .	Not defined in UMIR.	"Disciplinary Hearing" means: A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1). [Note: This Dealer Member Rule 20.1 definition will be repealed.]
"District"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]	This is defined in General By-law No. 1, Section 1.1, as follows: "District" means a geographic area in Canada designated as a district of the Corporation by the Board, from time to time. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"District Council"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "District Council" means each of	This is defined in General By-law No. 1, Section 1.1, as follows: "District Council" means each of

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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	those Councils created in accordance with Article 10. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]	those Councils created in accordance with Article 10. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"employee"	An employee of a <i>Regulated Person</i> or an agent of a Dealer Member that has entered into a principal / agent relationship contemplated under <i>Corporation requirements</i> .	"employee" includes any person who has entered into principal/agent relationship with a Participant in accordance with the terms and conditions established for such a relationship by any self-regulatory entity of which the Participant is a member. [Note: This UMIR 1.1 definition will not be repealed.]
"Enforcement Staff"	Corporation staff who are authorized to conduct enforcement activities on behalf of the <i>Corporation</i> , including conducting investigations and initiating and conducting disciplinary proceedings.	Not defined in Dealer Member Rules.
"Executive"	A <i>Dealer Member's</i> partner, <i>Director</i> or <i>officer</i> who is involved in the <i>Dealer Member's</i> management, including anyone fulfilling the role of chair or vice-chair of the board of directors, chief executive officer, president, chief administrative officer, <i>Chief Financial Officer</i> , <i>Chief Compliance Officer</i> , member of an executive management committee, any <i>individual</i> in a managerial position who has significant authority over daily operations, or any position that the <i>Dealer Member</i> designates as an executive position.	Not defined in Dealer Member Rules.
	Rule 11.3 of UMIR references "executive" in terms of IIROC's executive, but does not define it: 11.3 Review or Appeal of Market Regulator Decisions Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal. The term "executive" in Rule 11.3 of UMIR will not be amended .	"Executive" means a <u>Dealer Member's</u> partner, Director or <u>Officer of a Dealer Member</u> who is involved in the <u>senior Dealer Member's</u> management of the Dealer Member , including anyone fulfilling the role of chair or a vice-chair of the board of directors, chief executive officer, chief financial officer, chief compliance officer <u>Chief Financial Officer, Chief Compliance Officer</u> , member of an executive management committee, any <u>person individual</u> in a managerial position who has significant authority over daily operations, or any position designated by <u>that the</u> Dealer Member <u>designates</u> as being an Executive <u>executive</u> position; [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]

Consolidated Rule		Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
"expedited hearing"	A hearing under section 8212 (Expedited Hearings).	Not defined in UMIR.	Not defined in Dealer Member Rules.
"hearing"	A hearing in connection with a proceeding, proposed proceeding, or other matter under <i>Corporation Requirements</i> , other than a prehearing conference.	"hearing" means a disciplinary and enforcement proceeding commenced by a Market Regulator to determine whether a person has contravened a Requirement or is liable for the contravention of a Requirement and includes any procedural applications or motions in relation to those proceedings. [Note: This UMIR 1.1 definition will be repealed.]	"Hearing" means any hearing conducted pursuant to Dealer Member Rule 20. [Note: This ROP 1.3 definition will be repealed.]
"hearing committee"	A hearing committee of a <i>District</i> appointed under Rule 8300 (Hearing Committees).	"Hearing Committee" means a standing committee of a Market Regulator comprised of persons selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 – Hearing Committees and Hearing Panels Rule. [Note: This UMIR 1.1 definition will be repealed.]	"Hearing Committee" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels. [Note: This ROP 1.3 definition will be repealed.]
"hearing panel"	A panel selected by the <i>National Hearing Coordinator</i> to conduct a hearing or prehearing conference.	"Hearing Panel" means the particular members of the Hearing Committee selected in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada's Transition Rule 1 – Hearing Committees and Hearing Panels Rule to hear a particular disciplinary and enforcement proceeding. [Note: This UMIR 1.1 definition will be repealed.]	"Hearing Panel" means a Panel presiding over individual approval review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13. [Note: This ROP 1.3 definition will be repealed.]
"individual"	A natural person.	Not defined in UMIR.	"Individual" means a natural person, other than an individual who is a Dealer Member; [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]
"industry member"	A current or former <i>Director, officer, partner, or employee</i> of a <i>Member or Regulated Person</i> , or an <i>individual</i> who is otherwise	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: "Industry Member" means an	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: "Industry Member" means an

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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suitable and qualified for appointment to a hearing committee.

~~individual who is:~~
~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~
~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~
~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~

~~individual who is:~~
~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~
~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person; or~~
~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~

[Note: This Definition will be repealed.]

[Note: This Definition will be repealed.]

"Investment Representative " or "IR" An individual, approved by the Corporation, to trade in, but not advise on, trades in securities, options, futures contracts or futures contract options, on the Dealer Member's behalf, including an Investment Representative (mutual funds).

Not defined in UMIR.

"Investment Representative" means ~~any person who trades~~an individual, approved by the Corporation, to trade in, but ~~does~~ not advise on, trades in securities, options, futures contracts or futures contract options ~~with the public in Canada, other than a person who trades exclusively in securities of or guaranteed by the government of Canada or any province of Canada or any municipality in Canada, and shall include an investment representative (mutual funds) approved pursuant to Rule 18.7, on the Dealer Member's behalf, including an Investment Representative (mutual funds);~~

[Note: This Dealer Member Rule 1.1 definition will not be repealed.]

"investor of a Dealer Member" ownership in a Dealer Member.

Not defined in UMIR.

Not defined in Dealer Member Rules.

"laws" or "applicable laws" All laws, statutes, ordinances, regulations, rules, judgments, decrees or orders, applicable to a Regulated Person or its employees and Approved Persons in

Not defined in UMIR.

Not defined in Dealer Member Rules.

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	the conduct of its business.		
"Marketplace"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace" means a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, each as defined in National Instrument 21-101. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.] This is in UMIR as follows: "marketplace" means: (a) an Exchange; (b) a QTRS; and (c) an ATS. [Note: This UMIR 1.1 definition will not be repealed.]	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace" means a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, each as defined in National Instrument 21-101. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"Marketplace Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]	This is defined in General By-law No. 1, Section 1.1, as follows: "Marketplace Member" means a Member that is a Marketplace. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"Member"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]	This is defined in General By-law No. 1, Section 1.1, as follows: "Member" means a person admitted to membership in the Corporation and who has not ceased, resigned or terminated membership in the Corporation in accordance with the provisions of Article 3. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"monitor"	A person appointed under section 8209 or 8212 to monitor a <i>Regulated Person's</i> business and affairs and to exercise powers granted by a <i>hearing panel</i> .	Not defined in UMIR.	Not defined in Dealer Member Rules.

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"National Hearing Coordinator"	A person appointed by the Corporation who is responsible for the administration of enforcement and other proceedings under <i>Corporation requirements</i> and other employees of the Corporation to whom the person delegates the performance of such functions.	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: "National Hearing Coordinator" means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors. [Note: This Transition Rule 1 definition will be repealed.]
"officer"	A Dealer Member's chair and vice-chair of the board of directors, chief executive officer, president, chief administrative officer, Chief Financial Officer, Chief Compliance Officer, chief operating officer, vice-president, secretary, any other person designated an officer of a Dealer Member by law or similar authority, or any person acting in a similar capacity on behalf of a Dealer Member.	Not defined in UMIR. [Note: This Transition Rule 1 definition will be repealed.]
"party"	A party to a proceeding under <i>Corporation Requirements</i> , including <i>Enforcement Staff</i> and <i>Corporation</i> staff.	Not defined in UMIR. [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.] "Party" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant. [Note: This Dealer Member Rule s of Practice 1.3 definition will be repealed.]
"person"	An individual, a partnership, a corporation, a government or any of its departments or agencies, a trustee, an incorporated or	In Rule 1.2 (2) of UMIR it indicates that the term "person" shall be as defined by applicable securities legislation except that: "Person" means an individual, a partnership, or a corporation, a government or any department or agency thereof of its departments or agencies, a trustee, any an

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	unincorporated organization, an incorporated or unincorporated syndicate or an <i>individual's</i> heirs, executors, administrators or other legal representatives.	"person" includes any corporation, incorporated association, incorporated syndicate or other incorporated organization. [Note: This UMIR 1.2(2) definition will not be repealed.]	<u>incorporated or</u> unincorporated organization and the, an incorporated or unincorporated syndicate or an individual's heirs, executors, administrators or other legal representatives of an individual; [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]
"public member"	public member in relation to a <i>hearing committee</i> means: (i) a current or retired member of the law society of a province, other than Quebec, who is in good standing at the law society, or (ii) in Quebec, a current or retired member of the Law Society of Quebec (Barreau du Quebec), who is in good standing.	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: "Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing. [Note: This Transition Rule 1 definition will be repealed.]	This is defined in SCHEDULE C.1 TO TRANSITION RULE NO. 1 HEARING COMMITTEES AND HEARING PANELS RULE as follows: "Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing. [Note: This Transition Rule 1 definition will be repealed.]
"records"	Books, records, client files and information and other documentation, including electronic documents, related to the <i>Regulated Person's</i> business.	Not defined in UMIR, however there is a definition of "document": includes a sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device. [Note: This UMIR 1.1 definition will not be repealed.]	Not defined in Dealer Member Rules.
"Registered Representative" or "RR"	An <i>individual</i> , approved by the <i>Corporation</i> , to trade, or advise on trades, in securities, options, futures contracts, or futures contract options with the public in Canada, on a <i>Dealer Member's</i> behalf, including a Registered Representative (mutual funds) and a Registered	Not defined in UMIR.	"Registered Representative" means any person who trades or advises <u>an individual, approved by the Corporation, to trade, or advise</u> on trades, in securities, options, futures contracts, or futures contract options with the public in Canada other than a person who trades or advises on trades exclusively in securities of or guaranteed by the government of Canada or

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	Representative (non-retail).		any province of Canada or any municipality in Canada, and shall include a registered representative (mutual funds) approved pursuant to Rule 18.7 and a registered representative, on a Dealer Member's behalf, including a Registered Representative (mutual funds) and a Registered Representative (non-retail) approved pursuant to Rule 18.8; [Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]
"Regulated Persons"	The same meaning as set out in General By-law No. 1, Section 1.1.	This is defined in General By-law No. 1, Section 1.1, as follows: "Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.] In UMIR "Regulated Persons" is also defined. As the scope of the definition is different and in order to avoid confusion this UMIR term will be renamed "Subject Persons".	This is defined in General By-law No. 1, Section 1.1, as follows: "Regulated Persons" means persons who are or were formerly (i) Dealer Members, (ii) members, users or subscribers of or to Marketplaces for which the Corporation is the regulation services provider, (iii) the respective representatives as designated in the Rules of any of the foregoing, and (iv) other persons subject to the jurisdiction of the Corporation. [Note: This General By-law No. 1, Section 1.1 definition will not be repealed.]
"respondent"	A person who is the subject of a proceeding or settlement under Corporation Rules.	Not defined in UMIR.	"Respondent" means: an Approved Person or Dealer Member who is the subject of a disciplinary hearing, settlement hearing, expedited hearing, or appeal hearing under Rule 20. [Note: This Dealer Member Rule 20.1 definition will be repealed.]
"Rules of	The rules of practice and	Not defined in UMIR.	Not defined in Dealer Member Rules.

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"Practice"	procedure under Rule 8400.		
"sanction"	A penalty imposed by a <i>hearing panel</i> or a penalty or other measure imposed under a <i>settlement agreement</i> .	Not defined in UMIR.	Not defined in Dealer Member Rules.
"securities legislation" or "applicable securities legislation"	Any legislation about trading or advising in securities, commodities contracts, or derivatives in Canada enacted by the government of Canada or any province or territory in Canada and includes all regulations, rules, orders and other regulatory directions made under that legislation by an authorized body, including a <i>securities regulatory authority</i> .	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National Instrument 14-101, namely, for the local jurisdiction, the statute and other instruments listed in Appendix B to National Instrument 14-101, opposite the name of the local jurisdiction. [Note: This UMIR 1.2 Interpretation will not be repealed.]	Not defined in Dealer Member Rules.
"securities regulatory authority"	The commission, <i>person</i> or other authority in Canada that is authorized to administer any legislation about (i) the offering or sale of securities, commodity contracts, or derivatives to the public; or (ii) the registration or licensing of <i>persons</i> trading in securities, commodity contracts, or derivatives.	According to UMIR 1.2 Interpretation, the meaning ascribed is the definition in subsection 1.1(3) of National Instrument 14-101, namely, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C to National Instrument 14-101, opposite the name of the local jurisdiction. [Note: This UMIR 1.2 Interpretation will not be repealed.]	Not defined in Dealer Member Rules.
"settlement agreement"	A written agreement between <i>Corporation</i> staff and a <i>respondent</i> to settle a proceeding or proposed proceeding under Rule 8200.	Not separately defined in UMIR but referred to in Policy 10.8 - Practice and Procedure, which will be repealed.	"Settlement Agreement" means an agreement reached by the Corporation and the Respondent whereby the parties agree to disciplinary charges, facts and penalty. [Note: This Dealer Member Rule 20.1 definition will be repealed.]
"settlement hearing"	A <i>hearing</i> relating to a <i>settlement agreement</i> .	Not defined in UMIR.	Not defined in Dealer Member Rules.
"subsidiary"	Subsidiary of an entity means: (i) an entity it <i>controls</i> ; (ii) a corporation it <i>controls</i> and one or more corporations	Not defined in UMIR.	"Subsidiary", in respect of a corporation and another corporation, means the first mentioned corporation if <u>entity means:</u> (i) It is controlled by: <u>an entity it</u>

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controlled by that corporation;
or

(iii) a corporation controlled by two or more corporations it controls.

and includes a corporation that is a subsidiary of another subsidiary of a corporation.

"Supervisor"

An individual given responsibility and authority by a Dealer Member, and approved by the Corporation, to manage the activities of the Dealer Member's other Executives, Directors, officers, employees or agents to ensure they comply with Corporation requirements and securities legislation in conducting their and the Dealer Member's securities-related activities.

Not defined in UMIR.

"Trader"

An individual, approved by the Corporation as a trader, whose activity is restricted to trading through a Marketplace Member's trading system who may not advise the public.

Not defined in UMIR.

controls;

~~(a) That other; or~~

~~(b) That other (ii) a corporation it controls and one or more corporations each of which is controlled by that other corporation; or~~

~~(c) Two (iii) a corporation controlled by two or more corporations each of which is controlled by that other; or it controls.~~

~~(ii) It is a subsidiary of and includes a corporation that is that other's subsidiary a subsidiary of another subsidiary of a corporation;~~

[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]

"Supervisor" means an ~~person to whom a Dealer Member has~~ individual given responsibility and authority by a Dealer Member, and ~~who is~~ approved by the Corporation, to manage the activities of the Dealer Member's other ~~partners~~ Executives, Directors, ~~Officers~~ officers, employees or agents ~~of the Dealer Member so as to ensure their compliance with laws and regulations governing~~ they comply with Corporation requirements and securities legislation in conducting their and the Dealer Member's securities -related activities;

[Note: This Dealer Member Rule 1.1 definition will be amended to conform to the Consolidated Rule 1200 definition.]

Not defined in Dealer Member Rules.

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"Ultimate Designated Person" or "UDE"	An <i>individual</i> approved by the <i>Corporation</i> to act as the ultimate designated person.	Not defined in UMIR.	Not defined in Dealer Member Rules.

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Rule 1400
Standards of Conduct

1401. Introduction

New

New

- (1) This Rule sets out the general standards of conduct that apply to *Regulated Persons*.

1402. Standards of Conduct~~**2.1 Just and Equitable Principles**~~~~**29.1. Dealer Members and each partner,**~~

- (1) A *Regulated Person*
- (i) must observe high standards of ethics and conduct in the transaction of business, and
 - (ii) must not engage in any conduct that is unbecoming, detrimental to the public interest or inconsistent with just and equitable principles of trade.
- (2) Any conduct that:
- (i) is negligent;
 - (ii) results from a failure to exercise due diligence to comply or ensure compliance with *Corporation requirements* or a legal, regulatory, contractual, or other obligation, including the rules, requirements, and policies of a *Regulated Person*;
 - (iii) displays an unreasonable departure from standards that are expected to be observed by a *Regulated Person*; or
 - (iv) is likely to diminish investor confidence in the integrity of the securities markets
- may be conduct that is unbecoming, detrimental to the public interest, or inconsistent with just and equitable principles of trade.

~~(1) A Participant shall transact business openly and fairly and in accordance with just and equitable principles of trade when:~~

- ~~(a) trading on a marketplace; or~~
- ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~

~~(2) An Access Person shall transact business openly and fairly when:~~

- ~~(a) trading on a marketplace; or~~
- ~~(b) trading or otherwise dealing in securities which are eligible to be traded on a marketplace.~~

~~Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member (i) shall observe high standards of ethics and conduct in the transaction of their business, (ii) shall not engage in any business conduct or practice which is unbecoming or detrimental to the public interest, and (iii) shall be of such character and business repute and have such experience and training as is consistent with the standards described in clauses (i) and (ii) or as may be prescribed by the Board. For the purposes of disciplinary proceedings pursuant to the Rules, each Dealer Member shall be responsible for all acts and omissions of each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member, and each of the foregoing individuals shall comply with all Rules required to be complied with by the Dealer Member.~~

1403. Applicability~~**10.3 Extension of Responsibility**~~

See Dealer Member Rule 29.1 above.

- (1) *Regulated Persons* are responsible for all acts and omissions of their *employees*.
- (2) In addition to complying with all Rules that expressly apply to *employees*, an *employee* must

~~(1) A Participant or Access Person may be found liable by the Market Regulator for the conduct of any director, officer, partner,~~

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avoid any act or omission that would cause his or her employer to violate any other Rule.

~~employee or individual holding a similar position with the Participant or Access Person and be subject to any penalty or remedy as if the Participant or Access Person had engaged in that conduct.~~

~~(2) Any partner or director of a Participant or Access Person may be found liable by the Market Regulator for the conduct of the Participant or Access Person and be subject to any penalty or remedy as if such person had engaged in that conduct.~~

~~(3) Any officer or employee of a Participant or Access Person who has authority over, supervises or is responsible for an employee may be found liable by the Market Regulator for the conduct of the supervised employee and be subject to any penalty or remedy as if such person had engaged in that conduct.~~

~~(4) Any officer or employee of a Participant or Access Person or any individual holding a similar position with a Participant or Access Person who engages in conduct that results in the Participant or Access Person contravening a Requirement may be found liable by the Market Regulator for the conduct and be subject to any penalty or remedy as if such person was the Participant or Access Person.~~

~~(5) The imposition of any penalty or remedy against any person who engaged in conduct that contravened a Requirement or against any person to whom responsibility for the~~

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~~conduct has been extended by this section does not prevent or limit in any manner the imposition by the Market Regulator of any penalty or remedy against any other person who engaged in the conduct or to whom responsibility for the conduct has been extended by this section.~~

Rule 8100

Enforcement Investigations

8101. Introduction

New

New

(1) This Rule sets out the powers of the Corporation to initiate and conduct enforcement investigations ("investigations") and the rights and obligations of *Regulated Persons* with respect to such investigations.

8102. Conducting Investigations

(1) *Enforcement Staff* may investigate the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements, applicable laws*, or trading or advising in respect of securities, commodities contracts or derivatives.

~~**10.2 Investigations**~~

~~(1) The Market Regulator may, at any time, whether or not on the basis of a complaint or other communication in the nature of a complaint, investigate the conduct of a Regulated Person other than an Exchange or QTRS and upon the commencement of such investigation, the Market Regulator may provide written notice to the Regulated Person which outlines the subject matter of the investigation and the period or periods of time which are covered by the investigation.~~

~~10.1. The Corporation shall make such examinations of and investigations into the conduct, business or affairs of any Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director or officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules as he or she considers necessary or desirable in connection with any matter relating to compliance by such person with (i) the Rules or Rulings of the Corporation, (ii) any legislation applicable to such person concerning trading in securities or commodity contracts, including any rulings, policies, regulations or directives of any securities commission, or (iii) the by-laws, rules, regulations~~

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~~and policies of any self-regulatory organization. The Dealer Member shall require all employees to comply with Rule 19.~~

~~19.2. Any examination or investigation made pursuant to Rule 19.1 may be instituted upon the basis of (i) a complaint received by or directed to the Corporation, (ii) the direction of the Board of Directors, (iii) the request of a securities commission having jurisdiction, or (iv) any information received or obtained relating to the conduct, business or affairs of the Dealer Member or person involved.~~

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8103. Investigation Powers

- (1) In connection with an investigation, *Enforcement Staff* may, by written or electronic request, require a *Regulated Person*, an *employee*, an investor of a *Dealer Member*, or, where authorized by law, another *person* to:
- (i) provide a written report with respect to any matter,
 - (ii) produce for inspection any *records* and documents in the *person's* possession or control that *Enforcement Staff* believe may be relevant to the investigation, whether written, electronically stored or recorded,
 - (iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Enforcement Staff* requests, or
 - (iv) attend and answer questions under oath or otherwise, and any such attendance may be transcribed, recorded electronically, audio-recorded or video-recorded, as *Enforcement Staff* determines.
- (2) If *Enforcement Staff* requires production of original documents in a request made under subsection 8103(1), they must provide a receipt for any original documents received.
- (3) In connection with an investigation, *Enforcement Staff*
- (i) may, with or without prior notice, enter the business premises of any *Regulated Person* during business hours,
 - (ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer hard drives of the *Regulated Person*, that are not subject to solicitor-client privilege, and

~~10.2 Investigations~~

- ~~(2) Upon the written or electronic request of the Market Regulator, a Regulated Person shall, within such time period specified by the Market Regulator:~~
- ~~(a) provide any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation and such information, document or records shall be provided in such manner and form, including electronically, as may be required by the Market Regulator;~~
 - ~~(b) allow the inspection of, and permit copies to be taken of, any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to a matter under investigation; and~~
 - ~~(c) provide a statement, in such form and manner and at a time and place specified by the Market Regulator on such issues as the Market Regulator determines may be relevant to a matter under investigation provided that in the case of a person other than an individual, the statement shall be made by an appropriate officer, director, partner or employee or other individual associated with the~~

- ~~19.5. For the purpose of any examination or investigation pursuant to this Rule 19, a Dealer Member, registered representative, investment representative, sales manager, branch manager, assistant or co-branch manager, partner, director, officer, investor or employee of a Dealer Member or any other person approved or seeking approval or under the jurisdiction of the Corporation pursuant to the Rules, may be required by the Corporation:~~
- ~~(a) To submit a report in writing with regard to any matter involved in any such investigation;~~
 - ~~(b) To produce for inspection and provide copies of any books, records, accounts and documents, that are in the possession or control of the Dealer Member or the person, that the Corporation determines may be relevant to a matter under examination or investigation and such information, books, records and documents shall be provided in such manner and form, including electronically, as may be required by the Corporation; and~~
 - ~~(c) To attend and give information respecting any such matters;~~
- ~~And the person shall be obliged to submit such report, to permit such inspection, provide such copies and to attend, accordingly. Any person subject to an investigation conducted pursuant to this Rule 19 shall be advised in writing of the matters under investigation and may be~~

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(iii) may remove the original of any document or record obtained under clause 8103(3)(ii), and where an original document or record is removed from the premises, *Enforcement Staff* must provide a receipt for the removed document or record.

~~person as is acceptable to the Market Regulator.~~

~~(3) For the purposes of subsection (2), the Market Regulator may specify that a statement be given in writing or by an electronic recorded means and that any statement be given under oath.~~

~~(4) If a Market Regulator has provided notice to a Regulated Person pursuant to subsection (1), the Regulated Person shall, notwithstanding any policy or procedure of the Regulated Person with respect to the retention of information, documents or records, retain any document or record in the possession or control of the Regulated Person that is relevant to the investigation by the Market Regulator until the later of:~~

~~(a) the first date the document could be destroyed in accordance with the policies of the Participant or Access Person;~~

~~(b) the date on which an order of a Hearing Panel in respect of a hearing for which the document is relevant becomes final and may not be subject to any further review or appeal by any person, body or court; and~~

~~(c) 7 years following the date on which the document or record was created unless the Market Regulator notifies the Regulated Person in writing that no proceeding pursuant to~~

~~invited to make submission by statement in writing, by producing for inspection books, records and accounts and by attending before the persons conducting the investigation. The person conducting the investigation may, in his or her discretion, require that any statement given by any person in the course of an investigation be recorded by means of an electronic recording device or otherwise and may require that any statement be given under oath.~~

~~19.6. For the purpose of any examination or investigation pursuant to this Rule 19, the Corporation shall be entitled to free access to, and to make and retain copies of, all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the person concerned, and no such person shall withhold, destroy or conceal any information, documents or thing reasonably required for the purpose of such examination or investigation.~~

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~~Rule 10.5 shall be commenced
by the Market Regulator.~~

10.12 ~~Retention and Inspection~~ of Records
and Instructions

- (1) A Participant shall retain:
- (a) the record of each order as required by Rule 10.11; and
 - (b) sufficient information to identify the beneficial owner of each account for which a record of an order is retained,
- for a period of not less than seven years from the creation of the record of the order, and for the first two years, such record and information shall be kept in a readily accessible location.
- ~~(2) A Participant shall allow the Market Regulator of) An~~
~~Access Person shall keep~~
~~information respecting an order on~~
the marketplace:
- ~~(a) of which the Participant is a member, user or subscriber,~~
 - ~~(b) on which the Participant entered the order, or~~
 - ~~(c) on which the order of the Participant was executed,~~
- ~~to inspect and make copies of the record of an order, any record related to the order required to be maintained by the Participant in accordance with applicable securities legislation or the requirements of any self-regulatory organization of which the Participant is a member and information on the beneficial~~

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~~owner of the account at any time during ordinary business hours during the period that such record and information is required to be retained by the Participant.~~

~~(3) An Access Person shall allow the Market Regulator of the marketplace:~~

(a) of which the Access Person is a subscriber; or

(b) on which the order of the Access Person was executed,

~~to inspect and make copies of any information respecting an order at any time during ordinary business hours~~

during the period of not less than seven years from the date of the origination of the order, and for the first two years, such information shall be kept in a readily accessible location.

8104. Obligations of Regulated Persons and Other Persons

See UMIR 10.2(2)(c) above.

See Dealer Member Rules 19.1, 19.5, and 19.6 above.

(1) A person who receives a request made under section 8103 must comply with the request within the time specified in it.

(2) If *Enforcement Staff* make a request under clause 8103(1)(i) or 8103(1)(iv) to a corporation, partnership or other organization, compliance with the request may be fulfilled by an *employee* of the corporation, partnership or organization who is acceptable to *Enforcement Staff*, taking into account the employee's position and knowledge.

(3) A person must cooperate with *Enforcement Staff* who are conducting an investigation, and a *Regulated Person* must require its *employees* to cooperate with *Enforcement Staff* conducting an investigation and to comply with a request made under section 8103.

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(4) A *person* who is aware that *Enforcement Staff* are conducting an investigation must not conceal or destroy any *record*, document or thing that contains information that may be relevant to the investigation or to any subsequent proceeding relating to the subject matter of the investigation.

8105. Right to Counsel

New

New

(1) A *person* who attends in response to a request under clause 8103(1)(iv) may be represented by counsel.

(2) A *person* who receives a request under clause 8103(1)(iv) is not entitled to refuse to attend and answer questions because his or her counsel is not available to attend with the *person* on any of the dates specified in the request.

8106. Confidentiality of Investigations

New

New

(1) A *person* who receives a request under subsection 8103(1), who is present at or informed of an entry by *Enforcement Staff* under subsection 8103(3) or who is informed by *Enforcement Staff* of an investigation being conducted must not disclose, except to the *person's* counsel or another individual who represents the person, or where required by law,

(i) the nature or content of the request,

(ii) the fact of the entry,

(iii) the fact that any report, *record*, other document or thing was requested, produced, provided, inspected, copied or taken,

(iv) the name of any *person* required to attend and answer questions,

(v) any questions asked or any answers given on an attendance, or

(vi) any other information relating to the investigation,

without the consent of *Enforcement Staff*.

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8107. Continuing Jurisdiction

New

New

- (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 member, user or subscriber of or to a *Marketplace* for which the *Corporation* is the regulation services provider, or
 - (iii) a director, officer, *employee* or any other representative designated in *Corporation requirements* of a
 - (a) a *Dealer Member*, or
 - (b) a member, user or subscriber of or to a *Marketplace* for which the *Corporation* is the regulation services provider.

Rule 8200
Enforcement Proceedings

8201. Introduction

New

- (1) This Rule sets out the authority of the *Corporation* and *hearing panels* to hold hearings for enforcement purposes.
- (2) Enforcement proceedings are intended to ensure compliance with and to enforce *Corporation requirements, securities legislation*, and other requirements relating to trading or advising in respect of securities, commodities contracts or derivatives.

~~Part 10 — Enforcement Hearings~~~~INITIATION OF ENFORCEMENT HEARINGS~~~~20.30~~

- ~~(1) — The Corporation may hold hearings, as set out under this Rule, in order to ensure compliance with and enforcement of the Rules and Rulings and federal or provincial statutes, regulations, rulings or policies relating to trading or advising in respect of securities or commodities.~~
- ~~(2) — The categories of enforcement hearings under Rule 20 are: disciplinary hearings, settlement hearings and expedited hearings. Enforcement hearings shall be conducted in accordance with this Rule and the Corporation Practice and Procedure.~~

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8202. Definitions

New

~~20.1 — In this Rule:~~

(1) In this Rule,

"decision" means a determination made by a hearing panel under this Rule and includes a sanction and other order or ruling.

"investigation" means an investigation under Rule 8100 (Enforcement Investigations).

~~"Applicant" means:~~

~~an individual or Firm that applies for approval or membership pursuant to Part 7 of this Rule or an Approved Person or Dealer Member that applies for an exemption pursuant to Part 9 of this Rule.~~

~~"Business days" means:~~

~~a day other than Saturday, Sunday or any officially recognized Federal statutory holiday or any officially recognized Provincial statutory holiday in the applicable District. In calculating the number of business days, the days on which the events happen are excluded.~~

~~"Calendar days" means:~~

~~all days in a calendar year. In calculating the number of calendar days, the days on which the events happen are excluded.~~

~~"Decision" means:~~

~~a determination, including reasons, arrived at after consideration of facts and/or law by a Decision-maker pursuant to this Rule. Decision includes rulings and orders.~~

~~"Decision-maker" means:~~

~~the person or body making the decision under the respective provision of Rule 20. The Decision-maker can be: Corporation Staff (20.18 Part 7 Rule 20, 20.24 Part 8 Rule 20); the District Council or a sub-committee of the District Council (20.18 and 20.20 Part 7 Rule 20, 20.24 and 20.25 Part 8 Rule 20); the Board of Directors; (20.21 Part 7~~

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~~Rule 20), a Board Panel; (20.22 Part 7 Rule 20), a District Council Panel; (20.26 Part 8 Rule 20) and a Hearing Panel.~~

~~**"Disciplinary Hearing"** means:~~

~~A hearing held by a Hearing Panel, under Rule 20.33 or Rule 20.34, that is not a settlement hearing, to determine whether the imposition of penalties against an Approved Person or Dealer Member is warranted for any of the reasons set out in Rule 20.33(1) or Rule 20.34(1).~~

~~**"Former Judge"** means:~~

~~an individual who has served as a judge in any provincial or federal court in Canada or an individual who is or has been qualified to practice law and has served as an adjudicator on an administrative tribunal in Canada.~~

~~**"Hearing Panel"** means:~~

~~a panel that is appointed pursuant to the Hearing Committees and Hearing Panels Rule to perform an approval review hearing (20.19 Part 8 Rule 20), an early warning level 2 review hearing (20.29 Part 9 Rule 20), a Disciplinary Hearing (20.33 and 20.34 Part 10 Rule 20), a settlement hearing (20.36 Part 10 Rule 20), an expedited hearing (20.45 and 20.46 Part 10 Rule 20), or an expedited review hearing (20.47 Part 10 Rule 20).~~

~~**"Monitor"** means:~~

~~a Monitor appointed pursuant to Rule 20.46 to monitor the company's business and financial affairs and to act in furtherance of powers granted~~

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~~by a Hearing Panel.~~~~"Panel" means:~~~~a Hearing Panel, a District Council
Panel (20.26 Part 8 Rule 20).~~~~"Release of Decision" means:~~~~when a decision made under this Rule
is made available to the Respondent,
Applicant, Approved Person or Dealer
Member pursuant to the Corporation
Practice and Procedure.~~~~"Respondent" means:~~~~an Approved Person or Dealer Member
who is the subject of a disciplinary
hearing, settlement hearing,
expedited hearing, or appeal hearing
under Rule 20.~~~~"Settlement Agreement" means:~~~~an agreement reached by the
Corporation and the Respondent
whereby the parties agree to
disciplinary charges, facts and
penalty.~~~~Terms used in this Rule 20 which are not
defined herein shall have the same meanings
as used or defined in the Hearing
Committees and Hearing Panels Rule.~~**PART A - GENERAL****8203. Hearings**

- (1) A *hearing* must be conducted in accordance with this Rule and the *Rules of Practice*.
- (2) A *hearing panel* may hold any *hearing* and make any *decision* that is authorized under this Rule and the *Rules of Practice*.
- (3) A *hearing panel* may admit as evidence in a *hearing* any oral testimony and any document or other thing that is relevant and not subject to privilege, whether or not given or proven under oath or affirmation or admissible as evidence in

~~**10.6 Exercise of Authority**~~~~A Hearing Panel shall make any
determination, hold any hearing and make
any order or interim order required or
permitted of a Market Regulator under this
Part.~~

See Dealer Member Rule 20.30(2) above.

~~**Part 2 - General Authority of Panels**~~~~**20.2 Exercise Of Authority**~~

- ~~(1) A Panel may make any
determination, hold any hearing
and make any decision, order,
interim order or impose any terms
required to implement such order,
required or permitted under Rule
20 or under the Corporation~~

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- a court.
- (4) A *hearing panel* may require testimony or other evidence to be given or proven under oath or affirmation.
- (5) Subject to subsections 8203(6) and 8203(7), a *hearing* under this Rule must be open to the public, unless it is:
- (i) a *settlement hearing*, in which case it will be opened to the public only after a *settlement agreement* has been accepted by the *hearing panel*,
 - (ii) a *hearing* to consider a temporary order under section 8211, or
 - (iii) an *expedited hearing*.
- (6) A *hearing* or part of a *hearing* may be held in the absence of the public where the *hearing panel* is of the opinion that the desirability of avoiding disclosure of intimate, personal or other matters outweighs the desirability of adhering to the principle in subsection 8203(5).
- (7) A *hearing* held in Quebec must be public, unless the *hearing panel*, on its own initiative or on the request of a *party*, orders the *hearing* or part of the *hearing* to be closed or prohibits the publication or release of documents in the interest of good morals or public order.
- (8) A *party* to an *enforcement proceeding* may be represented by counsel or an agent.
- (9) A *hearing panel* must provide written reasons for a *decision* made by it, including a *decision* accepting or rejecting a *settlement agreement* under section 8215, but not including an evidentiary or other procedural ruling, made in the course of a *hearing*, that is not dispositive of the issues raised in the hearing.

~~Practice and Procedure.~~

~~(2) A Panel is not bound by any legal or technical rules of evidence and may admit as evidence in a hearing, whether or not given or proven under oath or affirmation, anything that is relevant to the proceedings.~~

~~(3) A Panel may require presentation of evidence or testimony under oath or affirmation.~~

~~Part 11 — Public Hearings~~~~20.50 Public Hearings~~

~~(1) The following types of hearings shall be open to the public subject to subsection (2):~~

~~(a) settlement hearings, after a Settlement Agreement has been accepted by Hearing Panel, pursuant to Rule 20.36;~~

~~(b) disciplinary hearings pursuant to Rule 20.33 and Rule 20.34; and~~

~~(c) expedited review hearings pursuant to Rule 20.47.~~

~~(2) The hearings prescribed in subsection (1) shall be held in the absence of the public where the Hearing Panel is of the opinion that the desirability of avoiding disclosure, of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be public.~~

~~(3) Notwithstanding subparagraph~~

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<p>8204. Application and Effective Date of Decisions</p> <p>(1) A <i>decision</i> under this Rule applies in all <i>Districts</i>, unless the <i>hearing panel</i> orders otherwise or unless the application of the <i>decision</i> is limited by <i>law</i>.</p> <p>(2) A <i>decision</i>, other than a ruling in the course of a <i>hearing</i>, is effective on the date the <i>decision</i> is dated by the <i>National Hearing Coordinator</i>, unless this Rule or the <i>decision</i> provides otherwise, in which case the <i>decision</i> is effective on the date so provided.</p> <p>(3) A <i>sanction</i>, other than a fine or disgorgement, takes effect on the effective date of the <i>decision</i> imposing it, unless the <i>decision</i></p>	<p>New</p>	<p>(1) and (2), in Quebec, any disciplinary panel must be public. However, such disciplinary panel may on its own initiative or on request, order a closed-door hearing or prohibit the publication or release of information or documents in the interest of good morals or public order.</p> <p>Rules of Practice 8.10 Public Domain</p> <p>All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the exclusion of the public.</p> <p>An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that motions be public.</p> <p>Part 3 Decision-Making and Effectiveness of Decisions</p> <p>20.4 Territorial Application of Decisions</p> <p>(1) Any decision made under this Rule shall have effect in all of the Districts, unless otherwise ordered by the Decision-maker or unless such extension or application of the decision is limited by law.</p> <p>20.5 Effective Date of Decision</p> <p>(1) Any decision made pursuant to</p>
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provides otherwise.

- (4) A fine, disgorgement and costs imposed by a decision are payable when the decision is effective, unless the decision provides or the parties agree otherwise.

~~Rule 20 shall become effective on the date that the decision is made, unless it provides otherwise.~~

~~(2) Notwithstanding subsection (1), a decision made pursuant to Rule 20.28 shall become effective as prescribed in Rule 20.29(3).~~

~~**20.6 Effective Date of Penalties**~~

~~(1) Suspensions, bars, expulsions, restrictions or other conditions or terms imposed on approval or Membership commence as of the effective date of the decision, unless otherwise determined by the Decision maker.~~

~~(2) Any fine imposed on a Respondent shall be payable immediately when the decision becomes effective unless otherwise agreed by the parties.~~

8205. Commencement of Enforcement Proceedings

See UMIR 10.6 above.

See Dealer Member Rule 20.30 above.

- (1) The Corporation may commence proceedings and hold hearings, as provided in this Rule, to ensure compliance with and to enforce Corporation requirements, applicable laws, and other requirements relating to trading or advising in respect of securities, commodities contracts and derivatives.
- (2) A proceeding under this Rule must be commenced by application or notice of hearing in accordance with the Rules of Practice.

8206. Limitation

New

Based on currently outstanding limitation period proposal.
Existing Rule:

~~**20.7 Former Dealer Members and Approved Persons**~~

- (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 member, user or subscriber of or to a Marketplace for which the Corporation is the

~~(1) For the purposes of Rule 19 and Rule 20, any Dealer Member and any~~

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regulation services provider, or

(iii) a director, officer, employee or any other representative designated in Corporation requirements of a

(a) a Dealer Member, or

(b) a member, user or subscriber of or to a Marketplace for which the Corporation is the regulation services provider.

(2) The Corporation may commence a proceeding under this Rule against a Regulated Person up to six years after the date of the occurrence of the last event on which the proceeding is based.

(3) If a proceeding is commenced within the limitation period in subsection 8206(1) or 8206(2), the respondent remains subject to the requirements of this Rule until the proceeding, including any review or appeal, is completed.

8207. Amounts Owning to the Corporation

New

(1) A person remains liable to the Corporation for all amounts owing to the Corporation.

~~Approved Person shall remain subject to the jurisdiction of the Corporation for a period of five years from the date on which such Dealer Member or Approved Person ceased to be a Dealer Member or an Approved Person of the Corporation, subject to subsection (2).~~

~~(2) An enforcement hearing under Part 10 of this Rule may be brought against a former Approved Person who re-applies for approval under Part 7 of this Rule, notwithstanding expiry of the time period set out in subsection (1).~~

~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~

~~20.7 Former Dealer Members and Approved Persons~~

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~~(3) An Approved Person whose approval is suspended or revoked or a Dealer Member who is expelled from membership or whose rights or privileges are suspended or terminated shall remain liable to the Corporation for all amounts owing to the Corporation.~~

8208. Powers of Compulsion

New

(1) A hearing panel may require a Regulated Person, an employee of a Regulated Person or the

~~POWERS OF COMPULSION~~

~~20.31 Dealer Members, Approved Persons and Corporation Staff~~

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Corporation, including *Corporation* staff, and, if authorized by law, any other person to attend and give evidence or produce records and documents in connection with a *hearing* under this Rule.

- (2) A *Regulated Person* must, upon receipt of an order of a *hearing panel* or a notice from the *National Hearing Coordinator* so requiring,
- (i) attend and give evidence, and
 - (ii) produce for inspection and provide copies of any records or documents in the *Regulated Person's* possession or control.
- (3) If a *hearing panel* requires an *employee* of a *Regulated Person*, who is not an *Approved Person*, to attend at a hearing, the *Regulated Person* must direct the *employee* to attend and give evidence.

~~(1) Every Dealer Member, Approved Person and Corporation Staff member shall:~~

~~(a) attend and give evidence respecting any matter relevant to hearings pursuant to Rule 20.33, Rule 20.34 or Rule 20.42 upon receipt of notice from the National Hearing Coordinator or his or her designate or order of a Hearing Panel; and~~

~~(b) produce for inspection and provide copies of any books, records, accounts and documents that are in the possession or control of the Dealer Member or Approved Person, to a Hearing Panel upon receipt of notice from the National Hearing Coordinator or order of the Hearing Panel.~~

~~(2) Failure to comply with subsections 1(a) or (b) constitutes a contravention of the Rules and may result in disciplinary action under Rule 20.33 or Rule 20.34.~~

~~20.32 Partners, Directors, Officers and Employees of Members~~

~~(1) Where a Hearing Panel requires the attendance before it of any partner, director, officer or employee of a Dealer Member, who is not an Approved Person, the Dealer Member shall direct such employee to attend and to give information or make such production of documents as can be~~

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PART B - Disciplinary Proceedings

8209. Sanctions for Dealer Members

(1) If, after a hearing, a hearing panel finds that a Dealer Member has contravened a Corporation requirement, a securities legislation requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the hearing panel may impose one or more of the following sanctions:

- (i) a reprimand
- (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention,
- (iii) a fine not exceeding the greater of
 - (a) \$5,000,000 for each contravention, and
 - (b) an amount equal to three times the profit made or loss avoided by the Dealer Member, directly or indirectly, as a result of the contravention,
- (iv) suspension of membership in the Corporation or of any right or privilege associated with membership, including a direction to cease dealing with clients, for any period of time and on any terms and conditions,
- (v) imposition of any terms or conditions on the Dealer Member's continued membership,
- (vi) permanent bar to membership in the Corporation,

10.5 ~~Powers and Remedies~~ Suspension or Restriction of Access

- ~~(1) The Market Regulator may, following a hearing and a determination that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has contravened a Requirement or is liable for the contravention of a Requirement in accordance with Rule 10.3, by an order impose on such person one or more of the following penalties or remedies as the Market Regulator considers appropriate in the circumstances:~~
- ~~(a) a reprimand;~~
 - ~~(b) a fine not to exceed the greater of:

 - ~~(i) \$1,000,000, and~~
 - ~~(ii) an amount equal to triple the financial benefit which accrued to the person as a result of committing the contravention;~~~~
 - ~~(c) the restriction of access to the marketplace for such period and upon such terms and~~

~~20.34 Dealer Members~~

- ~~required of a person referred to in Rule 20.31.~~
- ~~(2) Failure by the Dealer Member to comply with subsection (1) constitutes a contravention of the Rules and may result in disciplinary action under Rule 20.34.~~
- ~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at Rule 20.34(2) if, in the opinion of the Hearing Panel, the Dealer Member:~~
- ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~
 - ~~(b) failed to comply with the provisions of any Rule or Ruling of the Corporation;~~
 - ~~(c) failed to carry out an agreement or undertaking with the Corporation; or~~
 - ~~(d) failed to meet liabilities to another Dealer Member or to the public.~~
- ~~(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the following penalties upon the Dealer Member:~~
- ~~(a) a reprimand;~~
 - ~~(b) a fine not exceeding the greater of:~~

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<p>(vii) appointment of a monitor, and</p> <p>(viii) any other sanction that the hearing panel considers appropriate.</p> <p>(2) A Dealer Member may be sanctioned under subsection 8209(1) based on the conduct of an employee.</p>	<p>conditions, if any, considered appropriate;</p> <p>(d) the suspension of access to the marketplace for such period and upon such terms and conditions, if any, considered appropriate;</p> <p>(e) the revocation of access to the marketplace; and</p> <p>(f) any other remedy determined to be appropriate under the circumstances.</p> <p>(2) If the Market Regulator has determined that a Regulated Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has engaged in, or may engage in, any course of conduct that is or may be a contravention of a Requirement, the Market Regulator may, if the Market Regulator considers it is necessary for the protection of the public interest by an interim order without notice or hearing, order the restriction or suspension of access to the marketplace upon such terms and conditions, if any, considered appropriate provided such interim order shall expire 15 days after the date on which the interim order is made unless:</p> <p>(a) a hearing is commenced <u>pursuant to Rule 8200 (Enforcement Proceedings)</u> within that period of time to confirm or set aside the interim order;</p>	<p>(i) \$5,000,000 per contravention; and</p> <p>(ii) an amount equal to three times the profit made or loss avoided by the Dealer Member by reason of the contravention;</p> <p>(c) suspension of the rights and privileges of the Dealer Member (and such suspension may include a direction to the Dealer Member to cease dealing with the public) for any period of time and upon any conditions or terms;</p> <p>(d) terms and conditions of continued Membership;</p> <p>(e) termination of the rights and privileges of Membership;</p> <p>(f) expulsion of the Dealer Member from membership in the Corporation; or</p> <p>(g) any other fit remedy or penalty.</p>
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(b) the person against which the interim order is made consents to an extension of the interim order until a hearing of the matter is held; or

(c) an applicable securities regulatory authority directs that the interim order be rescinded or extended.

~~3~~(2) For the purposes of this section, the restriction, suspension or revocation of access of a person to a marketplace may be imposed directly on the person and, if the person is an individual, the restriction, suspension or revocation of access may also be imposed in respect of their capacity as a director, officer, partner, employee or associate of a person with access to a marketplace.

(43) For greater certainty, any enforcement or disciplinary proceeding or any order or interim order as against a person by a Market Regulator for contravention of a Requirement shall not affect or limit any enforcement or disciplinary action as against the person by any securities regulatory authority, self-regulatory entity or other Market Regulator with jurisdiction over the person.

(54) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace in accordance with this section, such person shall be denied access to any other

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marketplace and shall have any access to any other marketplace automatically restricted, suspended or revoked unless the applicable securities regulatory authority otherwise determines in a review or appeal of the order or interim order of the Market Regulator undertaken in accordance with Rule 11.3.

(65) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace, the Market Regulator shall provide notice forthwith of such restriction, suspension or revocation to:

- (a) the person whose access has been restricted, suspended or revoked;
- (b) each marketplace;
- (c) each Market Regulator; and
- (d) each applicable securities regulatory authority.

8210. Sanctions for Regulated Persons other than Dealer Members

See UMIR 10.3 and 10.5 above.

- (1) If after a hearing, a hearing panel finds that a Regulated Person other than a Dealer Member has contravened a Corporation requirement, a securities legislation requirement, or other requirement relating to trading or advising in respect of securities, commodities contracts, or derivatives, the hearing panel may impose on such person one or more of the following sanctions:
- (i) a reprimand
 - (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention,

~~20.33 Approved Persons~~

~~(1) Upon conclusion of a disciplinary hearing, a Hearing Panel may impose the penalties set out at 20.33(2) if, in the opinion of the Hearing Panel, the Approved Person:~~

- ~~(a) failed to comply with or carry out the provisions of any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities;~~
- ~~(b) failed to comply with the~~

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<p>(iii) a fine not exceeding the greater of</p> <p>(a) \$5,000,000 for each contravention, and</p> <p>(b) an amount equal to three times the profit made or loss avoided by the person, directly or indirectly, as a result of the contravention,</p> <p>(iv) suspension of the person's approval or any right or privilege associated with such approval, including access to a <i>Marketplace</i>, for any period of time and on any terms and conditions,</p> <p>(v) imposition of any terms or conditions on the person's continued approval or continued access to a <i>Marketplace</i>,</p> <p>(vi) prohibition of approval in any capacity, for any period of time, including access to a <i>Marketplace</i>,</p> <p>(vii) revocation of approval,</p> <p>(viii) a permanent bar to approval in any capacity or to access to a <i>Marketplace</i>,</p> <p>(ix) a permanent bar to employment in any capacity by a <i>Regulated Person</i>, and</p> <p>(x) any other sanction that the hearing panel considers appropriate.</p> <p>(2) A <i>Regulated Person</i> other than a <i>Dealer Member</i> may be sanctioned under subsection 8210(1) based on the conduct of an <i>employee</i> of such <i>Regulated Person</i>.</p> <p>(3) A director or officer of a <i>Regulated Person</i> may be sanctioned under subsection 8210(1) based on the conduct of the <i>Regulated Person</i> with which he or she is associated.</p> <p>(4) An <i>employee</i> of a <i>Regulated Person</i> who engages in conduct for which such <i>Regulated Person</i> may be sanctioned under subsection 8210(1) may also be sanctioned under that subsection.</p> <p>(5) A sanction imposed under subsection 8210(1) relating to access to a <i>Marketplace</i> applies to</p>	<p style="text-align: center;">provisions of any Rule or Ruling of the Corporation; or</p> <p style="text-align: center;">(e) failed to carry out an agreement or undertaking with the Corporation.</p> <p style="text-align: center;">(2) Pursuant to subsection (1), a Hearing Panel may impose any one or more of the following penalties upon the Approved Person:</p> <p style="text-align: center;">(a) a reprimand;</p> <p style="text-align: center;">(b) a fine not exceeding the greater of:</p> <p style="text-align: center;">(i) \$1,000,000 per contravention; and</p> <p style="text-align: center;">(ii) an amount equal to three times the profit made or loss avoided by such Approved Person by reason of the contravention.</p> <p style="text-align: center;">(c) suspension of approval for any period of time and upon any conditions or terms;</p> <p style="text-align: center;">(d) terms and conditions of continued approval;</p> <p style="text-align: center;">(e) prohibition of approval in any capacity for any period of time;</p> <p style="text-align: center;">(f) termination of the rights and privileges of approval;</p> <p style="text-align: center;">(g) revocation of approval;</p> <p style="text-align: center;">(h) a permanent bar from approval with the Corporation; or</p> <p style="text-align: center;">(i) any other fit remedy or penalty.</p>
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all *Marketplaces*.

- (6) A *Regulated Person* must not employ, hire, retain, or otherwise engage, in any capacity, a *person* who is sanctioned under clause 8210(1)(ix).

8211. Temporary Orders

- (1) On application by *Enforcement Staff*, if a *hearing panel* is satisfied that the length of time required to conclude a *hearing* could be prejudicial to the public interest, the *hearing panel* may, without notice to the *respondent*, make a temporary order that suspends or restricts a *Regulated Person's* rights and privileges and may impose terms and conditions that the *hearing panel* considers appropriate.
- (2) A temporary order under subsection 8211(1) expires fifteen calendar days after the date on which it is made, unless:
- (i) a *hearing* is commenced within that period to confirm or set aside the temporary order,
 - (ii) the *Regulated Person* consents to an extension of the temporary order, or
 - (iii) a *securities regulatory authority* orders otherwise.
- (3) The *Corporation* must immediately give written notice of a temporary order under subsection 8211(1) to every *person* directly affected by it.

New except see above, interim order of Market Regulator (as opposed to hearing panel) may be made under UMIR 10.5 which may then go to a hearing.

See Dealer Member Rule 20.2 above.

8212. Expedited Hearings

- (1) On application by *Enforcement Staff*, a *hearing panel* may hold an *expedited hearing* following notice to the *respondent* in accordance with subsection 8426(1).
- (2) After an *expedited hearing*, a *hearing panel* may impose on a *Dealer Member* one or more of the *sanctions* set out in subsection 8212(4), if it finds that
- (i) the *Dealer Member* has made a general assignment for the benefit of creditors or an authorized assignment or proposal to its

New

~~EXPEDITED HEARINGS~~

~~20.41 Expedited Hearings~~

- ~~(1) Expedited hearings are held upon application by Corporation Staff and without notice to the Respondent in the circumstances prescribed in Rule 20.42 and Rule 20.43.~~

~~20.42 Types of Expedited Hearings – Members~~

- ~~(1) A Hearing Panel may impose any of the penalties prescribed by Rule 20.45 upon a Dealer Member in~~

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<p>creditors, has been declared bankrupt, or is the subject of a winding-up order,</p> <p>(ii) a receiver or receiver-manager has been appointed in respect of all or part of the <i>Dealer Member's</i> undertaking or property,</p> <p>(iii) the <i>Dealer Member's</i> registration as a dealer under any law in respect of securities, commodities contracts or derivatives has lapsed or been suspended or terminated,</p> <p>(iv) a securities regulatory authority, stock exchange or self-regulatory organization has suspended the <i>Dealer Member's</i> membership or privileges,</p> <p>(v) the <i>Dealer Member</i> has been convicted of contravening a law relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading,</p> <p>(vi) the <i>Dealer Member's</i> continued operation would create a risk of imminent harm to its clients, investors, other <i>Regulated Persons</i> or the <i>Corporation</i> because the <i>Dealer Member</i></p> <p style="padding-left: 20px;">(a) is in financial or operating difficulty, or</p> <p style="padding-left: 20px;">(b) has failed to cooperate in respect of an <i>investigation</i> under Rule 8100 (Enforcement Investigations), or</p> <p>(vii) the <i>Dealer Member</i> has not complied with terms or conditions of a <i>sanction</i> or a prohibition under Dealer Member Rule 30 (early warning level 2) to which it is subject.</p> <p>(3) After an <i>expedited hearing</i>, a <i>hearing panel</i> may impose on a <i>Regulated Person</i>, other than a <i>Dealer Member</i>, one or more of the <i>sanctions</i> set out in subsection 8212(4), if it finds that:</p> <p style="padding-left: 20px;">(i) the <i>person's</i> registration under any law in respect of securities, commodities contracts</p>	<p style="color: red;">any of the following circumstances:</p> <p style="color: red;">20.43 Types of Expedited Hearings – Approved Persons</p> <p style="color: red;">(1) A Hearing Panel may impose any of the penalties set out in Rule 20.45 upon an Approved Person in any of the following circumstances:</p> <p style="color: red;">Suspension or Cancellation of Registration or Approval</p> <p style="color: red;">(a) the registration or approval of an Approved Person under any statute respecting trading or advising in respect of securities or commodities has lapsed, is suspended or cancelled;</p> <p style="color: red;">(b) a recognized stock exchange, securities commission, securities regulatory authority, self-regulatory organization or recognized trading or quotation system suspends an Approved Person;</p> <p style="color: red;">Failure to Cooperate With Corporation Compliance Examinations and Investigations</p> <p style="color: red;">(c) failure to cooperate with Corporation compliance examinations and investigations pursuant to Rule 19 and the Hearing Panel determines that the Approved Person cannot be permitted to continue to be an Approved Person without risk of imminent harm to the public, other Dealer Members or the Corporation;</p>
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- or derivatives has lapsed or been suspended or terminated,
- (ii) a securities regulatory authority has made an order prohibiting the *person* from trading in securities, acting as a director or officer of a market participant or as a promoter, or engaging in investor relations activities, or has denied the *person* the use of an exemption under *securities legislation*,
- (iii) a stock exchange or self-regulatory organization has suspended the *person* or the *person's* privileges,
- (iv) the *person's* continued approval would create a risk of imminent harm to clients, investors, other *Regulated Persons* or the *Corporation* because the *person* has failed to cooperate in respect of an *investigation* under Rule 8100 (Enforcement Investigations), or
- (v) the *person* has not complied with terms or conditions of a *sanction* to which the *person* is subject.
- (4) After an *expedited hearing*, a *hearing panel* may impose one or more of the following *sanctions*:
- (i) suspension of membership, approval or access to a *Marketplace* on any terms and conditions,
- (ii) an order, with terms and conditions, requiring a *Dealer Member* that is suspended under this Rule to take steps to facilitate the orderly transfer of its client accounts to another *Dealer Member*,
- (iii) imposition of terms and conditions on continued membership, approval or access to a *Marketplace*,
- (iv) a direction to cease dealing with clients or any other *persons* immediately,
- (v) expulsion of a *Dealer Member* from the *Corporation*,

~~Criminal Charges~~

- ~~(d) where an Approved Person has been charged with a criminal offence relating to theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation or unauthorized trading, and such criminal charge likely brings the capital markets into disrepute,~~

~~Non-Compliance With Conditions~~

- ~~(e) where an Approved Person fails to comply with terms or conditions imposed pursuant to Rule 20.33, Rule 20.34, or Rule 20.38.~~

~~20.45 Powers Of Hearing Panel~~

- ~~(1) A Hearing Panel has the power to impose any of the following penalties upon a Respondent who is an Approved Person or Dealer Member in the circumstances prescribed in Rule 20.42 and Rule 20.43:~~
- ~~(a) suspension of approval or Membership;~~
- ~~(b) imposition of terms or conditions on a suspension of approval or Membership;~~
- ~~(c) imposition of terms or conditions on continued approval or Membership;~~
- ~~(d) direction to immediately cease dealing with the public;~~
- ~~(e) an order with terms and conditions to facilitate the~~

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<p>(vi) revocation of approval or access to a Marketplace, or</p> <p>(vii) appointment of a monitor over a Dealer Member's business and affairs.</p> <p>(5) A person may request, in writing, a review by a hearing panel of a decision made after an expedited hearing, within thirty days after the effective date of the decision.</p> <p>(6) A hearing shall be held as soon as practicable, and no later than twenty-one days, after a review is requested under subsection 8212(5), unless the person requesting the review and Enforcement Staff agree otherwise.</p> <p>(7) A member of a hearing panel whose decision is the subject of a review under this section may not be a member of the hearing panel on the review.</p> <p>(8) A hearing panel may stay a sanction imposed under subsection 8212(4), subject to any terms and conditions it considers appropriate.</p> <p>(9) On a review under this section, a hearing panel may:</p> <p>(i) affirm the sanction,</p> <p>(ii) quash the decision,</p> <p>(iii) vary the decision or sanction, or</p> <p>(iv) order any sanction authorized by subsection 8212(4).</p>	<p>orderly transfer of client accounts from a Dealer Member suspended under this Rule;</p> <p>(f) termination of the rights and privileges of approval or Membership;</p> <p>(g) expulsion of an Approved Person or Dealer Member from the Corporation; or</p> <p>(h) imposition of a Monitor pursuant to Rule 20.46.</p> <p>Part 9 – Early Warning Review Proceedings</p> <p>20.28 Imposition of Prohibitions – Early Warning Level 2</p> <p>(1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30, be prohibited from:</p> <p>(a) opening any new branch offices;</p> <p>(b) hiring any new registered representative, or investment representative;</p> <p>(c) opening any new customer accounts; or</p> <p>(d) changing, in any material respect, the inventory positions of the Dealer Member.</p> <p>(2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member.</p> <p>20.47 Review Hearing</p> <p>(1) The Respondent may file a written request for review of any decision made pursuant to Rule 20.45 within thirty calendar days</p>
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~~after release of the decision of the Hearing Panel.~~

~~(2) If a request for review is made, pursuant to subsection (1), a hearing shall be held as soon as reasonably possible and no later than twenty one calendar days after filing of the written request for review unless otherwise agreed by the parties.~~

~~(3) No member of a Hearing Panel who presided over a hearing held pursuant to Rule 20.45 shall sit on a Hearing Panel constituted for review of that decision.~~

~~(4) If a Respondent does not request a review within the time period prescribed in subsection (1), the Hearing Panel decision shall become final.~~

~~(5) Unless the Hearing Panel orders otherwise, a request for a review shall not operate as a stay from a decision made pursuant to Rule 20.45.~~

~~(6) A review decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~

~~**20.48 Powers of The Hearing Panel – Review Hearing**~~

~~(1) The Hearing Panel presiding over the review hearing may:~~

~~(a) affirm any decision;~~

~~(b) quash any decision;~~

~~(c) vary any decision or penalty; and~~

~~(d) make any decision that could have been made by a Hearing~~

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8213. Monitor

Not applicable in UMIR.

~~Panel pursuant to Rule 20.45,
20.46 — Powers Of Hearing Panel To
Impose A Monitor~~

- (1) If a *hearing panel* appoints a *monitor* under section 8209 or section 8212 with respect to the business and affairs of a *Dealer Member*, the *monitor* has authority to supervise and monitor the *Dealer Member's* business and affairs in accordance with the terms and conditions imposed by the *hearing panel*.
- (2) A *hearing panel* may impose any terms and conditions, and any time periods, on a *monitor's* authority with respect to a *Dealer Member's* business and affairs that the *hearing panel* considers appropriate, including authority to:
- (i) enter the *Dealer Member's* premises and conduct day-to-day monitoring of the *Dealer Member's* business activities,
 - (ii) monitor and review accounts receivable, accounts payable, client accounts, margin, client free credits, banking arrangements and transactions, trading conducted by the *Dealer Member* for clients and for its own account, payment of debts, creation of new debt and the *Dealer Member's* books and records,
 - (iii) make copies of any records or other documents and provide copies of such records and documents to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority,
 - (iv) report the *monitor's* findings or observations, on an ongoing or other basis, to the *Corporation*, *Corporation* staff or any other regulatory or self-regulatory authority,
 - (v) monitor the *Dealer Member's* compliance with any terms or conditions imposed on the *Dealer Member* by the *Corporation* or any other regulatory or self-regulatory authority or by the *hearing panel*, including

- ~~(1) — A Hearing Panel may order the imposition of a Monitor, on such terms and conditions as it deems just and appropriate, where it is in the interest of the public, and the Hearing Panel determines that:~~
- ~~(a) — the Dealer Member is at financial risk and may become insolvent;~~
 - ~~(b) — client accounts are at risk of financial loss due to a Dealer Member's financial condition, inadequate internal controls or deficient operating procedures;~~
 - ~~(c) — the Dealer Member has failed to maintain regulatory capital requirements as prescribed by the Rules or any federal or provincial statute, regulation, ruling or policy relating to trading or advising in respect of securities or commodities; or~~
 - ~~(d) — the securities firm has been suspended by the Corporation or other regulatory or self-regulatory organization for failure to meet regulatory capital requirements.~~
- ~~(2) — A Monitor appointed pursuant to subsection (1) shall monitor the Dealer Member's business and financial affairs in accordance with the terms and conditions specified by the Hearing Panel.~~
- ~~(3) — A Hearing Panel may assign any~~

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<p>compliance with any early warning terms and conditions,</p> <p>(vi) verify and assist with the preparation of any regulatory filings, including the calculation of risk adjusted capital,</p> <p>(vii) conduct or have conducted an appraisal of the <i>Dealer Member's</i> net worth or a valuation of any of the <i>Dealer Member's</i> assets,</p> <p>(viii) assist the <i>Dealer Member's</i> employees in facilitating the orderly transfer of the <i>Dealer Member's</i> client accounts, and</p> <p>(ix) pre-authorize cheques issued or payments made by or on behalf of the <i>Dealer Member</i> or distribution of any of the <i>Dealer Member's</i> assets.</p> <p>(3) A <i>Dealer Member</i> must cooperate with the <i>monitor</i>, require its <i>employees</i> to cooperate with the <i>monitor</i> and take all reasonable steps to have its <i>affiliates</i> and service providers cooperate with the <i>monitor</i> with respect to the exercise by the <i>monitor</i> of its authority under this section.</p> <p>(4) The <i>Dealer Member</i> must pay all expenses relating to a <i>monitor</i> appointed to monitor the <i>Dealer Member's</i> business and affairs, including the <i>monitor's</i> fees.</p> <p>(5) <i>Corporation</i> staff or the <i>monitor</i> may at any time apply to a <i>hearing panel</i> for directions concerning the <i>monitor's</i> authority or the conduct of the <i>monitor's</i> activities.</p> <p>(6) On an application under subsection 8213(5), a <i>hearing panel</i> may make any order it considers appropriate.</p>	<p>of the following terms and conditions to the Monitor, for such period of time as the Hearing Panel determines is just and appropriate in the circumstances:</p> <p>(a) to enter and re-enter the Dealer Member's premises and to remain on site to conduct day to day monitoring of all of the Dealer Member's business activities, including but not limited to, monitoring and review of accounts receivable, accounts payable, client accounts, margin, client free credits, the Dealer Member's banking, any books or records of the Dealer Member, trading conducted by or on behalf of the Dealer Member for its' own account or the account of its' clients, payment of any debts or the creation of new debt and any reconciliation required to be completed by the Dealer Member;</p> <p>(b) to make copies of information and to provide copies of such information to Corporation Staff or any other agency the Hearing Panel determines appropriate;</p> <p>(c) to provide ongoing reporting of the Monitor's findings or observations to Corporation Staff or any other agency the Hearing Panel determines appropriate;</p> <p>(d) to monitor compliance by the Dealer Member with any terms</p>
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~~or conditions which have been imposed on the Dealer Member by the Corporation or any other regulator, including but not limited to, compliance with early warning terms and conditions;~~

~~(e) to verify and assist with the preparation of any regulatory filings, including but not limited to, the calculation of risk-adjusted capital;~~

~~(f) to conduct or have conducted an appraisal of the Dealer Member's net worth or valuation of any part of the Dealer Member's assets;~~

~~(g) to assist the staff of the Dealer Member to facilitate the orderly transfer of client accounts;~~

~~(h) to pre-authorize any issuance of cheques or payments made by or on behalf of the Dealer Member or distribution of any of the Dealer Member's assets; or~~

~~(i) any other such terms or conditions that the Hearing Panel determines is just and appropriate to assign to the Monitor.~~

~~(4) The expenses related to a Monitor appointed pursuant to Rule 20.46 shall be borne by the Dealer Member.~~

8214. Costs

(1) After a *hearing* under this Rule, other than a *hearing* under section 8211, a *hearing panel* may

~~**10.7 Assessment of Expenses**~~

~~(1) Any order made under this Part may assess the person against~~

ASSESSMENT OF COSTS~~**20.49 Assessment of Costs**~~

~~(1) In addition to imposing any of~~

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order a person who is the subject of a sanction to pay any costs incurred by or on behalf of the Corporation in connection with the hearing and any investigation related to the hearing.

(2) Costs ordered under subsection 8214(1) may include:

- (i) costs for time spent by Corporation staff,
- (ii) fees paid by the Corporation for legal or accounting services or for services rendered by an expert witness,
- (iii) witness fees and expenses,
- (iv) costs of recording and transcribing evidence and preparation of transcripts, and
- (v) disbursements, including travel costs.

~~whom the order is made any one or more of the following expenses incurred by the Market Regulator as a result of the investigation and the proceedings resulting in the order:~~

- ~~(a) recording or transcription fees;~~
- ~~(b) expenses of preparing transcripts;~~
- ~~(c) witness fees and reasonable expenses of witnesses;~~
- ~~(d) professional fees for services rendered by expert witnesses, legal counsel or accountants retained by the Market Regulator;~~
- ~~(e) expenses of staff time incurred by the Market Regulator;~~
- ~~(f) travel costs;~~
- ~~(g) disbursements; or~~
- ~~(h) any other expenses determined to be appropriate under the circumstances.~~

~~(2) Where the Market Regulator conducts an investigation of a complaint or other communication in the nature of a complaint that was made by a Regulated Person and the Market Regulator, acting reasonably, determines that the complaint or other communication in the nature of a complaint was frivolous, the Market Regulator may assess the expenses incurred by the Market Regulator as a result of the investigation against that person.~~

~~the penalties set out in Rule 20.33, Rule 20.34 or Rule 20.45, the Hearing Panel may assess and order any Corporation Staff investigation and prosecution costs determined to be appropriate and reasonable in the circumstances.~~

~~(2) Costs shall not be assessed where the Hearing Panel has not made a finding against the Respondent based on any of the grounds set out at Rule 20.33(1) or Rule 20.34(1) or where an expedited decision is quashed upon review pursuant to Rule 20.48(1).~~

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8215. Settlements and Settlement Hearings

- (1) *Enforcement Staff* may agree in a *settlement agreement* to settle a proceeding or proposed proceeding against a *Regulated Person* at any time prior to the conclusion of a *disciplinary hearing*.
- (2) A *settlement agreement* must contain:
- (i) a statement of the contraventions agreed to by the *respondent*, with references to the relevant *Corporation requirements* and *laws*,
 - (ii) the agreed facts,
 - (iii) the sanctions and costs to be imposed on the *respondent*,
 - (iv) a waiver by the *respondent* of all rights to any further *hearing*, appeal and review,
 - (v) a provision that *Enforcement Staff* will not initiate any further action against the *respondent* in relation to the matter addressed in the *settlement agreement*,
 - (vi) a provision that the *settlement agreement* is conditional on acceptance by a *hearing panel*,
 - (vii) a provision that the *settlement agreement* and its terms are confidential, unless and until it has been accepted by a *hearing panel*,
 - (viii) a provision that the *parties* will not make any public statement that is inconsistent with the *settlement agreement*, and
 - (ix) any other provision not inconsistent with clauses 8215(2) (i) to 8215(2) (viii).
- (3) Discussions relating to settlement are on a without prejudice basis to *Enforcement Staff* and any other *person* participating in the discussions and must not be used as evidence or referred to in any proceeding.
- (4) A *settlement agreement* may impose any obligations on a *respondent* to which the

~~Policy 10.8 – PRACTICE AND PROCEDURE~~~~Part 3 – Offers of Settlement and Settlement Agreements~~~~3.1 – Provision of Offer of Settlement~~

~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~

~~3.2 – Contents of Offer of Settlement~~

~~An Offer of Settlement must:~~

- ~~(a) be in writing;~~
- ~~(b) be signed by the President of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~
- ~~(c) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~
- ~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~
- ~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~
- ~~(f) contain a statement that if~~

~~SETTLEMENT HEARINGS~~~~20.35 Negotiation of Settlement Agreements~~

- ~~(1) Corporation Staff may negotiate a Settlement Agreement with any Approved Person or Dealer Member.~~
- ~~(2) The parties to a Settlement Agreement may agree to the imposition of any of the penalties prescribed by Rule 20.33 or Rule 20.34.~~
- ~~(3) Settlement discussions may occur at any time until the conclusion of a settlement hearing or a disciplinary hearing.~~
- ~~(4) All negotiations of a Settlement Agreement are conducted on a without prejudice basis to the Corporation and all other persons involved in the negotiations and cannot be used as evidence or referred to in any proceedings.~~

~~20.36 Hearing Panel Powers~~

- ~~(1) Upon conclusion of a settlement hearing, the Hearing Panel may either:~~
 - ~~(a) accept the Settlement Agreement; or~~
 - ~~(b) reject the Settlement Agreement.~~
- ~~(2) Settlement Agreements shall become effective and binding upon Corporation Staff and an Approved Person or Dealer Member upon acceptance by a Hearing Panel. An Approved Person or Dealer Member shall be deemed to have been penalized pursuant to Rule 20.33~~

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- respondent agrees, whether or not they could be imposed by a hearing panel under this Rule.
- (5) After a settlement hearing, a hearing panel may accept or reject a settlement agreement.
- (6) A settlement agreement becomes effective and binding on the parties to it upon acceptance by a hearing panel.
- (7) If a settlement agreement is accepted by a hearing panel, any sanction imposed under it is deemed to have been imposed under this Rule.
- (8) If a settlement agreement is rejected by a hearing panel,
- (i) either:
- (a) the parties may agree to enter another settlement agreement, or
- (b) Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations and charges,
- and
- (ii) the hearing panel's reasons for rejecting the settlement agreement must be made available to a hearing panel considering a subsequent settlement agreement based on the same or related allegations and charges, but must not be made public or referred to in a subsequent disciplinary hearing.
- (9) A member of a hearing panel that rejects a settlement agreement may not be a member of a hearing panel that considers a subsequent settlement agreement or conducts a disciplinary hearing based on the same or related allegations.

~~the Offer of Settlement is accepted by the person on whom it is served;~~

~~(i) the resulting Settlement Agreement is conditional upon the approval of the Hearing Panel, and~~

~~(ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~

~~**3.3 Acceptance of Offer of Settlement**~~

~~An Offer of Settlement may be accepted by a person upon whom it has been served by that person or such other individual authorized to sign on behalf of that person;~~

~~(a) executing the Offer of Settlement; and~~

~~(b) serving the executed document on the Market Regulator on or before the date specified in the Offer of Settlement.~~

~~**3.4 Submission of Settlement Agreement for Approval**~~

~~A Settlement Agreement shall be submitted to a Hearing Panel within 20 days following the acceptance of the Offer of Settlement and the Hearing Panel may:~~

- ~~(a) approve the Settlement Agreement; or~~
- ~~(b) reject the Settlement Agreement.~~

~~**3.5 Without Prejudice Negotiations**~~

~~All negotiations of an Offer of~~

~~or Rule 20.34 upon acceptance of a Settlement Agreement by a Hearing Panel.~~

~~**20.37 Acceptance of Settlement Agreement**~~

- ~~(1) A decision of the Hearing Panel accepting a Settlement Agreement is a final decision for which no further review or appeal is provided in the Rules.~~

~~**20.38 Rejection of Settlement Agreement -- Proceeding to a Subsequent Settlement Hearing**~~

- ~~(1) If a Settlement Agreement is rejected by a Hearing Panel, the parties may agree to enter into another Settlement Agreement.~~
- ~~(2) No member of the Hearing Panel that presided over the initial settlement hearing shall sit on the Hearing Panel presiding over the subsequent settlement hearing.~~
- ~~(3) The reasons for rejecting a Settlement Agreement shall not be made public upon rejection of the initial settlement hearing, but shall be made available to a Hearing Panel presiding over the subsequent settlement hearing.~~

~~**20.39 Rejection of Settlement Agreement -- Proceeding to a Disciplinary Hearing**~~

- ~~(1) If a Settlement Agreement or a subsequent Settlement Agreement is rejected by a Hearing Panel, the Corporation may proceed to a disciplinary hearing based on the same or related disciplinary charges pursuant to Rule 20.33 or Rule 20.34.~~
- ~~(2) No member of the Hearing Panel~~

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~~Settlement or a Settlement Agreement are without prejudice to the Market Regulator and all other persons involved in the negotiations and the negotiations may not be used as evidence or referred to in any proceedings.~~

~~**3.6 Approval of Settlement Agreement**~~

~~If the Settlement Agreement is approved by the Hearing Panel:~~

- ~~(a) the Hearing Panel shall issue an order in accordance with the terms of the Settlement Agreement;~~
- ~~(b) the matter becomes final and no party to the Settlement Agreement may appeal or seek a review of the matter;~~
- ~~(c) the disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that accepted the Offer of Settlement;~~
- ~~(d) the Market Regulator shall publish a summary of:

 - ~~(i) the Requirement contravened,~~
 - ~~(ii) the facts, and~~
 - ~~(iii) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed,~~
 and such summary shall specify that any person may obtain or inspect a copy of the Settlement Agreement in the form approved by the Hearing Panel; and~~
- ~~(e) the Market Regulator shall publish the Settlement Agreement~~

~~that presided over the settlement hearing or subsequent settlement hearing shall sit on a Hearing Panel constituted for a disciplinary hearing on the same or related disciplinary charges.~~

~~**20.40 Rejection of Settlement Agreement**~~

- ~~(1) A decision of the Hearing Panel rejecting a Settlement Agreement is a final decision for which no further review of appeal is provided in the Rules.~~

~~**Rules of Practice**~~

~~**14.1 Contents of Settlement Agreements**~~

~~A Settlement Agreement pursuant to Dealer Member Rule 20.35 shall be in writing, signed by or on behalf of the parties and contain:~~

- ~~(a) a statement of the violations admitted to by the Respondent with reference to specific Dealer Member Rules, or any applicable statutory provisions;~~
- ~~(b) a statement of the relevant facts;~~
- ~~(c) a statement of the penalties and costs to be imposed upon the Respondent;~~
- ~~(d) a statement that the Respondent waives all rights to any further hearing, appeal and review;~~
- ~~(e) a statement that the Settlement Agreement is conditional upon the acceptance of the Hearing Panel; and~~
- ~~(f) such other matters not inconsistent with subsections (a) to (e).~~

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~~in the form approved by the Hearing Panel and this obligation may be satisfied by the posting of the Settlement Agreement to any website maintained by the Market Regulator.~~

~~**3.7 Rejection of Settlement Agreement**~~

~~If the Settlement Agreement is rejected by the Hearing Panel, the Market Regulator may proceed with a hearing of the matter and any member of the Hearing Panel that reviewed the Settlement Agreement must not participate further in any way in the matter.~~

8216. Failure to Pay Fine or Costs

New

(1) If a *Regulated Person* does not pay a fine, costs or other amount ordered to be paid by a *hearing panel* or required to be paid under a *settlement agreement*, the *Corporation* may, seven days after sending written notice, summarily suspend the membership of the *Dealer Member* and all rights and privileges of the *Regulated Person* relating to approval or access to a *Marketplace*, until the fine, costs or other amount has been paid.

~~**20.44 Non-payment of Fines or Costs**~~

~~(1) In the event that a fine or costs imposed by a Hearing Panel are not paid within the prescribed time, the Corporation may summarily, without further notice, suspend a Dealer Member or Approved Person, until such fine or costs are paid.~~

8217. Review by a Securities Regulatory Authority

New

(1) A party to a proceeding under this Rule may apply to the *securities regulatory authority* in the relevant *District* for review of a final decision in the proceeding.

(2) A person who is entitled to request a review of a decision under section 8212 or is the subject of a decision making a temporary order under section 8211 may not apply to a *securities regulatory authority* for review of the decision, unless the person has requested a review or other hearing by a *hearing panel* and the *hearing panel* has made a final decision.

(3) For purposes of subsection 8217(1), *Enforcement*

New

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Staff is directly affected by a *decision* in a proceeding in which *Enforcement Staff* is a party.

Rule 8300
Hearing Committees

8301. Introduction

- (1) This Rule requires a *hearing committee* in each *District* from which *hearing panels* must be selected for enforcement and other proceedings and sets out the process for appointing and removing members of *hearing committees*.

~~SCHEDULE C.1~~
~~TO TRANSITION RULE NO. 1~~
~~HEARING COMMITTEES AND HEARING PANELS RULE~~
~~Part A. DEFINITIONS~~

~~1.1. In this Rule:~~
~~"Dealer Member Rules" means the Dealer Member Rules adopted pursuant to Transition Rule No. 1.2.2 of the Corporation.~~

~~"Enforcement Proceeding" means a disciplinary hearing, a settlement hearing, and an expedited hearing under UMIR and Rule 20.30, Rule 20.33, Rule 20.34, Rule 20.42, and Rule 20.43 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~

~~"Industry Member" means an individual who is:~~

~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~

~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person;~~
~~or~~

~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~

~~"National Hearing Coordinator" means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time~~

~~SCHEDULE C.1~~
~~TO TRANSITION RULE NO. 1~~
~~HEARING COMMITTEES AND HEARING PANELS RULE~~
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~~"Industry Member" means an individual who is:~~

~~(a) a current or former director, officer, partner or employee of a Member or Access Person;~~

~~(b) a current or former director, officer, partner or employee of a former Member or former Access Person;~~
~~or~~

~~(c) any other individual that is suitable and qualified, in accordance with the factors enumerated in Subsection 1.3(1) of this Rule.~~

~~"National Hearing Coordinator" means the secretary of the Corporation or such other officer, employee or agent of the Corporation designated in writing from time~~

8302. Hearing Committees

- (1) A *hearing committee* must be appointed for each *District*.
- (2) A member of a *hearing committee* of a *District* must reside in the *District*.
- (3) Two thirds of the members of a *hearing committee*, to the extent practicable, must be *industry members*.
- (4) One third of the members of a *hearing committee*, to the extent practicable, must be *public members*.
- (5) The chair of a *hearing committee* must be a *public member*.

8303. Nominations

- (1) A *District Council* must nominate *individuals* to be members of the *hearing committee* in its *District*.
- (2) A *Marketplace Member* must nominate *individuals* to be members of the *hearing committee* in a *District* in which the *Marketplace Member*
- (i) is recognized or exempt from registration as an Exchange or QTRS under applicable *securities legislation*, or
- (ii) if an ATS, is registered under applicable *securities legislation*.
- (3) To the extent practicable, two thirds of

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the *individuals* who are nominated by a *District Council* or a *Marketplace Member* in a *District* must be *industry members* and one third must be *public members*.

~~to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~

~~to time by the secretary to perform the functions assigned to the National Hearing Coordinator under the Rules of the Corporation or by the Board of Directors.~~

8304. Appointment

- (1) The Corporate Governance Committee must appoint to the *hearing committee* of each *District* a number of suitable and qualified *individuals* sufficient to conduct enforcement and other hearings in the *District*.
- (2) In considering the suitability and qualifications of an *individual* who is nominated for membership on a *hearing committee*, the Corporate Governance Committee must take into account the *individual's*
- (i) general knowledge of business practices and securities legislation,
 - (ii) experience,
 - (iii) regulatory background,
 - (iv) availability for hearings,
 - (v) reputation in the securities industry,
 - (vi) ability to conduct hearings in French or English, and
 - (vii) *Districts* in which *individuals* would be entitled to serve.
- (3) An *individual* who
- (i) is currently or has been within the previous eighteen months an employee of a *Member*, a *Regulated Person*, or an *affiliate* of a *Member* or *Regulated Person*,
 - (ii) represents any parties to enforcement or other proceedings under *Corporation requirements* or any *person* in connection with *Corporation requirements*, or
 - (iii) would otherwise raise a reasonable apprehension of bias with respect to matters that may come before a *hearing panel*,
- is not eligible for appointment or membership as a *public member* of a *hearing committee*.

~~"Practice and Procedure" means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~

~~"Public Member" means an individual who is a current or retired member of the Law Society of any Canadian province and is in good standing at the Law Society, except in Quebec, where the individual shall be a current or retired member of the Law Society of Quebec who is in good standing.~~

~~"Review Proceeding" means an approval application review proceeding, an early warning level 2 review proceeding, and an expedited hearing review under Rule 20.19, Rule 20.29, and Rule 20.47 of the Dealer Member Rules, and includes any procedural applications or motions in relation to these proceedings.~~

~~"UMIR" means the provisions of the Universal Market Integrity Rules adopted pursuant to Transition Rule No. 1.1.2 of the Corporation.~~

~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~

~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing~~

~~"Practice and Procedure" means the practice and procedure governing a hearing pursuant to UMIR or the Dealer Member Rules, as applicable.~~

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~~Terms used in this Hearing Committees and Hearing Panels Rule which are not defined herein shall have the same meanings as used or defined in whichever of the Dealer Member Rules or UMIR is applicable to such hearing or proceeding. In the case of any inconsistency between terms used or defined in this~~

~~Hearing Committees and Hearing Panels Rule and terms used or defined in the Dealer Member Rules or UMIR, the meanings of such terms as used or defined in this Hearing~~

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<p>(4) The Corporate Governance Committee must appoint a chair of each <i>hearing committee</i>.</p> <p>8305. Term of Appointment</p> <p>(1) Appointment of an <i>individual</i> to a <i>hearing committee</i> is for a three-year term.</p> <p>(2) A <i>hearing committee</i> member may be reappointed to successive terms.</p> <p>(3) If a <i>hearing committee</i> member's term expires without reappointment during a hearing in which the member is serving on the <i>hearing panel</i>, the member's term is extended automatically until the completion of the hearing or if the hearing is a hearing on the merits, the proceeding.</p> <p>8306. Removal</p> <p>(1) The Corporate Governance Committee may remove a <i>hearing committee</i> member who</p> <p style="padding-left: 20px;">(i) ceases to reside in the <i>hearing committee's District</i>,</p> <p style="padding-left: 20px;">(ii) is precluded from acting as a <i>hearing committee</i> member by a statutory requirement applicable in the <i>District</i>,</p> <p style="padding-left: 20px;">(iii) in the Corporate Governance Committee's opinion, will raise a reasonable apprehension of bias with respect to matters that may come before a <i>hearing panel</i>, or</p> <p style="padding-left: 20px;">(iv) for any other reason, ceases to be suitable or qualified to be a <i>hearing committee</i> member.</p> <p>(2) An <i>individual</i> who is removed by the Corporate Governance Committee must not continue to serve on a <i>hearing panel</i> in any proceeding.</p>	<p>Committees and Hearing Panels Rule shall prevail.</p> <p>PART B. HEARING COMMITTEES</p> <p>1.2. Nomination of Candidates to the Hearing Committee</p> <p>(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.</p> <p>(2) From time to time, each Marketplace Member shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District.</p> <p>(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and</p> <p>(b) in the case of an ATS, registered in accordance with applicable securities legislation.</p> <p>(3) To the extent practicable, one third of the individuals nominated by a District Council or a Marketplace Member in each District shall be Public Members.</p> <p>(4) To the extent practicable, two thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry</p>	<p>Committees and Hearing Panels Rule shall prevail.</p> <p>PART B. HEARING COMMITTEES</p> <p>1.2. Nomination of Candidates to the Hearing Committee</p> <p>(1) From time to time, each District Council shall nominate individuals resident in the District to be members of the hearing committee of the respective District.</p> <p>(2) From time to time, each Marketplace Member shall nominate individuals resident in the District to be members of the hearing committee in their respective District provided the Marketplace Member is in that District.</p> <p>(a) in the case of an Exchange or QTRS, recognized or exempt from recognition as an Exchange or QTRS in accordance with applicable securities legislation; and</p> <p>(b) in the case of an ATS, registered in accordance with applicable securities legislation.</p> <p>(3) To the extent practicable, one third of the individuals nominated by a District Council or a Marketplace Member in each District shall be Public Members.</p> <p>(4) To the extent practicable, two thirds of the individuals nominated by a District Council or a Marketplace Member in each District shall be Industry</p>
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~~Members.~~~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~

- ~~(1) The Corporate Governance Committee shall review the suitability and qualifications of individuals nominated for membership on the hearing committee and in such review shall consider:~~
- ~~(a) general knowledge of business practices and securities legislation,~~
 - ~~(b) experience,~~
 - ~~(c) regulatory background,~~
 - ~~(d) availability for hearings,~~
 - ~~(e) reputation in the securities industry,~~
 - ~~(f) ability to conduct hearings in either French or English, and~~
 - ~~(g) Districts in which the individual would be entitled to serve.~~

~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~

~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~

~~(4) To the extent practicable, the Corporate Governance~~

~~Members.~~~~1.3. Appointment of Public and Industry Members to the Hearing Committee~~

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 - ~~(d) availability for hearings,~~
 - ~~(e) reputation in the securities industry,~~
 - ~~(f) ability to conduct hearings in either French or English, and~~
 - ~~(g) Districts in which the individual would be entitled to serve.~~

~~(2) The Corporate Governance Committee shall appoint to the hearing committee of each District those individuals that the Corporate Governance Committee considers to be suitable and qualified.~~

~~(3) To the extent practicable, the Corporate Governance Committee shall ensure that one-third of the members of the hearing committee of each District shall be Public Members.~~

~~(4) To the extent practicable, the Corporate Governance~~

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~~Committee shall ensure that two-thirds of the members of the hearing committee of each District shall be Industry Members.~~

~~(5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee.~~

~~(6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing.~~

~~**1.4. Appointment of Hearing Committee Chairs**~~

~~(1) For each District, the Corporate Governance Committee shall appoint a Public Member to serve as the chair of that District's hearing committee.~~

~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~

~~**1.5. Appointment to and removal from Hearing Committees**~~

~~(1) Each individual appointed to the hearing committee shall serve~~

~~Committee shall ensure that two-thirds of the members of the hearing committee of each District shall be Industry Members.~~

~~(5) No individual shall be eligible to be appointed as a Public Member or be permitted to continue to serve his or her term of appointment as a Public Member if she or he represents any parties to hearings under the Rules of the Corporation during the course of his or her appointment to a hearing committee.~~

~~(6) Any hearing required by the present rules in Quebec shall be held in Quebec and the parties may present in French both verbally and in writing.~~

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~~for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms.~~

~~(2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three year term and the individual is not re-appointed to the hearing committee, the term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~

~~(3) The Corporate Governance Committee may remove from the hearing committee prior to the expiration of their term any individual who:~~

~~(a) ceases to be a resident of the District in respect of which the individual was appointed to serve on the hearing committee;~~

~~(b) is precluded from acting in such capacity by reason of any statutory requirement applicable to the jurisdiction in respect of which the individual was appointed to serve on the hearing committee;~~

~~(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or~~

~~for a term of three years from the date of their appointment and each individual shall be eligible to be re-appointed to successive terms.~~

~~(2) If a member of the hearing committee is serving on a Hearing Panel at the expiration of their three year term and the individual is not re-appointed to the hearing committee, the term of that individual shall be automatically extended until the completion of the proceeding then before the Hearing Panel.~~

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~~(c) in the opinion of the Corporate Governance Committee, will have a reasonable apprehension of bias in respect of matters that may come before a Hearing Panel; or~~

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~~(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.~~

~~(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.~~

~~PART C. HEARING PANELS~~

~~1.6. Selection of Hearing Panel~~

~~(1) Any Enforcement Proceeding or Review Proceeding pursuant to Rules of the Corporation shall be heard by a Hearing Panel selected by the National Hearing Coordinator comprised of two Industry Members and one Public Member appointed to the hearing committee of the applicable District subject to subsection (2).~~

~~(2) Hearing committee members may serve on Hearing Panels in other Districts where both chairs of the respective hearing committees consent. Notwithstanding the foregoing sentence or any other provision of the By-laws or Rules, Hearing Panels considering matters that relate to the conduct or activities in the Province of Quebec shall be composed mainly of persons residing in Quebec.~~

~~(3) The National Hearing Coordinator shall not select any~~

~~(d) has otherwise ceased to be suitable and qualified to serve on the hearing committee.~~

~~(4) If an individual is removed from the hearing committee in accordance with subsection (3), the individual shall cease to qualify on any Hearing Panel on which the individual is serving at the time of their removal from the hearing committee.~~

~~PART C. HEARING PANELS~~

~~1.6. Selection of Hearing Panel~~

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~~individual to be a member of any Hearing Panel with respect to any matter if the member:~~

~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~

~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~

~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~

~~(d) is precluded from acting in such capacity by reason of any statutory requirement applicable to the District in which the hearing will be held;~~

~~(e) is the chair of the Hearing Committee of the District and the National Hearing Coordinator consulted the chair with respect to the selection of the Hearing Panel, or~~

~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the Corporation, is precluded from~~

~~individual to be a member of any Hearing Panel with respect to any matter if the member:~~

~~(a) is an officer, partner, director, employee or an associate of, or is providing services to any person that is a subject of the hearing, order or interim order;~~

~~(b) has or had such other relationship to the person or matter that is a subject of the hearing, order or interim order as may give rise to a reasonable apprehension of bias;~~

~~(c) represents any parties to hearings under the Rules of the Corporation during his or her appointment to the hearing committee;~~

~~(d) is precluded from acting in such capacity by reason of any statutory requirement applicable to the District in which the hearing will be held;~~

~~(e) is the chair of the Hearing Committee of the District and the National Hearing Coordinator consulted the chair with respect to the selection of the Hearing Panel, or~~

~~(f) in connection with a hearing, order or interim order in respect of a Marketplace Rule for the purposes of the Rules of the Corporation, is precluded from~~

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~~acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~

~~1.7. Chair of Hearing Panels~~

~~(1) A Public Member of a hearing committee shall be appointed to serve as the chair of the Hearing Panel.~~

~~1.8. Provisions for Hearing Panels~~

~~(1) If a member (including the chair) of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make provided that the Hearing Panel may only continue to deal with any matter with the consent of all parties to the hearing.~~

~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~

~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and Procedure,~~

~~acting in such capacity by reason of any requirement in the recognition order or registration under the applicable securities legislation of the relevant Marketplace.~~

~~1.7. Chair of Hearing Panels~~

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~~(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel. In the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.~~

~~(3) If any member of a Hearing Panel is unable to continue to be a member of the Hearing Panel by reason of participation in a pre-hearing conference as authorized by the Practice and Procedure,~~

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	<p>the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule 1.6.</p>	<p>the National Hearing Coordinator shall select a replacement for the individual such that the composition of the Hearing Panel shall be as provided in Rule 1.6.</p>
	<p>PART D. TRANSITIONAL PROVISIONS</p>	<p>PART D. TRANSITIONAL PROVISIONS</p>
	<p>1.9. Enforcement Proceedings</p>	<p>1.9. Enforcement Proceedings</p>
	<p>(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:</p>	<p>(1) Any Enforcement Proceeding commenced by the IDA or RS in accordance with their respective rules prior to June 1, 2008:</p>
	<p>(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and</p>	<p>(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was commenced; and</p>
	<p>(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was</p>	<p>(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA or RS, as applicable, and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding at the time it was</p>

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~~commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding, this Rule shall apply to the appointment of the hearing panel.~~

~~(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding~~

~~commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such Enforcement Proceeding, this Rule shall apply to the appointment of the hearing panel.~~

~~(2) Any Enforcement Proceeding commenced on or after June 1, 2008 by the Corporation on behalf of the IDA or RS with respect to compliance with the by-laws, decisions, directions, policies, regulations, rules and rulings of the IDA or RS, as applicable, relating to conduct that occurred prior to June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the commencement of the Enforcement Proceeding notwithstanding that the conduct which is the subject of the Enforcement Proceeding occurred prior to June 1, 2008. However, in any such proceeding the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA or RS, as applicable, in effect and applicable to such conduct at the time it occurred shall apply to the extent that it is not inconsistent with the Practice and Procedure in effect at the time the Enforcement Proceeding~~

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~~is commenced.~~

~~1.10. Review Proceedings~~

- ~~(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request:~~
- ~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~
- ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and~~

~~is commenced.~~

~~1.10. Review Proceedings~~

- ~~(1) Any Review Proceeding that has been requested prior to June 1, 2008 by the IDA, a Member, an Approved Person, an Applicant, or other person subject to the jurisdiction of the IDA in accordance with the rules of the IDA in effect and applicable at the time of the request:~~
- ~~(a) in respect of which a hearing panel has been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced; and~~
- ~~(b) in respect of which a hearing panel has not been appointed, shall be continued by the Corporation on behalf of the IDA and shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the IDA in effect and applicable to such Review Proceeding at the time it was commenced, except that despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and~~

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~~procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~

~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~

~~**1.11 Continuing Membership of Hearing Committees**~~

~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~

~~procedure of the IDA in effect and applicable to such Review proceeding, this Rule shall apply to the appointment of the hearing panel.~~

~~(2) Any Review Proceeding that has been requested on or after June 1, 2008 shall be undertaken in accordance with the Practice and Procedure in effect on the date of the request of the Review Proceeding notwithstanding that the conduct or application which is the subject of the Review Proceeding occurred prior to June 1, 2008.~~

~~**1.11 Continuing Membership of Hearing Committees**~~

~~Each individual who on May 31, 2008 was a member of a hearing committee of the IDA or RS shall be automatically deemed to be a member of the hearing committee of the Corporation and the term of each such individual as a member of the hearing committee of the Corporation shall expire on the date that his or her term as a member of the hearing committee of the IDA or RS would have expired.~~

Rule 8400

Rules of Practice and Procedure

GENERAL

8401. Introduction

- (1) The Rules of Practice and Procedure set out the rules that govern the conduct of the Corporation's enforcement proceedings and regulatory review hearings to secure fair and efficient proceedings and just determinations.

~~**UMIR 10.8 Practice and Procedure**~~

~~The practice and procedure governing hearings pursuant to this Part shall be made by Policy.~~

New

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8402. Definitions

(1) The following terms have the meaning set out when used in this Rule:

"application" means an application that commences a proceeding under Rule 8200 (Enforcement Proceedings) and includes an application for a temporary order or an expedited hearing.

"commencing notice" means a notice of hearing, notice of application, notice of motion, notice of prehearing conference and notice of request for review.

"decision" means a determination made by a hearing panel.

"document" includes a record, sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any electronic or other device.

"electronic hearing" means a hearing held by conference telephone or another form of electronic technology that allows persons to hear one another.

"file" means file with the *National Hearing Coordinator* in accordance with section 8406.

"oral hearing" means a hearing at which the parties or their counsel or agents attend before a hearing panel in person.

"prehearing conference" means a prehearing conference held pursuant to section 8416 of the *Rules of Practice*.

"regulatory decision" means a decision made under sections 9204, 9206 or 9207 (Approvals and Regulatory Supervision) or Dealer Member Rule 30 (early level warning 2 prohibitions).

"requesting party" means a person who requests a review hearing under sections 8427 or 8430 of the *Rules of Practice*.

"responding party" means a person responding to

~~POLICY 10.8 — PRACTICE AND PROCEDURE~~~~Part 1 — General Procedure and Practice~~~~1.1 — Definitions~~

~~In this Policy, unless the subject matter or context otherwise requires:~~

~~"applicant" means the party who instituted the proceedings for a written hearing.~~

~~"document" — repealed~~

~~"electronic hearing" means a hearing held by conference telephone or some other form of electronic technology allowing persons to hear one another.~~

~~"oral hearing" means a hearing at which the parties or their counsel or agents attend before the Hearing Panel in person.~~

~~"party" includes the staff of the Market Regulator.~~

~~"Secretary" means the Secretary of the Market Regulator or other officer, employee or agent of the Market Regulator designated in writing from time to time by the Secretary to perform the functions of the Secretary for the purposes of this Policy as may be specified in the designation by the Secretary.~~

~~"written hearing" means a hearing held by means of the exchange of documents, whether in written form or by electronic means.~~

~~Rules of Practice 1.3 — Definitions~~

~~In these Rules:~~

~~"Appeal Panel" means a panel presiding over an appeal as set out in Dealer Member Rule 20.50.~~

~~"Appellant" means a party bringing an appeal.~~

~~"Corporation" means the Investment Industry Regulatory Organization of Canada.~~

~~"Board Panel" means a Panel presiding over a membership approval review hearing as set out in Dealer Member Rule 20.22(3).~~

~~"Chair" means a public member of the Hearing Panel.~~

~~"Commencing document," means Notice of Hearing, Notice of Application, Notice of Motion, Notice of Request for Review and Notice of Appeal.~~

~~"District Council Panel" means a panel presiding over an exemption review hearing as set out in Dealer Member Rule 20.26(4).~~

~~"Document" means any information recorded or stored by means of any device including audiotape, videotape, chart or graph.~~

~~"Hearing" means any hearing conducted pursuant to Dealer Member Rule 20.~~

~~"Hearing Committee" means public and industry members of a District Council of the Corporation or other individuals, as prescribed by Part 5 of Dealer Member Rule, appointed for the purpose of selection to Hearing Panels and Appeal Panels.~~

~~"Hearing Panel" means a Panel presiding over individual approval~~

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a motion or to a request for a review hearing under sections 8427 or 8430 of the *Rules of Practice*.

"written hearing" means a *hearing* held by means of an exchange of documents, whether in hard copy or by electronic means.

~~review hearings, early warning level 2 review hearings, disciplinary hearings, settlement hearings, expedited hearings and expedited review hearings as set out in Dealer Member Rule 20.13.~~

~~"Holiday" shall include:~~

- ~~(i) any Saturday or Sunday;~~
- ~~(ii) any federal statutory holiday;~~
- ~~(iii) any Provincial Civic holiday (applicable to the jurisdiction of the matter in consideration);~~
- ~~(iv) any special holiday proclaimed by the Governor General or the Lieutenant Governor.~~

~~"Member" means a member firm of the Corporation.~~

~~"National Hearing Coordinator" means the individual responsible for the administration of all proceedings including being responsible for the selection of the Panels, the scheduling of hearings, and custody and control of documents.~~

~~"Panel" means a Hearing Panel, District Council Panel, Board Panel or Appeal Panel.~~

~~"Party" means the Corporation, Respondent, Requesting Party, Responding Party or Appellant.~~

~~"Presiding Officer" means a public member of the Hearing Committee appointed to hear a motion or Pre-hearing Conference.~~

~~"Proceedings" means all steps in enforcement, registration, appeal or early warning matters, from the issuance of the commencing document to the final disposition of the~~

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8403. General Principles

- (1) The *Rules of Practice* shall be interpreted and applied to secure a fair hearing and just determination of a proceeding on its merits and the most expeditious and least expensive conduct of the proceeding.
- (2) No proceeding, *document* or *decision* in a proceeding is invalid by reason of a defect or other irregularity in form.
- (3) Subject to a requirement in the *Rules of Practice*, a *hearing panel* has authority to control the process of a proceeding before it and may exercise any of its powers on its own initiative or at the request of a *party*, including
- (i) issuing procedural directions or orders with respect to the application of the *Rules of Practice* in respect of any

~~1.2 Procedural Power of Hearing Panel~~

- ~~(1) A Hearing Panel may:~~
- ~~(a) exercise any power under this Policy on its own initiative or at the request of a party;~~
- ~~(b) issue general or specific procedural directions at any time before or during a hearing; and~~
- ~~(c) waive any procedural requirement with the consent of the parties.~~
- ~~(2) A Hearing Panel may hear such evidence relating to a matter that the Hearing Panel deems relevant and the Hearing Panel is not bound by the legal or technical rules of evidence.~~

~~matter.~~~~"Requesting Party" means a party requesting any review hearing pursuant to Dealer Member Rule 20.~~~~"Respondent" means an approved individual or Dealer Member named in a Notice of Hearing, Settlement Agreement, Notice of Application or a party named in the Notice of Appeal against whom the appeal is brought.~~~~"Responding Party" means a party responding to a Request for Review or a Notice of Motion.~~~~"Rules" means the Corporation Rules of Practice and Procedure.~~~~1.4 Interpretation of Rules~~~~For the purpose of these Rules any term in the singular includes the plural and any term in the plural includes the singular, if such use would be appropriate.~~~~1.2 General Principle~~~~These Rules shall be interpreted and applied to secure a fair hearing and a just determination in the interests of justice, with a view to securing such result in a timely and cost effective manner.~~~~1.5 Procedural Power of the Panel~~~~A Panel may:~~

- ~~(a) make any determination, hold any hearing and make any decision, order, interim order or impose any terms required to implement such order, required or permitted under these Rules;~~
- ~~(b) admit as evidence in a hearing, whether or not given or proven under oath or affirmation,~~

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<p>proceeding,</p> <p>(ii) imposing terms or conditions in a direction or order,</p> <p>(iii) admitting or requiring presentation of evidence on oath, affirmation or otherwise,</p> <p>(iv) waiving or varying any <i>Rule of Practice</i> in respect of a proceeding,</p> <p>(v) requiring parties to file documents electronically, and</p> <p>(vi) at the request of a party, making an interim <i>decision</i> or order, including a <i>decision</i> or order that is subject to terms and conditions.</p> <p>(4) At the request of a party, a hearing panel may provide for any procedural matter that is not provided for in <i>Corporation requirements</i> or the <i>Rules of Practice</i> by analogy to the <i>Rules of Practice</i> or by reference to the rules of practice of another self-regulatory organization or professional association or to the rules applicable to a <i>securities regulatory authority</i> or superior court in the <i>District</i> in which the proceeding occurs.</p>	<p>(3) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.</p> <p>(4) If any provision of this Policy is inconsistent with any applicable statutory requirement, the Hearing Panel shall order such change in the practice and procedure as to comply with the applicable statutory requirement.</p> <p>1.3 Irregularity in Form</p> <p>No determination, document, hearing, order or interim order is invalid by reason only of a defect or other irregularity in form.</p>	<p>anything that is relevant to the proceedings;</p> <p>(e) require presentation of evidence or testimony under oath or affirmation; and</p> <p>(d) waive any procedural requirement set out in these Rules upon the request of one or both parties.</p> <p>1.6 Irregularity of Form</p> <p>No document, hearing, or decision in a proceeding is invalid only because of a defect or irregularity in form.</p>
<p>8404. Time</p> <p>(1) When computing time under the <i>Rules of Practice</i>,</p> <p>(i) the number of days between two events are counted by excluding the day on which the first event occurs and including the day on which the second event occurs,</p> <p>(ii) if a period of less than seven days is prescribed, only <i>business days</i> are to be counted,</p> <p>(iii) if the time for doing an act expires on a day that is not a <i>business day</i>, the act may be done on the next <i>business day</i>, and</p> <p>(iv) a document that is served or filed</p>	<p>1.5 Service and Filing</p> <p>.</p> <p>.</p> <p>(6) Extension or Abridgment of Time Any time period prescribed by this Policy may be extended or abridged as follows:</p> <p>(a) upon order of the Hearing Panel or after expiration of a prescribed time period on such terms as the Hearing Panel considers appropriate; or</p> <p>(b) on consent of the parties before the expiration of a prescribed time period.</p>	<p>RULE 2: TIME</p> <p>2.1 Computation of Time</p> <p>In the computation of time under these Rules:</p> <p>(a) if a period of less than 7 days is prescribed, holidays are not counted;</p> <p>(b) if the time for doing an act under these Rules expires on a holiday, the act may be done on the next day that is not a holiday.</p> <p>2.2 Extension or Abridgment of Time</p> <p>Any time period prescribed by these Rules may be extended or abridged as</p>

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after 4 p.m. is deemed to have been served or filed on the next *business day*.

- (2) A time period prescribed by the *Rules of Practice* may be extended or abridged
- (i) before its expiration, on consent of the *parties*, or
- (ii) before or after its expiration, by a *hearing panel* on any terms and conditions the *hearing panel* considers appropriate.

8405. Appearance and Representation

New

- (1) A *party* in a proceeding may be self-represented or may be represented by counsel or an agent.
- (2) A self-represented party must *file* and keep current during a proceeding the party's address, telephone number, facsimile number and email address, as applicable.
- (3) A *person* who appears as counsel or agent for a *party* in a proceeding must *file* and keep current during the proceeding the *person's* address, telephone number, facsimile number and email address, as applicable, and the name and address of the *party* represented.
- (4) A *party* who is represented by counsel or an agent may
- (i) change the counsel or agent by serving on the counsel or agent and on every other *party*, and *filing*, a notice of change giving the name, address, telephone number, facsimile number and email address of the new counsel or agent, as applicable, or
- (ii) elect to act in person by serving on the counsel or agent and on every other *party*, and *filing*, a notice of intention to act in person, giving the *party's* address, telephone number, facsimile number and email address, as applicable.
- (5) A *party* who appoints a new counsel or agent in the course of a proceeding must comply with

~~follows:~~

- ~~(a) on consent of the parties before the expiration of a prescribed time period; or~~
- ~~(b) upon order of the Panel before or after the expiration of a prescribed time period, on such terms and conditions as the Panel considers appropriate.~~

~~**RULE 3: APPEARANCE AND REPRESENTATION**~~

~~**3.1 Representation before a Panel**~~

~~In any proceeding before a Panel, a party may appear on her/his own behalf or may be represented by counsel or agent.~~

~~**3.2 Change in Representation**~~

~~A party may change representation by serving and filing written notice pursuant to Rule 5.~~

~~**3.3 Withdrawal by Counsel or Agent**~~

- ~~1. Counsel or agent for a party may withdraw as counsel or agent by serving and filing written notice pursuant to Rule 5 and by serving notice on the subject party.~~
- ~~2. Where counsel or agent for a party seeks to withdraw as counsel or agent less than 30 days prior to the matter being heard by a Panel, leave must be obtained on motion brought pursuant to Rule 8.~~
- ~~3. Where leave is granted and a party appoints new counsel or agent, the party shall then comply with Rule 3.2.~~

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clause 8405(4) (i) .

- (6) Counsel or an agent for a party may withdraw as counsel or agent by serving on the party and other parties and filing a written notice of withdrawal.
- (7) If counsel or an agent for a party seeks to withdraw as counsel or agent less than thirty days prior to the date on which a matter is scheduled to be heard by a hearing panel, the counsel or agent may withdraw only with leave of the hearing panel obtained on a motion.
- (8) Where a party is represented by counsel or an agent,
- (i) documents served on the party must be served on the party's counsel or agent, unless the Rules of Practice require otherwise,
- (ii) communications with the party must be with the party's counsel or agent, and
- (iii) the party must address a hearing panel through the party's counsel or agent.

8406. Service and Filing

- (1) A document required to be served under the Rules of Practice must be served on all parties to the proceeding.
- (2) A notice of hearing under section 8414, a notice of application under section 8425 or 8426, a notice of request for review from a decision made under Rule 9200 (Approvals and Regulatory Supervision) and a decision of a hearing panel on the merits of such a proceeding that is served on an Approved Person must, for information purposes, be sent concurrently to the Dealer Member that employs the Approved Person.
- (3) Subject to subsection 8406(4), a document required to be served must be served by one of the following methods:
- (i) personal delivery to the party,

~~Policy 10.8 — PRACTICE AND PROCEDURE 1.5
— Service and Filing~~

- ~~(1) Service — A document required under this Policy to be served must be served by one of the following methods:~~
- ~~(a) personal service on an individual, by leaving a copy of the document with the individual;~~
- ~~(b) personal service on any corporation, by leaving a copy of the document with an officer or director of the corporation, or with an individual at any place of business of the corporation who appears to be in control~~

~~RULE 5: — SERVICE AND FILING~~

~~5.1 — Parties to be Served~~

~~Any document required to be served under these Rules shall be served on every adverse party to the proceeding.~~

~~5.2 — Manner of Service — Notice of Hearing~~

~~A Notice of Hearing shall be served by one of the following methods:~~

~~(a) by personal service on the Respondent;~~

~~(b) by delivering a copy of the Notice of Hearing by registered mail to the Respondent's last known address as recorded in the Organization's Registration file;~~

~~or~~

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<p>(ii) delivery to the party's counsel or agent,</p> <p>(iii) delivery to an adult person at the party's place of residence, employment or business or the place of business of the party's counsel or agent,</p> <p>(iv) if the party is a corporation, delivery to an officer, director or agent of the corporation or a person at any place of business of the corporation who appears to be in control or management of the place of business,</p> <p>(v) if the party is a partnership, delivery to a partner or a person at any place of business of the partnership who appears to be in control or management of the place of business,</p> <p>(vi) mail or courier to the last known address of the party or the party's counsel or agent,</p> <p>(vii) electronic transmission to the facsimile number or e-mail address of the party or the party's counsel or agent, or</p> <p>(viii) by any other means authorized by a hearing panel.</p> <p>(4) A notice of hearing and a notice of application must be served by</p> <p>(i) personal delivery to the party,</p> <p>(ii) registered mail to the party's last known address,</p> <p>(iii) delivery to the party's counsel or agent, with the consent of counsel or the agent,</p> <p>(iv) any other method set out in subsection 8406(3) to which the party consents, or</p> <p>(v) any other means authorized by a hearing panel.</p> <p>(5) Service of a document is deemed to be</p>	<p>or management of the place of business;</p> <p>(e) service by sending a copy of the document by mail, courier or telephone transmission to the last known address or fax number of the party to be served;</p> <p>(d) service on a party who is represented by a solicitor or an agent by,</p> <p>(i) acceptance of a copy of the document on behalf of the solicitor or the agent;</p> <p>(ii) sending a copy of the document by mail, courier or telephone transmission to the officer of the solicitor or agent, or</p> <p>(iii) depositing a copy of the document at a document exchange of which the solicitor or agent is a member or subscriber; or</p> <p>(e) service by any other method permitted by the Hearing Panel.</p> <p>(2) Proof of Service The Hearing Panel may accept proof of service of a document by an affidavit of the person who served it.</p> <p>(3) Filing A document required to be filed with the Hearing Panel under this Policy must be filed by either personal delivery of a copy or sending a copy by mail, courier or telephone transmission to the Secretary.</p>	<p>(e) where a Respondent is represented by counsel, by delivering a copy of the Notice of Hearing to the Respondent's counsel with the consent of counsel.</p> <p>5.3 Manner of Service Other Documents</p> <p>Where these Rules require a document other than a Notice of Hearing to be served, it may be served by mail, courier, facsimile, or by any other means effective to deliver a copy of the document.</p> <p>5.4 Effective Date of Service</p> <p>Service of a document is deemed effective:</p> <p>(a) if served personally, on the same day of service;</p> <p>(b) if sent by mail, on the fifth day after the day of mailing;</p> <p>(c) if sent by facsimile, on the same day as the transmission unless received after 4 p.m., in which case the document will be deemed to have been served on the next day that is not a holiday; or</p> <p>(d) if sent by courier, on the second day after the day on which the document was given to the courier.</p> <p>5.5 Proof of Service</p> <p>The Hearing Panel may accept proof of service of a document by a sworn statement of the person who served the document.</p> <p>5.6 Filing</p> <p>A document required to be filed under</p>
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<p>effective, when delivered no later than 4 p.m.,</p> <p>(i) by delivery, on the day of delivery,</p> <p>(ii) by mail, on the fifth day after mailing,</p> <p>(iii) electronically, on the day of transmission,</p> <p>(iv) by courier, on the earlier of the day noted on the delivery receipt or the second day after the day on which it was given to the courier.</p> <p>(6) Service of a <i>document</i> may be proved by an affidavit of the <i>person</i> who served it.</p> <p>(7) A <i>document</i> required to be <i>filed</i> under the <i>Rules of Practice</i> must be <i>filed</i> by delivering or sending by mail, courier or facsimile transmission four copies of the <i>document</i>, with proof of service, to the <i>National Hearing Coordinator</i> at the <i>Corporation's</i> offices in the <i>District</i> in which the proceeding is conducted.</p> <p>(8) The <i>National Hearing Coordinator</i> may</p> <p>(i) require more or permit fewer than four copies of a <i>document</i> to be <i>filed</i>, and</p> <p>(ii) permit or require <i>filing</i> of a <i>document</i> by e-mail, provided that the party also <i>files</i> four printed copies forthwith.</p> <p>(9) A party who serves or <i>files</i> a <i>document</i> must include with it</p> <p>(i) the party's name, address, telephone number, facsimile number and e-mail address, as applicable, or</p> <p>(ii) if the party is represented by counsel or an agent, the name, address, telephone number, facsimile number and e-mail address of the party's counsel or agent,</p> <p>(iii) the name of the proceeding to which the <i>document</i> relates, and</p> <p>(iv) the name of each party, counsel or agent served with the <i>document</i>.</p>	<p>(4) Effective Date of Service or Filing — Service or filing of a document is deemed to be effective:</p> <p>(a) if served personally, on the same day as service;</p> <p>(b) if sent by mail, on the fifth day after the day of mailing;</p> <p>(c) if sent by telephone transmission, on the same day as the transmission unless received after 5 p.m., in which case the document will be deemed to have been served or filed on the next day that is not a holiday;</p> <p>(d) if sent by courier, on the second day after the day on which the document was given to the courier by the party serving or filing, unless the second day is a holiday, in which case the effective date is the next day which is not a holiday;</p> <p>(e) if deposited at a document exchange, on the first day after the day on which the document was deposited, unless the first day is a holiday, in which case the effective date is the next day which is not a holiday; or</p> <p>(f) as otherwise ordered by the Hearing Panel.</p> <p>(5) Required Information on Documents — A party serving or filing a document shall include the following information:</p>	<p>these Rules shall be filed by delivering four (4) copies to the National Hearing Coordinator or his/her designate by personal delivery, mail, courier, or facsimile.</p> <p>5.7 Required Information — Service and Filing</p> <p>A party serving or filing a document shall include the following information:</p> <p>(a) the name of the proceeding to which the document relates;</p> <p>(b) the party's name, address, telephone number and facsimile number, unless the party has counsel or an agent;</p> <p>(c) if the party has counsel or an agent, the name, address, telephone number and fax number of the counsel or agent; and</p> <p>(d) the name of the party, counsel or agent to be served with the document.</p>
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(10) Subject to *Corporation requirements*, a document that is filed must be made available by the *National Hearing Coordinator* for public inspection during the *Corporation's* normal business hours, unless confidentiality is requested and a *hearing panel* applying the standard in Rule 8203(6) or 8203(7) (Enforcement Proceedings) orders otherwise.

~~(a) the party's name, address, telephone number and fax number;~~
~~(b) the style of cause of the hearing to which the document relates;~~
~~(c) the name, address, telephone and fax number of the party's solicitor or agent; and~~
~~(d) the name of the party or solicitor or agent with whom the document is being served or filed.~~

8407. National Hearing Coordinator

(1) The *National Hearing Coordinator* administers all proceedings brought pursuant to the *Rules of Practice*, including

- (i) the selection of members of *hearing panels*,
- (ii) scheduling and arranging *hearings* and *prehearing conferences*,
- (iii) care, custody and distribution to members of *hearing panels* of *filed documents*,
- (iv) maintaining a *hearing record*, including original exhibits,
- (v) dating and distributing written *hearing panel decisions* and reasons to *parties* to a proceeding,
- (vi) issuing and serving a notice or summons to attend and testify or produce *documents*, where so authorized by a *decision* of a *hearing panel*, and
- (vii) any other administrative functions that are reasonably necessary for the efficient conduct of a proceeding.

(2) The *National Hearing Coordinator* acts as liaison between members of a *hearing panel* and *parties* to a proceeding and, other than in the course of an *oral hearing* or *electronic hearing*,

See also above SCHEDULE C.1
 TO TRANSITION RULE NO. 1
 HEARING COMMITTEES AND HEARING PANELS RULE
 To be repealed.

~~ROP RULE 4: NATIONAL HEARING CO-ORDINATOR~~
~~4.1 Role of National Hearing Coordinator~~
~~The National Hearing Coordinator shall, pursuant to Dealer Member Rule 20.14, administer all proceedings brought in accordance with these Rules.~~
~~4.2 Parties to follow Practice Direction~~
~~The parties shall communicate and file documents with the National Hearing Coordinator or her/his designate in accordance with these Rules and the Notes and Practice Direction contained in Schedule "A".~~
~~SCHEDULE "A" — NOTES & PRACTICE DIRECTION RE: NATIONAL HEARING COORDINATOR~~
~~A. DUTIES~~
~~A.1 Admission of Proceedings~~
~~The National Hearing Coordinator is responsible for the administration of all proceeds brought pursuant to Dealer Member Rule 20, which includes the following:~~
~~(a) the selection of Panel Members;~~

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a party must communicate to a hearing panel through the *National Hearing Coordinator* and serve all other parties with the communication.

- (3) The *National Hearing Coordinator* may seek the advice of the chair of a *hearing committee* with respect to legal, administrative or procedural issues.
- (4) The *National Hearing Coordinator*, after consultation with the chairs of the *hearing committees* in all *Districts*, may publish on the *Corporation's* website guidelines concerning practices to be followed under the *Rules of Practice*.
- (5) The *National Hearing Coordinator* may prescribe the form and format of *documents* and forms that are required to be *filed* under the *Rules of Practice*.
- (6) The *National Hearing Coordinator* may designate individuals to perform the functions for which the *National Hearing Coordinator* is responsible under the *Rules of Practice*.

- ~~(b) the scheduling and arrangement of Pre-hearing Conferences, motions, hearings and appeals,~~
- ~~(c) the care, custody and distribution to panel members of all documents required to be filed pursuant to the Rules of Practice and Procedure,~~
- ~~(d) the maintenance of the hearing record including original exhibits,~~
- ~~(e) distribution of written panel decisions to all parties to the proceeding, and~~
- ~~(f) any other administrative duties reasonably necessary for the efficient operation of a proceeding.~~

~~Transition Rule No. 1, Schedule C.1~~

~~1.4. Appointment of Hearing Committee Chairs~~

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- ~~(2) The chair of the hearing committee shall play an advisory role with respect to any legal, administrative or procedural issues or any issues regarding selection of Hearing Panel members raised by the National Hearing Coordinator.~~

8408. Hearing Panels

- (1) The *National Hearing Coordinator* is responsible for the selection of members of a *hearing panel* from members of a *hearing committee*.
- (2) In connection with the selection of a *hearing panel*, the *National Hearing Coordinator* may consult with or seek the advice of the chair

~~1.3 HEARING COMMITTEES AND PANELS~~

~~1.3.1 General~~

~~This Transition Rule No. 1.3 is made to provide for the manner and basis on which Hearing Committees and Hearing Panels of the~~

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of a hearing committee.

- (3) For a hearing under sections 8209, 8210, 8215 (Enforcement Proceedings) or Rule 9200 (Regulatory Review Proceedings), the *National Hearing Coordinator* must, subject to subsections 8408(4) and 8408(6), select two *industry members* and one *public member* from the hearing committee of the applicable *District* as members of the hearing panel.
- (4) If the chairs of both *hearing committees* consent, the *National Hearing Coordinator* may select a member of a *hearing committee* in one *District* to serve on a *hearing panel* in another *District*, but a *hearing panel* that considers a matter in Quebec must have a majority of members who reside in Quebec.
- (5) The *National Hearing Coordinator* must appoint a *public member* as the chair of a *hearing panel*, and if the matter is in Quebec, the chair must be a *public member* of the *hearing committee* in the Quebec District.
- (6) The *National Hearing Coordinator* may select a *public member* of a *hearing committee* to serve as the *hearing panel* in a proceeding under section 8211 (Temporary Orders) or section 8212 (Expedited Hearings), a motion or *prehearing conference*, or to act as case manager of a proceeding.
- (7) The *National Hearing Coordinator* must not select an *individual* to be a member of a *hearing panel*, if the *individual*
- (i) is an officer, partner, director, employee or associate of, or is providing services to, a *party* or if a *party* is an affiliate, associate or employee of another *person* with whom the individual is in such a relationship,
 - (ii) has or had another relationship to a *party* or matter that may create a reasonable apprehension of bias,

~~Corporation shall be constituted. The intention of this Transition Rule No. 1.3 is that such Hearing Committees and Hearing Panels shall be constituted in the same manner with respect to any Enforcement Proceeding or Review Proceeding, as defined in Schedule C.1 to this Transition Rule No. 1, involving any Regulated Persons of the Corporation, whether such Regulated Persons be subject to UMIR or the Dealer Member Rules.~~

~~1.3.2 Hearing Committee and Hearing Panel Rules~~

~~The rules set out in Schedule C.1 to this Transition Rule No. 1 are hereby made as Rules of the Corporation, subject to the terms and conditions provided for in Transition Rule No. 1.~~

See Schedule C.1 to Transition Rule No. 1 - Hearing Committees and Hearing Panels Rule, above.

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(iii) is precluded from acting as a member of the *hearing panel* by a *Corporation requirement*, any statutory requirement applicable in the *District* in which the *hearing* is held or by the recognition order or registration under applicable securities legislation of a *Marketplace* whose rules are the subject of the *hearing*, or

(iv) was consulted by or advised the *National Hearing Coordinator* in connection with the selection of the *hearing panel*.

(8) The *National Hearing Coordinator* may not select an *individual* who is a member of a *hearing panel* in a proceeding under sections 8211 or 8212 as a member of a *hearing panel* on a subsequent *hearing* relating to the same matter, including a motion for a stay of a sanction imposed under section 8212 (Enforcement Proceedings), unless all *parties* consent to the selection of the member.

(9) The *National Hearing Coordinator* may not select a member of a *hearing panel* who participates in a *prehearing conference* or who case manages a proceeding to be a member of the *hearing panel* on the merits, unless all *parties* consent to the selection of the member.

(10) If a member of a *hearing panel* becomes unable to continue to serve as a member of the *hearing panel* for any reason, the remaining members may continue to hear the matter and render a *decision*, but only with the consent of all *parties*, and if neither of the remaining members is the chair, the *hearing panel* may retain its own legal counsel to advise it on legal and procedural issues, but not on the merits of the proceeding.

(11) A *decision* of a *hearing panel* must be made by a majority of its members, and if the *hearing panel* consists of two members, must be unanimous.

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8409. Form of Hearings

- (1) Subject to subsections 8409(2) to 8409(9), a *hearing panel* may conduct a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*.
- (2) Subject to subsections 8409(3) to 8409(9), a *written hearing* may be held only for
- (i) a motion relating to procedural issues,
 - (ii) a *hearing* on agreed facts, and
 - (iii) any other motion or an application that a *hearing panel* considers appropriate.
- (3) In determining whether to hold a *hearing* as an *oral hearing*, *electronic hearing* or *written hearing*, a *hearing panel* may consider any relevant factors, including
- (i) the nature of the *hearing*, the subject matter of the *hearing*, and the issues to be addressed, including whether they are issues of fact, law or procedure,
 - (ii) the evidence to be presented, including whether facts are in dispute and credibility is an issue,
 - (iii) the cost, efficiency and timeliness of the *hearing* or the proceeding,
 - (iv) the fairness of the *hearing* process to, and the convenience of, each of the parties, and
 - (v) accessibility to the public.
- (4) A party may request an *electronic hearing* or *written hearing* in a *commencing notice*.
- (5) If an *electronic hearing* or *written hearing* is requested,
- (i) in a notice of hearing, a party may object to the requested form of *hearing* in the party's response or by bringing a motion,
 - (ii) in a *commencing notice* other than a notice of hearing, a party may object to the requested form of *hearing* by serving and

~~Policy 10.8 — PRACTICE AND PROCEDURE~~

New

~~Part 5 — Form of Hearing~~~~5.1 — Factors in Determining to Hold Oral, Electronic or Written Hearing~~

~~In deciding whether to hold an oral hearing, written hearing or electronic hearing, the Hearing Panel shall take into account any relevant factors, which may include:~~

- ~~(a) the suitability of the hearing format considering the subject matter of the hearing, including the extent to which matters are in dispute;~~
- ~~(b) whether the nature of the evidence is appropriate for the hearing format, including whether credibility is an issue and the extent to which the facts are in dispute;~~
- ~~(c) the extent to which the matters in dispute are questions of law;~~
- ~~(d) the convenience of the parties;~~
- ~~(e) the cost, efficiency and timeliness of the proceedings;~~
- ~~(f) avoidance of unnecessary length or delay;~~
- ~~(g) ensuring a fair and understandable process;~~
- ~~(h) the desirability or necessity of public participation or public access to the Hearing Panel's process; and~~
- ~~(i) any other consideration which may be taken into account in accordance with applicable legislation.~~

~~5.2 — Notice of Objection~~

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| <p><i>filing</i> a notice of objection within three days after the <i>commencing notice</i> is served on the <i>party</i>.</p> <p>(6) A notice of objection must state the reasons for the objection, including any prejudice the requested form of <i>hearing</i> may cause the <i>party</i> and the facts on which the <i>party</i> relies and may be accompanied by any evidence on which the <i>party</i> relies for the objection.</p> <p>(7) A <i>hearing panel</i> that receives a notice of objection may</p> <p>(i) accept the objection and refer the matter to the <i>National Hearing Coordinator</i> to set a date for an <i>oral hearing</i> or, with the consent of all <i>parties</i>, set a date for an <i>electronic hearing</i> or schedule for a <i>written hearing</i>,</p> <p>(ii) reject the objection, or</p> <p>(iii) order a <i>written hearing</i> to consider the objection and provide other <i>parties</i> an opportunity to respond to the notice of objection in a manner and time that the <i>hearing panel</i> directs.</p> <p>(8) If a notice of objection is filed, the <i>hearing panel</i> must render its <i>decision</i> on the form of <i>hearing</i> in writing as expeditiously as possible, taking into consideration the date and nature of the <i>hearing</i> and proceeding and the needs of the <i>parties</i> to present evidence and prepare and serve submissions and responding submissions.</p> <p>(9) A <i>hearing panel</i> may, on its own motion, at any stage of a proceeding make an order continuing</p> <p>(i) an <i>electronic hearing</i> or <i>written hearing</i> as an <i>oral hearing</i>,</p> <p>(ii) an <i>oral hearing</i> or a <i>written hearing</i> as an <i>electronic hearing</i>, and</p> <p>(iii) an <i>oral hearing</i> or an <i>electronic hearing</i>, as a <i>written hearing</i>, unless a</p> | <p>(1) A party who objects to a hearing being held as an electronic or as a written hearing shall file and serve on all other parties a Notice of Objection within 5 days after receiving the Notice of Hearing.</p> <p>(2) Despite subsection (1), a party may not object to the Hearing Panel conducting an electronic hearing to deal with procedural matters.</p> <p>5.3 Contents of Notice of Objection</p> <p>A Notice of Objection shall be in writing and shall:</p> <p>(a) state whether the holding of an electronic or written hearing is likely to cause the party significant prejudice;</p> <p>(b) set out reasons for the objection; and</p> <p>(c) state all facts upon which the party relies and provide the evidence on which the party relies in relation to the objection.</p> <p>5.4 Procedure When Objection Made</p> <p>If the Hearing Panel receives a Notice of Objection, the Hearing Panel shall:</p> <p>(a) accept the objection, cancel the form of hearing and either schedule an oral hearing or, with consent of the parties, schedule a written hearing or an electronic hearing as the case may be;</p> <p>(b) if permitted by applicable law, reject the objection provided the Hearing Panel is satisfied that there will not be significant</p> |
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party objects.

(10) A hearing panel that orders an *electronic hearing* may require one or more of the parties

(i) to make the arrangements for the *hearing*,
and

(ii) to pay all or part of the costs of
conducting the *hearing* as an *electronic hearing*.

~~prejudice to the objecting party,
inform every other party that they
are not required to respond to the
Notice of Objection and proceed
with the form of hearing specified
in the Notice of Hearing; or~~

~~(e) notify all other parties
that they may respond to the
Notice of Objection by serving on
every other party and filing a
written response in such form and
within such time as is directed by
the Hearing Panel and, after
considering the objection and all
responses, proceed with the form
of hearing specified in the Notice
of Hearing, schedule an oral
hearing, or, with consent of the
parties, schedule a written
hearing or an electronic hearing
as the case may be.~~

~~5.5 — Converting Type of Hearing~~

~~(1) Subject to any applicable
statutory requirements, the
Hearing Panel may continue:~~

~~(a) a written or electronic
hearing as an oral hearing;~~

~~(b) an oral or written hearing
as an electronic hearing; or~~

~~(c) an oral or electronic
hearing as a written hearing,
unless a party objects.~~

~~(2) If the Hearing Panel decides
to convert the type of hearing
that was specified in the Notice
of Hearing, the Hearing Panel
shall notify the parties of its
decision and may supply directions
as to the holding of that hearing
and any procedures for such~~

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8410. Hearing Panel Decisions

- (1) A *decision* of a *hearing panel* and the reasons for the *decision* must be dated by the *National Hearing Coordinator* and served on each party in accordance with subsection 8406(3) of the *Rules of Practice*.
- (2) The *Corporation* must publish on its website a summary of the *decision* of a *hearing panel*, except a *decision* in a *prehearing conference*, containing
- (i) the *Corporation requirement* or *law* that was contravened,
 - (ii) the essential facts,
 - (iii) the *decision*, including any sanction and costs, and
 - (iv) except where the *decision* rejects a *settlement agreement*, a statement that a copy of the *decision* may be obtained on the *Corporation's* website.
- (3) The *Corporation* must publish on its website a *decision* of a *hearing panel* and the reasons for the *decision*, except a *decision* and reasons rejecting a *settlement agreement*.
- (4) A *decision* made by a *hearing panel* on the merits of a proceeding must be recorded in the record maintained by the *Corporation* with respect to the *respondent*.
- (5) In addition to a *decision* accepting a *settlement agreement* and the reasons for it, the *Corporation* must publish and record information concerning the accepted *settlement agreement* in accordance with subsections 8410(2) to 8410(4), as if the *settlement agreement* were a *decision* on the merits.

~~hearing.~~**9-6 Disposition**

New

- ~~(1) The Hearing Panel shall give its final decision and order, if any, in a hearing in writing and shall give reasons in writing.~~
- ~~(2) The Hearing Panel shall send to each party to the hearing a copy of its final decision and order, if any, including the reasons therefor if any have been given by any method of service permitted under section 1.4 of this Policy.~~
- ~~(3) The disposition of the matter shall be included in the permanent record of the Market Regulator in respect of the person that is the subject of the hearing.~~
- ~~(4) The Market Regulator shall publish a summary of the decision and order, including:

 - ~~(a) the Requirement contravened or alleged to be contravened;~~
 - ~~(b) the facts;~~
 - ~~(c) the disposition of the matter, including any penalty or remedy imposed and any expenses assessed; and~~
 - ~~(d) a statement that any person may obtain or inspect a copy of the decision and order of the Hearing Panel.~~~~
- ~~(5) The Market Regulator shall publish the decision and order of the Hearing Panel and this obligation may be satisfied by the posting of the decision and order to any website maintained by the Market Regulator.~~

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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 the consent of a *hearing panel*, accompanied by the agreement of the other *parties*, 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 English or French, 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.

~~1.4 — Language of Proceedings~~

- ~~(1) If, in accordance with any applicable statutory requirement, a person would have a right to a hearing conducted in the French language then, upon the request of such person in writing to the Secretary or in such other manner as provided by law, all documents prepared by or on behalf of the Market Regulator and served or delivered on such person shall be in French and any hearing or other proceeding shall be conducted in French.~~
- ~~(2) Despite subsection (1), any document to be disclosed in accordance with section 8.1(1) of this Policy shall be provided in the language that the document was originally written.~~

8412. Commencement and Abandonment of Proceedings

- (1) A proceeding, and a step in a proceeding that requires a notice, is commenced upon the issuance by the *National Hearing Coordinator* of a *commencing notice* at the request of a *party*.
- (2) A *party* who requests the issuance of a *commencing notice* must first obtain a date from the *National Hearing Coordinator* for
 - (i) if the *commencing notice* is a notice of hearing, an initial appearance before a *hearing panel*,
 - (ii) if the *commencing notice* is a

See also below UMIR 10.8 Part 2 and Part 4 re Notice of Allegations and Notice of Hearing.

~~RULE 6— COMMENCEMENT OF PROCEEDINGS~~~~6.1 — Notice of Hearing~~

~~Discipline proceedings pursuant to Dealer Member Rule 20.30 shall be commenced by a Notice of Hearing.~~

~~6.2 — Designation of Track~~

~~When issuing a Notice of Hearing, the Organization shall designate the discipline proceeding as on a Standard Track or Complex Track, considering the factors set out in~~

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notice of application, the *hearing* of the application,

(iii) if the *commencing notice* is a notice of motion, the *hearing* of the motion,

(iv) if the *commencing notice* is a notice of prehearing conference, the *prehearing conference*, or

(v) if the *commencing notice* is a notice of request for review pursuant to sections 8427 or 8430 of the *Rules of Practice*, the *review hearing*,

and must submit a copy of the *commencing notice* to the *National Hearing Coordinator* with a request that it be issued.

(3) A request under subsection 8412(2) to the *National Hearing Coordinator* for a date or the issuance of a *commencing notice* must be made on a form prescribed by the *National Hearing Coordinator*.

(4) If a *hearing panel* sets a date for a *prehearing conference*, or other *hearing* other than in connection with a *commencing notice*, the *National Hearing Coordinator* must give written notice of the date to the *parties* by mail or electronic transmission in accordance with clause 8406(3) (vi) or 8406(3) (vii).

(5) Upon issuing a *commencing notice* or other notice of a *hearing*, the *National Hearing Coordinator* must place a copy of the *commencing notice* or other notice in a file maintained for the proceeding.

(6) The *Corporation* must publish on the *Corporation's* website an announcement of and copy of a *commencing notice* or other notice as soon as practicable after it is issued by the *National Hearing Coordinator*, unless the *commencing notice* is for an application under section 8211 made without notice to the *respondent* or is a notice of prehearing conference.

~~Rule 6.3.~~

~~6.3 Factors to Consider Regarding Track Designation~~

~~In designating a discipline proceeding as on the Standard Track or Complex Track, the Organization shall consider:~~

~~(a) the complexity of the factual and legal issues;~~

~~(b) the anticipated number of documents to be introduced at the hearing;~~

~~(c) the anticipated number of witnesses at the hearing;~~

~~(d) the likelihood of expert evidence at the hearing;~~

~~(e) the anticipated duration of the hearing; and~~

~~(f) any other factors that the Organization considers relevant to the procedural or substantive complexity of the proceeding.~~

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- (7) A party who initiates a proceeding or a step in a proceeding that requires a notice may abandon the proceeding or step before it has been decided by a *hearing panel* by serving and filing a notice of abandonment.
- (8) If a proceeding or a step in a proceeding is abandoned, the *Corporation* must publish on the *Corporation's* website an announcement of and a copy of the notice of abandonment as soon as practicable after it is filed, unless the *commencing notice* for the proceeding or step has not been so published.

8413. Motions

- (1) A motion must be commenced by a notice of motion.
- (2) A motion may be brought
- (i) with the consent of a *hearing panel* prior to, or
 - (ii) at any time after the commencement of a proceeding.
- (3) A party who brings a motion must serve and file a motion record at least fourteen days prior to the date of the motion, unless the motion is brought during a *hearing*, in which case the *hearing panel* may determine the procedure to be followed for the motion.
- (4) A *hearing panel* may permit a party to bring a motion without notice to the *respondent*, if the nature of the motion or the circumstances make service of a notice of motion impractical.
- (5) A notice of motion must contain:
- (i) the date, time and location of the *hearing* of the motion,
 - (ii) the relief sought,
 - (iii) a summary of the grounds for the relief sought, including reference to any *Corporation requirements* or *laws*,
 - (iv) a list of evidence and other materials to be relied on, and

~~**Part 6 – Motions**~~~~**6.1 – Notice of Motion**~~

~~Where a party intends to bring a motion before the Hearing Panel at a hearing, written notice shall be served on all other parties and filed with the Hearing Panel at least 5 days before the day the motion is to be heard.~~

~~**6.2 – Contents of Notice of Motion**~~

~~The Notice of Motion must contain the relief sought, the grounds for the motion and the evidence to be relied upon.~~

~~**6.3 – Hearing Date for Notice of Motion**~~

~~Except when a motion is to be heard on a scheduled hearing date or is to be argued in writing, the party bringing the motion shall, before serving the Notice of Motion, file a copy of the Notice of Motion with the Secretary and obtain a date for the Hearing Panel to hear the motion.~~

~~**RULE 8: MOTIONS**~~~~**8.1 – Notice of Motion**~~

~~Motions shall be commenced by a Notice of Motion.~~

~~**8.2 – Timing of Motion**~~

~~A motion may be brought at any time prior to or after the commencement of a proceeding.~~

~~**8.3 – Motions – To Whom to be Made**~~

~~A motion shall be heard by a Presiding Officer prior to the commencement of the proceeding and shall be heard by the Hearing Panel after the commencement of the proceeding.~~

~~A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the proceeding unless all parties consent in writing.~~

~~**8.4 – Motion Hearing Date**~~

~~Prior to serving the Notice of Motion, the party bringing the motion shall obtain a date from the National Hearing Coordinator.~~

~~**8.5 – Contents of Notice of Motion**~~

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<p>(v) whether it is proposed that the motion be heard as an <i>oral hearing, electronic hearing</i> or <i>written hearing</i>.</p> <p>(6) A motion record must contain</p> <p style="padding-left: 20px;">(i) the notice of motion, and</p> <p style="padding-left: 20px;">(ii) copies of the evidence, including affidavits and other materials relied on.</p> <p>(7) A <i>responding party</i> may serve and <i>file</i> a responding record at least nine days prior to the date of the motion, unless the motion is brought during a <i>hearing</i> and the <i>hearing panel</i> orders otherwise.</p> <p>(8) A responding record must contain</p> <p style="padding-left: 20px;">(i) the order requested by the <i>responding party</i>, including a statement of the reasons for the order requested, and</p> <p style="padding-left: 20px;">(ii) copies of any additional evidence, including affidavits and other materials relied on.</p> <p>(9) A <i>party</i> who is served with a responding record that contains affidavit evidence may serve and <i>file</i> a reply record containing additional affidavit evidence at least seven days before the date of the motion.</p> <p>(10) A <i>party</i> who <i>files</i> an affidavit in connection with a motion must make the affiant reasonably available to be cross-examined by an <i>adverse party</i> prior to the <i>hearing</i> of the motion.</p> <p>(11) A <i>party</i> who brings a motion may serve and <i>file</i> a memorandum of fact and law at least five days before the date of the motion.</p> <p>(12) A <i>responding party</i> may serve and <i>file</i> a memorandum of fact and law at least two days before the date of the motion.</p> <p>(13) A motion must be heard by a <i>hearing panel</i>.</p> <p>(14) A <i>hearing panel</i> may, on any terms and conditions it considers appropriate, permit oral testimony to be adduced at the <i>hearing</i> of a</p>	<p style="color: red;">The Notice of Motion shall state:</p> <p style="color: red;">(a) the date of the motion;</p> <p style="color: red;">(b) whether the motion is to be heard by a Presiding Officer or the Hearing Panel;</p> <p style="color: red;">(c) the specific relief sought;</p> <p style="color: red;">(d) the grounds for the relief sought, including reference to any Organization Dealer Member Rules, and statutory provisions; and</p> <p style="color: red;">(e) the list of evidence to be relied upon.</p> <p style="color: red;">8.6 Motion Record</p> <p style="color: red;">A Motion Record shall contain:</p> <p style="color: red;">(a) the notice of motion; and</p> <p style="color: red;">(b) copies of the evidence to be relied upon.</p> <p style="color: red;">8.7 Service and Filing of Motion Record</p> <p style="color: red;">Subject to Rule 8.7(2), a Motion Record shall be served and filed at least 14 days prior to the date of the motion.</p> <p style="color: red;">When a motion is brought to determine an issue arising during the hearing, the period of notice shall be at the direction of the Hearing Panel.</p> <p style="color: red;">8.8 Response to Notice of Motion</p> <p style="color: red;">The Responding Party may serve and file a Responding Record, at least 7 days prior to the date of the motion, subject to Rule 8.7 (2).</p> <p style="color: red;">8.9 Contents of Responding Record</p> <p style="color: red;">The Responding Record shall contain:</p> <p style="color: red;">(a) a statement of the reasons the relief ought not to be granted; and</p> <p style="color: red;">(b) copies of additional evidence</p>
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motion on any matter in issue and allow cross-examination of an affiant.

- (15) A *hearing panel* may
- (i) grant the relief requested in a motion,
 - (ii) dismiss or adjourn the motion in whole or in part, with or without terms, or
 - (iii) make another *decision* it considers appropriate, including adjourning the motion to be heard by the *hearing panel* that hears the proceeding on its merits.

~~or other materials to be relied upon.~~

~~8.10 Public Domain~~

~~All motions shall be open to the public unless the Presiding Officer or Hearing Panel orders the exclusion of the public.~~

~~An order excluding the public shall only be made where the Presiding Officer or Hearing Panel is of the opinion that the desirability of avoiding disclosure of intimate financial, personal or other matters, in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that motions be public.~~

ENFORCEMENT PROCEEDINGS

8414. Commencement of Disciplinary Proceedings

- (1) Forthwith after a proceeding pursuant to section 8209 or 8210 (Enforcement Proceedings) is commenced, *Enforcement Staff* must serve the *respondent* with, and *file*, the notice of hearing and a statement of allegations.
- (2) A notice of hearing must contain:
 - (i) the date, time and location of an initial appearance before a *hearing panel*,
 - (ii) a statement of the purpose of the proceeding,
 - (iii) a statement that the allegations on which the proceeding is based are contained in the statement of allegations,
 - (iv) a reference to the *Corporation requirements* under which the proceeding is brought,
 - (v) the nature of the sanctions that may be imposed,
 - (vi) if the notice of hearing states

~~Part 2 Statement of Allegations~~

~~2.1 Provision of Statement of Allegations~~

~~If the Market Regulator is of the opinion that a person described in subsection (1) of Rule 10.2 has contravened a Requirement or a person is liable for the contravention of a Requirement in accordance with Rule 10.3, the Market Regulator may serve a Statement of Allegations on such person.~~

~~2.2 Contents of Statement of Allegations~~

~~A Statement of Allegations must contain:~~

- ~~(a) a reference to the Requirement that the Market Regulator is of the opinion has been contravened;~~
- ~~(b) the facts alleged and intended to be relied upon by the~~

~~6.4 Service of Notice of Hearing~~

~~For a discipline proceeding designated on the Standard Track, the Organization shall serve a Notice of Hearing at least 45 days prior to the date of the hearing.~~

~~For a discipline proceeding designated on the Complex Track, the Organization shall serve a Notice of Hearing at least 10 days before a first appearance before a Hearing Panel for purposes of setting a date for the hearing and considering any other scheduling matters.~~

~~6.5 Contents of Notice of Hearing~~

~~A Notice of Hearing shall state:~~

- ~~(a) the purpose of the hearing;~~
- ~~(b) the designation of the proceeding as on the Standard Track or Complex Track;~~

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<p>that the <i>hearing</i> is to be an <i>electronic hearing</i> or <i>written hearing</i>, a statement that the <i>respondent</i> may object to the type of <i>hearing</i> and the procedure to be followed for an objection,</p> <p>(vii) a statement that the <i>respondent</i> must provide a response to the notice of hearing in accordance with section 8415, the time within which a response must be served and <i>filed</i> and the consequences of failing to do so,</p> <p>(viii) a statement that the initial appearance will be followed immediately by an initial <i>prehearing conference</i>, for which a <i>prehearing conference</i> form must be filed in accordance with subsection 8416(5), and</p> <p>(ix) any other information that <i>Enforcement Staff</i> considers advisable.</p> <p>(3) A statement of allegations may accompany or comprise part of a notice of hearing and must contain:</p> <p>(i) a reference to the <i>Corporation requirements</i> or laws that the <i>respondent</i> is alleged to have contravened,</p> <p>(ii) the facts alleged in support of the alleged contraventions, and</p> <p>(iii) the conclusions of <i>Enforcement Staff</i> based on the alleged facts.</p> <p>(4) The date of an initial appearance set out in a notice of hearing must not be less than 45 days after the notice of hearing is served, unless the <i>respondent</i> consents to an earlier date.</p>	<p>Market Regulator; and</p> <p>(e) the conclusions drawn by the Market Regulator based on the alleged facts.</p> <p>Part 4 — Notice of Hearing</p> <p>4.1 — Provision of Notice of Hearing</p> <p>If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve a Notice of Hearing on such person concurrent with or at any time after the serving of the Statement of Allegations provided that a Notice of Hearing may not be issued.</p> <p>(a) if the Market Regulator has served an Offer of Settlement, until after the date specified in the Offer of Settlement by which the Offer of Settlement may be accepted; and</p> <p>(b) if an Offer of Settlement has been accepted, until the Settlement Agreement has been rejected by a Hearing Panel.</p> <p>4.2 — Contents of Notice of Hearing</p> <p>A Notice of Hearing must contain:</p> <p>(a) details about the manner in which the hearing will be held including, if applicable to the form of hearing, the date, time and place of the hearing;</p> <p>(b) a reference to the statutory or other authority under which the hearing will be held;</p> <p>(c) a statement as to the purpose of the hearing;</p> <p>(d) a reference to the Statement of Allegations intended to be relied upon by the Market</p>	<p>(e) the date, time and location of the hearing or a first appearance to set a date for a hearing;</p> <p>(d) the alleged violations of Organization Dealer Member Rules and any applicable statute or regulations thereof;</p> <p>(e) the facts in support of the alleged violations;</p> <p>(f) that, the Respondent shall provide a Response to the Notice of Hearing in accordance with Rule 7;</p> <p>(g) that, if the Respondent does not provide a Response in accordance with Rule 7, the Hearing Panel may proceed without the Respondent's participation and the Respondent will not be entitled to any further notice of the hearing;</p> <p>(h) the type and range of penalties that may be imposed by the Hearing Panel; and</p> <p>(i) any other information the Organization may consider advisable.</p>
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~~Regulator;~~

~~(e) if the Notice of Hearing specifies that the hearing is to be an electronic or a written hearing, a statement that the party notified may object to holding the hearing as an electronic or a written hearing and the procedure to be followed for that purpose;~~

~~(f) a statement respecting the effect of section 9.4 of this Policy; and~~

~~(g) any other information the Market Regulator or the Hearing Panel considers advisable.~~

~~4.3 Date of Hearing~~

~~(1) Unless the party on whom the Notice of Hearing is served has consented in writing, the date of the initial hearing specified in the Notice of Hearing shall not be earlier than 45 days after the date the Notice of Hearing has been served.~~

~~UMIR 10.8 — Policy 10.8~~

~~Part 9 — Conduct of Hearing~~

~~9.1 Particular Practice and Procedure for Oral Hearing~~

~~(1) A person served with a Notice of Hearing shall, within 20 days from the date of service, serve on the Market Regulator a Reply signed by the person or by an individual authorized to sign on behalf of the person that specifically denies, with the particulars of the supporting facts and arguments, any or all of the facts~~

~~RULE 7: RESPONSE TO NOTICE OF HEARING~~

~~7.1 Service of Response~~

~~For a discipline proceeding designated on the Standard Track, the Respondent shall serve a Response within 20 days from the effective date of service of the Notice of Hearing.~~

~~For a discipline proceeding designated on the Complex Track, the Respondent shall serve a Response within 30 days from the effective date of service of the Notice of Hearing.~~

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

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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* 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 (Enforcement Proceedings), as applicable.

~~alleged or the conclusions drawn by the Market Regulator as set out in the Statement of Allegations.~~

~~(2) The Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the Market Regulator in the Statement of Allegations that are not specifically denied, with the particulars of the supporting facts and arguments, in the Reply.~~

~~7.2 Failure to Serve Response~~

~~If a Respondent served with a Notice of Hearing fails to serve a Response in accordance with Rule 7.1:~~

- ~~(a) the Organization may proceed with the hearing of the matter as set out in the Notice of Hearing without further notice to and in the absence of the Respondent; and~~
- ~~(b) the Hearing Panel may, accept as proven the facts and violations alleged by the Organization in the Notice of Hearing, and may impose penalties and costs pursuant to Dealer Member Rules 20.33, 20.34 and 20.49.~~

~~7.3 Contents of Response~~

~~A Response shall state:~~

- ~~(a) the facts alleged in the Notice of Hearing which the Respondent admits;~~
- ~~(b) the facts alleged in the Notice of Hearing which the Respondent denies and the grounds for denial; and~~
- ~~(c) all other facts relied upon by the Respondent.~~

~~7.4 Deficient Response~~

~~Where the Respondent fails to:~~

- ~~(a) specifically deny a fact; or~~
- ~~(b) provide grounds for denial of a fact;~~
- ~~(c) the Hearing Panel may accept as proven any facts alleged by the Organization in the Notice of Hearing.~~

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<p>(1) At any time prior to commencement of the hearing of a proceeding on the merits,</p> <p>(i) a hearing panel may order a prehearing conference, or</p> <p>(ii) a party may request a prehearing conference by serving and filing a notice of prehearing conference at least fourteen days before the date of the prehearing conference.</p> <p>(2) A notice of prehearing conference must contain:</p> <p>(i) the date, time, location and purpose of the prehearing conference,</p> <p>(ii) any order of a hearing panel concerning the obligations of the parties with respect to the prehearing conference, including</p> <p>(a) any requirement concerning the exchange or filing of documents or submissions pursuant to subsection 8416(7), and if so the issues to be addressed and the date by which the documents and/or submissions must be exchanged and filed,</p> <p>(b) whether the parties must attend in person,</p> <p>(iii) a statement that the parties may be represented by counsel or an agent who, if a party is not required to attend, must have authority to make agreements and undertakings on the party's behalf,</p> <p>(iv) whether it is proposed that the prehearing conference is to be heard orally, electronically or in writing,</p> <p>(v) a statement that if a party does not attend in person or by counsel or an agent, the hearing panel may proceed with the prehearing conference in the party's absence, and</p>	<p>7.1 Order for a Pre-Hearing Conference</p> <p>At any time prior to a hearing, the Hearing Panel on its own initiative, or at the request of one or more of the parties, may order the parties to attend a pre-hearing conference.</p> <p>7.2 Composition of the Hearing Panel at the Pre-Hearing Conference</p> <p>(1) A pre-hearing conference shall be held before the chairman of the Hearing Panel and any other member of the Hearing Panel who may be required to assist the chairman.</p> <p>(2) The members of the Hearing Panel presiding at the pre-hearing conference shall not preside at the hearing of the proceeding unless all parties consent in writing or on the record.</p> <p>7.3 Issues to be Considered</p> <p>At a pre-hearing conference the Hearing Panel may consider any appropriate issue, including:</p> <p>(a) the settlement of any or all of the issues;</p> <p>(b) the identification and simplification of the issues;</p> <p>(c) the disclosure of documents;</p> <p>(d) facts or evidence that may be agreed upon;</p> <p>(e) evidence to be admitted on consent;</p> <p>(f) the identification of any preliminary objections;</p> <p>(g) procedural issues including the dates by which any steps in the hearing are to be taken or begun, the estimated duration of</p>	<p>9.1 Initiation of Pre-hearing Conference</p> <p>At any time prior to the date of a hearing, a party may request a Pre-hearing Conference by serving and filing a Request for a Pre-hearing Conference.</p> <p>A Request for a Pre-hearing Conference shall include the party's proposal as to the form of the Pre-hearing Conference pursuant to Rule 9.3.</p> <p>If an adverse party objects to the proposed form of the Pre-hearing Conference, the adverse party shall advise all parties and the National Hearing Coordinator of the objection within 48 hours from the effective date of service of the Request for a Pre-hearing Conference.</p> <p>No subsequent Pre-hearing Conference shall take place unless by consent of the parties.</p> <p>9.2 Presiding Officer</p> <p>A Pre-hearing Conference shall be held before a Presiding Officer.</p> <p>A Presiding Officer shall not be a member of the Hearing Panel presiding over the subsequent hearing of the same proceeding unless all parties consent in writing.</p> <p>9.3 Form of Pre-hearing Conference</p> <p>A Pre-hearing Conference may be held in person or by telephone.</p> <p>If the parties are unable to agree to the form of the Pre-hearing Conference, the Pre-hearing Conference shall be held in person.</p> <p>9.4 Pre-hearing Conference Date</p>
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<p>(vi) a statement that any orders made by the hearing panel will be binding on the parties.</p> <p>(3) If a hearing panel orders a prehearing conference, the National Hearing Coordinator must set a date for the prehearing conference, if necessary, and serve a notice of prehearing conference on the parties with a copy of the decision of the hearing panel.</p> <p>(4) If a respondent has served and filed a response in accordance with subsection 8415(1), the initial appearance provided in a notice of hearing must be followed immediately by an initial prehearing conference, for which no notice of prehearing conference is required.</p> <p>(5) If a response has been served and filed, the parties must serve and file a prehearing conference form, in a form prescribed by the National Hearing Coordinator, at least five days before the date of the initial appearance specified in the notice of hearing.</p> <p>(6) At a prehearing conference, a hearing panel may consider any issue that may assist in a just and expeditious resolution of the proceeding, including</p> <p>(i) identification, simplification and clarification of the issues,</p> <p>(ii) disclosure of documents, including expert reports,</p> <p>(iii) facts or evidence on which the parties agree,</p> <p>(iv) admissibility of evidence, including evidence to be admitted on consent and identification of objections,</p> <p>(v) scheduling of motions,</p> <p>(vi) procedural issues, including identifying and setting dates by which steps in the proceeding are to be commenced or taken, the estimated duration of a hearing</p>	<p>the hearing, and the date that the hearing will begin; and</p> <p>(h) any other issue that may assist in the just and most expeditious disposition of the hearing.</p> <p>7.4 — Notice of Pre-Hearing Conference</p> <p>(1) Notice to Parties and Others — The Secretary shall give notice of any pre-hearing conference to the parties and to such other persons as the Hearing Panel directs.</p> <p>(2) Contents of Notice — The notice of any pre-hearing conference must include:</p> <p>(a) the date, time, place and purpose of the pre-hearing conference;</p> <p>(b) whether parties are required to exchange or file documents or pre-hearing submissions in accordance with section 7.5 of this Policy and, if so, the issues to be addressed and the date by which the documents or pre-hearing submissions must be exchanged and filed;</p> <p>(c) whether parties are required to attend in person, and</p> <p>(i) if so, that they may be represented by counsel or agent, or</p> <p>(ii) if not, that their counsel or agent must be given authority to make agreements and undertakings on their behalf respecting the matters to be addressed at the pre-hearing conference;</p>	<p>Notice of the date, time, location (if applicable) and the form of the Pre-hearing Conference will be provided to the parties by the National Hearing Coordinator.</p> <p>9.5 — Issues to be Considered</p> <p>The Presiding Officer may consider any issue that may assist in the just and expeditious disposition of the proceeding including the following:</p> <p>(a) settlement of the proceeding;</p> <p>(b) simplification or clarification of any issues;</p> <p>(c) disclosure of documents;</p> <p>(d) agreed statements of fact;</p> <p>(e) admissibility of evidence;</p> <p>(f) identification and scheduling of motions;</p> <p>(g) identification and scheduling of anticipated steps in the proceeding, and any other procedural or substantive matters.</p> <p>9.6 — Orders at Pre-hearing Conference</p> <p>The Presiding Officer may make such order with respect to the conduct of the proceeding, as she/he deems appropriate.</p> <p>Any orders made by the Presiding Officer shall be in writing and binding on all parties.</p> <p>The Presiding Officer shall provide the order to the National Hearing Coordinator who shall then distribute copies of the order to the parties.</p> <p>9.7 — Inaccessible to the Public</p> <p>A Pre-hearing Conference shall be held in the absence of the public.</p> <p>9.8 — No Communication to Hearing Panel</p>
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<p>and the dates on which the <i>hearing</i> will commence and be conducted,</p> <p>(vii) settlement of any or all issues in the proceeding, and</p> <p>(viii) any other procedural or substantive matters.</p> <p>(7) A <i>hearing panel</i> at a <i>prehearing conference</i> may</p> <p>(i) set a timetable for steps preceding a <i>hearing</i> and for the <i>hearing</i>,</p> <p>(ii) schedule further <i>prehearing conferences</i>, preliminary motions and the <i>hearing</i> of the proceeding on its merits,</p> <p>(iii) amend an existing schedule or timetable,</p> <p>(iv) set the issues to be addressed at a further <i>prehearing conference</i> or in a motion,</p> <p>(v) order the <i>parties</i> to exchange or <i>file</i> by a specified date <i>documents</i> or submissions for purposes of a further <i>prehearing conference</i> or a motion,</p> <p>(vi) order that the proceeding be case managed by the <i>hearing panel</i> or another <i>hearing panel</i> to be selected by the <i>National Hearing Coordinator</i>, with or without the consent of the <i>parties</i>,</p> <p>(vii) exercise the authority conferred by section 8208 (Powers of Compulsion) to require a <i>person</i> to attend and give evidence or produce <i>documents</i> at a <i>hearing</i>, and</p> <p>(viii) with the consent of the <i>parties</i>, make an order resolving any matter, including matters relating to</p> <p>(a) facts or evidence agreed on,</p> <p>(b) disclosure of <i>documents</i> or evidence,</p> <p>(c) the resolution of any or all of the issues in the proceeding, and</p> <p>(ix) make any other procedural order</p>	<p>(d) a statement that if a party does not attend in person or by counsel or an agent at the pre-hearing conference, the Hearing Panel may proceed in the absence of that party; and</p> <p>(e) a statement that the Hearing Panel presiding at the pre-hearing conference may make orders with respect to the conduct of the proceeding which will be binding on all parties.</p> <p>7.5 Exchange of Documents</p> <p>The Hearing Panel designated to preside at the pre-hearing conference may:</p> <p>(a) order the parties to exchange or file by a specified date documents or pre-hearing submissions; and</p> <p>(b) set the issues to be addressed in the pre-hearing submissions and at the pre-hearing conference.</p> <p>7.6 Oral, Written or Electronic</p> <p>A pre-hearing conference may be held in person, in writing or electronically as the Hearing Panel may direct.</p> <p>7.7 Inaccessible to the Public</p> <p>(1) Pre-Hearing Conference — A pre-hearing conference shall be held in the absence of the public unless the Hearing Panel directs that it be open to the public.</p> <p>(2) Documents and Submissions — Any pre-hearing documents or pre-hearing submissions ordered under section 7.5 of this Policy shall not be disclosed to the public.</p>	<p>Communications made at a Pre-hearing Conference shall not be disclosed to the Hearing Panel presiding over the hearing of the proceeding except those communications that are disclosed in an order made pursuant to Rule 9.6.</p>
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that the *hearing panel* believes will further the just and expeditious conduct of the proceeding.

- (8) A *hearing panel* that case manages a proceeding must preside over all *prehearing conferences* and preliminary motions in the proceeding, unless the *hearing panel* orders otherwise.
- (9) An order, agreement or undertaking that is made or given at a *prehearing conference* must be recorded in a prehearing memorandum that is
- (i) prepared by or under the direction of the *hearing panel* taking into account the principles in subsections 8416(12) and 8416(13),
 - (ii) circulated to the *parties* for comment,
 - (iii) approved and signed by the *hearing panel*, and
 - (iv) distributed to the *parties* and any other *person* that the *hearing panel* directs.
- (10) A prehearing memorandum must be filed and provided to the *hearing panel* at subsequent *hearings* in the proceeding.
- (11) An order, agreement or undertaking recorded in a prehearing memorandum is binding on the *parties*, unless a *hearing panel* orders otherwise.
- (12) Unless recorded in a prehearing memorandum, all statements and written submissions made at a *prehearing conference* are without prejudice and must not be communicated to a *hearing panel*, except at a subsequent *prehearing conference*.
- (13) A *prehearing conference* must be held in the absence of the public, and subject to subsections 8416(9) and 8416(10), prehearing documents, exhibits, submissions and transcripts must not be disclosed to the public.
- (14) A prehearing agreement to settle all of the issues in a proceeding is subject to approval by

~~7.8 Settlement of Issues~~

~~If the settlement of any issues is discussed at a pre-hearing conference:~~

- ~~(a) statements made without prejudice at a pre-hearing conference may not be communicated to the Hearing Panel;~~
- ~~(b) an agreement to settle any or all of the issues binds the parties to the agreement but is subject to approval by such other panel of the Hearing Panel as is assigned to consider the settlement; and~~
- ~~(c) all agreements, orders and decisions which dispose of a proceeding as it affects any party shall be made available to the public unless the Hearing Panel directs otherwise.~~

~~7.9 Orders, Agreements, Undertakings~~

- ~~(1) Preparation of Memorandum — Any orders, agreements and undertakings made at a pre-hearing conference shall be recorded in a memorandum prepared by or under the direction of the members of the Hearing Panel presiding at the pre-hearing conference.~~
- ~~(2) Provision of Copies — Copies of this memorandum shall be provided to the parties and to the members of the Hearing Panel presiding at the hearing of the matter and to such other persons as the members of the Hearing Panel presiding at the pre-hearing conference direct.~~
- ~~(3) Binding Effect — Any orders, agreements and undertakings in the~~

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another *hearing panel* pursuant to section 8215 (Settlements and Settlement Hearings).

~~memorandum shall govern the conduct of the hearing and are binding upon the parties at the hearing unless otherwise ordered by the Hearing Panel.~~

~~7.10 No Communication to Hearing Panel~~

~~Other than any orders, agreements and undertakings recorded in a memorandum prepared in accordance with section 7.9 of this Policy, no information about the pre-hearing conference shall be disclosed to the members of the Hearing Panel who preside at the hearing unless all parties consent in writing or on the record.~~

~~Part 8 Disclosure~~

~~8.1 Procedure for Compliance with Disclosure Obligations~~

~~(1) Documents and Other Things — Each party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence:~~

- ~~(a) deliver to every other party copies of all documents that the party intends to refer to or tender as evidence at the hearing; and~~
- ~~(b) make available for inspection by every other party any other things that the party intends to refer to or tender as evidence at the hearing but not including any document a copy of which was delivered to every other party in accordance with clause (a).~~

~~(2) By Order of Hearing Panel — At any~~

~~RULE 10: EXCHANGE OF DOCUMENTS 10.1~~

~~Association Duty to Disclose~~

~~Nothing in this Rule 10 derogates from the Organization's obligation to disclose all materials as required by common law, as soon as reasonably practicable after the issuance of the Notice of Hearing.~~

~~10.2 Obligation to Provide Documents and Other Items — Organization~~

~~The Organization shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing:~~

~~1. serve upon the Respondent:~~

~~(a) copies of all documents; and~~

~~(b) a list of items, other than documents intended to be relied upon at the hearing; and~~

8417. Disclosure

- (1) As soon as is reasonably practicable after a response is served and *filed*, *Enforcement Staff* must disclose and make available for inspection all *documents* and things in the *Corporation's* possession or control that are relevant to the proceeding, including *documents* and things that are relevant to the *respondent's* ability to make full answer and defence, other than *documents* that are subject to a legal privilege.
- (2) *Enforcement Staff* must provide copies, in hard copy or electronic form, or permit a *respondent* to make copies of all *documents* and things specified in subsection 8417(1) as soon as is reasonably practicable after it makes disclosure and no later than forty days before the commencement of the *hearing* on the merits.
- (3) As soon as is reasonably practicable after a response is served and *filed*, and no later than forty days before the commencement of the *hearing* on the merits, each *party* to a proceeding must serve every other *party* with
- (i) all *documents* that the *party* intends to produce or enter as evidence at the *hearing* on the merits, and

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<p>(ii) a list of items, other than documents, that the party intends to produce or enter as evidence at the hearing on the merits.</p> <p>(4) At any stage of a proceeding, a hearing panel may order a party to provide to another party any document or other information that the hearing panel considers appropriate, within a time period and on terms and conditions determined by the hearing panel.</p> <p>(5) A party who does not disclose a document or thing in compliance with subsections 8417(3) and 8417(4) may not introduce in evidence or refer to the document or thing at a hearing on the merits without leave of the hearing panel on terms and conditions the hearing panel considers just.</p>	<p>stage in a hearing, the Hearing Panel may order a party to provide to another party any other disclosure that the Hearing Panel considers appropriate within a time period and on terms and conditions as specified by the Hearing Panel.</p> <p>(3) Disclosure Obligation — Nothing in this section shall affect the obligation of the Market Regulator or any other party to disclose any document or other thing that may be required under common law or other applicable law.</p> <p>8.2 — Failure to Make Disclosure</p> <p>If a party fails to make a disclosure of a document or thing in compliance with section 8.1 of this Policy, the party may not refer to the document or thing or tender it as evidence at the hearing without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.</p> <p>8.4 — Expert Witness</p> <p>(1) Notice of Intent to Call Expert — A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the intent to call the expert witness and the issue on which the expert will be giving evidence.</p> <p>(2) Provision of Expert's Report — A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a</p>	<p>2. make available for inspection to the Respondent all items referred to in subsection (a) (ii).</p> <p>10.3 — Obligation to Provide Additional Documents and Other Items — Respondent</p> <p>The Respondent shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 14 days in a Standard Track proceeding and 60 days in a Complex Track proceeding, prior to the date of the hearing:</p> <p>1. serve upon the Organization:</p> <p style="padding-left: 20px;">(a) copies of documents; and</p> <p style="padding-left: 20px;">(b) a list of items, other than documents, not provided by the Organization, that are intended to be relied upon at the hearing; and</p> <p>2. make available for inspection to the Organization items referred to in subsection (a) (ii).</p> <p>10.4 — Failure to Exchange Documents</p> <p>If a party fails to provide a document or item pursuant to Rules 10.2 or 10.3, the party may not refer to or tender as evidence at the hearing the document or item without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.</p>
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~~hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing:~~

- ~~(a) the name, address and qualifications of the expert;~~
- ~~(b) the substance of the anticipated evidence of the expert; and~~
- ~~(c) a list of all the documents, if any, to which the expert will refer.~~

~~(3) **Failure to Advise of Intent to Call Expert** A party that fails to comply with subsection (1) may not call the expert as a witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~

~~(4) **Failure to Provide Expert's Report** A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~

8418. Witness Lists and Statements

- (1) Subject to section 8417, as soon as reasonably practicable after a response is served and *filed*, and no later than thirty days before the commencement of the *hearing* on the merits, *Enforcement Staff* must serve
- (i) a list of the witnesses *Enforcement Staff* intends to call to testify at the *hearing*, and
 - (ii) in respect of each witness named on

~~**8.3 Witness Lists and Statements**~~

~~(1) **Provision of Witness Lists and Statements** Subject to section 8.4 of this Policy, a party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to~~

~~**RULE 11: WITNESS LISTS AND STATEMENTS**~~

~~**11.1 Provision of Witness List and Statements** Subject to Rule 12, a party to a proceeding shall serve:~~

- ~~(a) a list of the witnesses the party intends to call at the hearing; and~~
- ~~(b) in respect of each witness~~

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<p>the list, a summary of the evidence the witness is expected to give at the <i>hearing</i>, a witness statement signed by the witness or a transcript of a recorded statement of the witness.</p> <p>(2) Subject to section 8417, as soon as reasonably practicable after a response is served and <i>filed</i>, and no later than twenty days before the commencement of the <i>hearing</i> on the merits, a <i>respondent</i> must serve</p> <p>(i) a list of the witnesses, not including the <i>respondent</i>, whom the <i>respondent</i> intends to call to testify at the <i>hearing</i>, and</p> <p>(ii) in respect of each witness named on the list, a summary of the evidence the witness is expected to give at the <i>hearing</i>, a witness statement signed by the witness or a transcript of a recorded statement of the witness, unless the transcript was disclosed by <i>Enforcement Staff</i> pursuant to section 8417 or subsection 8418(1).</p> <p>(3) A summary of expected evidence, witness statement or transcript served in accordance with subsection 8418(1) or 8418(2) must contain</p> <p>(i) the substance of the evidence of the witness,</p> <p>(ii) a reference to any <i>document</i> the witness will refer to, and</p> <p>(iii) the name, address and telephone number of the witness or of a person through whom the witness can be contacted.</p> <p>(4) A <i>party</i> who does not include a <i>person</i> in a witness list or disclose the <i>person's</i> expected evidence in accordance with subsections 8418(1) to 8418(3) may not call the <i>person</i> as a witness at the <i>hearing</i> without leave of the <i>hearing panel</i> on terms and conditions the <i>hearing panel</i> considers just.</p> <p>(5) A witness may not testify to matters not</p>	<p>commence, provide to every other party;</p> <p>(a) a list of the witnesses the party intends to call to give evidence at the hearing; and</p> <p>(b) in respect of each witness named on the list, either:</p> <p>(i) a witness statement signed by the witness; or</p> <p>(ii) a summary of the anticipated evidence that the witness is expected to give at the hearing.</p> <p>(2) Contents of Witness Statements—</p> <p>A witness statement or summary of the anticipated evidence that the witness is expected to give at the hearing must contain:</p> <p>(a) the substance of the evidence of the witness;</p> <p>(b) a reference to all documents, if any, that the witness will refer to; and</p> <p>(c) the name and address of the witness, or in the alternative, the name of a person through whom the witness can be contacted.</p> <p>(3) Failure to Provide Witness List or Statement</p> <p>If a party fails to include a witness in the witness list or provide a witness list or a witness statement or a summary of the anticipated evidence as required by subsection (1), the party may not call the witness at the hearing without the consent of the Hearing Panel on such terms</p>	<p>named on the list, either:</p> <p>(i) a witness statement signed by the witness;</p> <p>(ii) a transcript of a recorded statement made by the witness (other than a Respondent); or</p> <p>(iii) if no signed witness statement or transcript referred to in subsection (i) and (ii) is available, a summary of the evidence that the witness is expected to give at the hearing.</p> <p>The Organization shall comply with the requirements of Rule 11.1 (1), at least 10 days in a Standard Track proceeding and at least 45 days in a Complex Track proceeding, prior to the date of the hearing.</p> <p>The Respondent shall comply with the requirements of Rule 11.1 (1), at least 7 days in a Standard Track proceeding and at least 40 days in a Complex Track proceeding, prior to the date of the hearing.</p> <p>11.2 Contents of Witness Statements</p> <p>A witness statement, transcript of a recorded statement or summary of anticipated evidence as required by Rule 11.1 (1) shall contain:</p> <p>(a) the substance of the anticipated evidence of the witness;</p> <p>(b) a reference to documents it is anticipated the witness will refer to; and</p> <p>(c) the name and address of the witness, or in the alternative, the name of a person through whom</p>
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disclosed in accordance with subsection 8418(3) without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.

~~and conditions as the Hearing Panel considers just.~~

~~the witness can be contacted.~~

~~(4) **Incomplete Witness Statement**~~

~~**11.3 Failure to Provide Witness List or Statement**~~

~~A party may not call a witness to testify to matters not disclosed in the witness statement or summary of the anticipated evidence as required by subsection (2), without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~

~~If a party fails to comply with Rule 11.1, the party may not call the witness at the hearing without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~

~~**11.4 Incomplete Witness Statement**~~

~~A party may not call a witness to testify to matters not disclosed pursuant to Rule 11.2 without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~

8419. Expert Witnesses

~~**8.4 Expert Witness**~~

~~**RULE 12: EXPERT WITNESS**~~

(1) A party who intends to call an expert witness at a *hearing* must, at least forty-five days before the commencement of the *hearing*, serve a written report signed by the expert.

~~(1) **Notice of Intent to Call Expert** A party that intends to call an expert witness at the hearing shall, at least 30 days before the day upon which the hearing is scheduled to commence, inform the other parties of the intent to call the expert witness and the issue on which the expert will be giving evidence.~~

~~**12.1 Expert Report**~~

~~A party that intends to call an expert witness shall serve a written expert report signed by the expert at least 60 days prior to the date of the hearing.~~

(2) A party who intends to call an expert witness in response to an expert's report served pursuant to subsection 8419(1) must, at least twenty days before the commencement of the *hearing*, serve a written report signed by the expert.

~~(2) **Provision of Expert's Report** A party that intends to refer to or to tender as evidence a report prepared by an expert witness at a hearing shall, at least 15 days before the day upon which the hearing is scheduled to commence, provide to every other party a copy of the report signed by the expert containing:~~

~~**12.2 Expert Report in Response**~~

~~A party who intends to call an expert witness to respond to the expert witness of another party shall serve a written expert report at least 20 days prior to the date of the hearing.~~

(3) A party who intends to call expert evidence to reply to a responding expert's report served pursuant to subsection 8419(2) must, at least ten days before the commencement of the *hearing*, serve a written report in reply signed by the expert.

~~(a) the name, address and qualifications of the expert,~~

~~**12.3 Contents of Expert Report**~~

~~An expert report shall contain:~~
~~(a) the name, address and qualifications of the expert, and~~
~~(b) the substance of the opinion of the expert.~~

(4) An expert's report must contain

(i) the name, address and qualifications of the expert,

(ii) the substance of the expert's evidence, and

~~**12.4 Failure to Provide Expert's Report**~~

~~A party that fails to comply with~~

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(iii) a reference to any *document* the expert will refer to.

(5) A party who does not comply with subsection 8419(1), 8419(2) or 8419(4) may not call the expert as a witness or introduce in evidence or refer to the expert's report or opinion at a *hearing*, without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.

(6) If the party who calls an expert witness has not complied with subsection 8419(3), the expert witness may not testify to matters for which an expert's report in reply was required, without leave of the *hearing panel* on terms and conditions the *hearing panel* considers just.

~~(b) the substance of the anticipated evidence of the expert; and~~

~~(c) a list of all the documents, if any, to which the expert will refer.~~

~~(3) Failure to Advise of Intent to Call Expert A party that fails to comply with subsection (1) may not call the expert as a witness without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~

~~(4) Failure to Provide Expert's Report A party that fails to comply with subsection (2) may not refer to or tender as evidence the expert's report without the consent of the Hearing Panel on such terms and conditions as the Hearing Panel considers just.~~

~~Rules 12.1, 12.2 or 12.3 may not refer to or tender as evidence the expert's report without leave of the Hearing Panel and on such terms as the Hearing Panel considers appropriate.~~

~~12.5 Abridgement of Time in Standard Track Proceeding~~

~~In a Standard Track proceeding, a party may seek leave to abridge the time requirements as set out in Rules 12.1 and 12.2.~~

8420. Deemed Undertaking

New

New

(1) In this section, "information" means evidence and information obtained from a party that is required to be disclosed or provided in the course of a proceeding by sections 8416, 8417, 8418 and 8419 prior to a *hearing* on the merits, including evidence and information disclosed or provided in a *prehearing conference*, and any information obtained from such evidence or information.

(2) This section does not apply to *information* obtained otherwise than under section 8416, 8417, 8418 or 8419 or in a *prehearing conference*.

(3) A party and its counsel or agent are deemed to undertake not to disclose or use *information* for any purposes other than those of the

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proceeding in which the *information* was obtained, without the consent of the *party* who disclosed or provided the *information* or *information* on the basis of which the *information* was obtained.

- (4) Subsection 8420(3) does not prohibit use of *information* that is
- (i) filed with the *National Hearing Coordinator*,
 - (ii) given or referred to during a *hearing*, or
 - (iii) obtained from *information* referred to in clauses 8420(4) (i) and 8420(4) (ii).
- (5) Notwithstanding subsection 8420(3), *information* may be used to impeach the testimony of a witness in another proceeding.
- (6) A *hearing panel* may permit the use of *information* that is subject to this section for purposes other than those of the proceeding in which it was disclosed or provided, if the *hearing panel* is satisfied that the public interest outweighs any prejudice that would result to the *party* who disclosed the *information* or the *person* from whom it was obtained by that *party*, subject to any terms and conditions the *hearing panel* considers just.

8421. Order to Attend and Issue of Summons

New

New

- (1) At any stage of a proceeding, a *party* may request a *hearing panel* to exercise its authority under section 8208 (Enforcement Proceedings) to require a *person* to attend and give evidence or produce *documents* at a *hearing*.
- (2) If a *hearing panel* orders a *person* who is subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents*, the *National Hearing Coordinator* must serve a notice, in a prescribed form, by personal service in accordance with clause 8406(3) (i), 8406(3) (iv) or 8406(3) (v)

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(Service and Filing), requiring the attendance of the *person* to give evidence or produce documents, as ordered by the *hearing panel*.

- (3) If a *hearing panel* orders an *employee* of a *Regulated Person*, who is not an *Approved Person*, to attend at a *hearing*, the *National Hearing Coordinator* must serve a notice on the *employee* in accordance with subsection 8421(2) and on the *Regulated Person* requiring the *Regulated Person* to direct the *employee* to comply with the order.

- (4) If a *hearing panel* orders a person who is not subject to the *Corporation's* contractual jurisdiction to attend and give evidence or produce *documents* in a *District* in which the *hearing panel* is authorized by law to do so, the *National Hearing Coordinator* must serve a summons or subpoena in accordance with the procedure prescribed by law for the issue of a summons or subpoena by a court, regulatory tribunal or analogous decision maker in the *District*.

8422. Adjournments

New

New

- (1) A *party* who decides to request an adjournment of a *hearing* on the merits must immediately so advise the other *parties* and the *National Hearing Coordinator* in writing.
- (2) If the other *parties* consent to the request for an adjournment, the requesting *party* may serve and *file* a written request for the adjournment stating that it is made on consent, and a *hearing panel* may
- (i) refuse the request,
 - (ii) reschedule the *hearing* without a *hearing* on the request, or
 - (iii) require a *hearing* on the request.
- (3) If the *parties* do not consent to a request for an adjournment, the requesting *party* must bring a motion as soon as possible and the notice of motion must contain,

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- (i) the reasons for the adjournment,
- (ii) the length of time requested for the adjournment, and
- (iii) if the motion is brought fewer than forty days before the date of the *hearing*, a request for an abridgement of the times specified in section 8413, if necessary.
- (4) If a motion requesting an adjournment cannot be heard at least twenty days before the date for the commencement of the *hearing* and the *parties* do not consent, the motion must be heard at the commencement of the *hearing* and the requesting *party* must be prepared to proceed if the motion is denied.
- (5) A *hearing panel* may grant or deny an adjournment on any terms and conditions it considers just.

8423. Conduct of Hearing on the Merits

- (1) At a *hearing* on the merits a *respondent* is entitled to be represented by counsel or an agent and to make submissions.
- (2) At a *hearing* on the merits, other than a *written hearing*, a *respondent* is entitled
- (i) to attend and be heard in person,
- (ii) to call and examine witnesses and present documentary and other evidence, and
- (iii) to cross-examine witnesses as reasonably required for a full and fair disclosure of all matters relevant to the issues in the proceeding.
- (3) A *hearing* on the merits, other than a *written hearing*, must be conducted in the following order:
- (i) *Enforcement Staff* may make an opening address, which may be followed by an opening address by the *respondent*,
- (ii) *Enforcement Staff* must present its evidence and examine its witnesses, who may

~~**Part 9 — Conduct of Hearing**~~~~**9.1 Particular Practice and Procedure for Oral Hearing**~~

- ~~(3) A person served with a Notice of Hearing is entitled at an oral hearing of the matter:~~
- ~~(a) to attend and be heard in person;~~
- ~~(b) to be represented by counsel or an agent;~~
- ~~(c) to call and examine witnesses and to present arguments and submissions; and~~
- ~~(d) to conduct cross-examinations of witnesses at the hearing reasonably required for a full and fair disclosure of the facts in relation to which they have given evidence.~~

~~**9.3 Particular Practice and Procedures**~~~~**RULE 13: CONDUCT OF DISCIPLINARY HEARINGS**~~~~**13.1 Rights of Respondent**~~

- ~~A Respondent is entitled at the hearing:~~
- ~~(a) to attend and be heard in person;~~
- ~~(b) to be represented by counsel or an agent, as set out in Rule 3;~~
- ~~(c) to call and examine witnesses;~~
- ~~(d) to conduct cross-examination of witnesses; and~~
- ~~(e) to make submissions.~~

~~**13.2 Order of Presentation**~~

- ~~The order of presentation at a hearing shall be as follows:~~
- ~~(a) the Organization may make an opening address and shall then call evidence;~~
- ~~(b) at the conclusion of the Organization's evidence, the Respondent may make an opening~~

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<p>be cross-examined by the <i>respondent</i>,</p> <p>(iii) the <i>respondent</i> may make an opening address and must present its evidence and examine its witnesses, who may be cross-examined by other <i>parties</i>,</p> <p>(iv) <i>Enforcement Staff</i> may present evidence in reply to any evidence presented for the first time by the <i>respondent</i> and examine witnesses, who may be cross-examined by the <i>respondent</i>,</p> <p>(v) if the <i>hearing panel</i> requests or permits, the <i>parties</i> may serve and <i>file</i>, by dates ordered by the <i>hearing panel</i>, submissions in writing on the facts and legal argument with respect to the contraventions alleged in the notice of hearing, which submissions must not be made public prior to the commencement of the <i>hearing</i> of the submissions, and, if necessary, the <i>National Hearing Coordinator</i> must set a date for the <i>hearing</i> of such submissions,</p> <p>(vi) <i>Enforcement Staff</i> may make closing submissions, followed by the <i>respondent's</i> closing submissions and <i>Enforcement Staff's</i> reply to issues raised by the <i>respondent</i>,</p> <p>(vii) unless the <i>parties</i> agree otherwise, after the <i>hearing panel</i> makes its <i>decision</i> on the merits of the allegations in the notice of hearing, the <i>National Hearing Coordinator</i> must set a date for the presentation of additional evidence, if any, and the <i>hearing</i> of submissions on sanctions and costs, and</p> <p>(viii) the <i>hearing panel</i> may request or permit the <i>parties</i> to serve and <i>file</i> written submissions on sanctions and costs, which submissions must not be made public prior to the commencement of the sanctions <i>hearing</i>.</p> <p>(4) After cross-examination of a witness, the party who called the witness may further examine</p>	<p>for Electronic Hearing</p> <p>The Hearing Panel may, in deciding that a hearing will be held electronically, impose conditions including specifying the party responsible for making the necessary arrangements for the electronic hearing and requiring that a party requesting an electronic hearing pay all or part of the cost of providing the facilities necessary for the conduct of the hearing electronically.</p> <p>9.4 Failure to Reply, Attend or Participate</p> <p>If a person served with a Notice of Hearing fails to:</p> <p>(a) in the case of an oral hearing, serve a Reply in accordance with section 9.1 of this Policy;</p> <p>(b) in the case of a written hearing, serve a Response in accordance with section 9.2 of this Policy; or</p> <p>(c) attend or participate at the hearing specified in the Notice of Hearing,</p> <p>the Market Regulator may proceed with the hearing on the matter on the date and at the time and place set out in the Notice of Hearing without further notice to and in the absence of the person, and the Hearing Panel may, unless precluded by law, proceed on the facts alleged or the conclusions drawn by the Market Regulator in the Statement of Allegations and the Hearing Panel may impose any one or more of the penalties or remedies</p>	<p>address and shall then call evidence;</p> <p>(e) at the conclusion of the Respondent's evidence, the Organization may call reply evidence;</p> <p>(d) subject to paragraph (e), upon the conclusion of the evidence, the Respondent shall make a closing address, followed by the closing address of the Organization; and</p> <p>(e) if the Respondent calls no evidence, the Organization shall make a closing address, followed by the closing address of the Respondent.</p> <p>Where there are two or more Respondents separately represented, the order of presentation shall be as directed by the Hearing Panel.</p> <p>Where a Respondent is represented by counsel or an agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.</p> <p>13.3 Evidence by Witnesses</p> <p>Subject to Rule 13.4, witnesses at a hearing shall provide oral testimony under oath or solemn affirmation.</p> <p>The Chair of the Hearing Panel shall exercise reasonable control over the scope and manner of questioning of a witness to protect the witness from undue harassment or embarrassment and may reasonably limit further examination or cross-examination of a witness where it is satisfied that the examination or cross-examination has been sufficient to disclose fully and fairly all matters relevant to</p>
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<p>the witness with respect to matters raised for the first time in cross-examination.</p> <p>(5) Following examination and cross-examination of a witness, a <i>hearing panel</i> may ask questions of the witness, subject to the right of the <i>parties</i> to ask further questions with respect to matters raised by the <i>hearing panel</i>.</p> <p>(6) If two or more <i>respondents</i> are separately represented, the <i>hearing panel</i> may direct the order of presentation.</p> <p>(7) A <i>hearing panel</i> may control the scope and manner of questioning of a witness to protect the witness from undue harassment.</p> <p>(8) A <i>hearing panel</i> may order a witness to be excluded from a <i>hearing</i> until the witness is called to give evidence, unless the presence of the witness is necessary to instruct a <i>party's</i> counsel or agent, in which case the <i>hearing panel</i> may require the witness to be called to give evidence before other witnesses are called.</p> <p>(9) If a <i>hearing panel</i> orders the exclusion of a witness, evidence given during the witness's absence from the <i>hearing</i> must not be communicated to the witness until the witness has completed giving evidence, except with leave of the <i>hearing panel</i>.</p> <p>(10) A <i>hearing panel</i> may permit a <i>party</i> to present the evidence of a witness or proof of a particular fact or <i>document</i> by affidavit, unless another <i>party</i> reasonably requires the attendance of the witness at the <i>hearing</i> for cross-examination.</p> <p>(11) If a <i>hearing panel</i> requests or permits the <i>parties</i> to make written submissions on sanctions and costs, unless the <i>hearing panel</i> orders otherwise,</p> <p style="padding-left: 20px;">(i) the date set for the sanctions <i>hearing</i> must be at least thirty days after the date of the <i>decision</i> on the merits,</p>	<p>authorized by UMIR and assess expenses as authorized by UMIR.</p>	<p>the issues in the proceeding.</p> <p>13.4 Evidence by Sworn Statement</p> <p>The Hearing Panel may allow the evidence of a witness or proof of a particular fact or document to be given by sworn statement, unless an adverse party reasonably requires the attendance of the witness at the hearing for cross-examination.</p> <p>13.5 Where Respondent Fails to Attend Disciplinary Hearing</p> <p>Where a Respondent, having been served with a Notice of Hearing, fails to attend a disciplinary hearing, the Hearing Panel may proceed in the absence of the Respondent and may accept as proven the facts and violations alleged by the Organization in the Notice of Hearing.</p> <p>Upon making a finding of the violations as alleged in the Notice of Hearing, the Hearing Panel may immediately hear submissions of the Organization regarding an appropriate penalty and may impose such penalty, as it deems appropriate, pursuant to Dealer Member Rule 20.33 and 20.34.</p>
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- (ii) *Enforcement Staff* must serve and file submissions at least fourteen days before the sanctions hearing,
 - (iii) the *respondent* must serve and file submissions at least seven days before the sanctions hearing, and
 - (iv) *Enforcement Staff* must serve and file any reply submissions at least three days before the sanctions hearing.
- (12) If a *respondent* who has been served with a notice of hearing does not attend the hearing on the merits, the *hearing panel*
- (i) may proceed with the hearing in the *respondent's* absence and may accept as proven the facts and contraventions alleged in the notice of hearing and statement of allegations, and
 - (ii) if it finds that the *respondent* committed the alleged contraventions, may hear submissions on sanctions from *Enforcement Staff* immediately, without a further hearing on sanctions and costs, and may impose sanctions and costs pursuant to sections 8209 or 8210 (Enforcement Proceedings), as it considers appropriate.

8424. Written Hearings

- (1) If a hearing is a written hearing, the party who serves a commencing notice must, with the motion or other record required by the Rules of Practice or within a time directed by a hearing panel, serve and file the party's written submissions containing, as applicable,
 - (i) a statement of agreed facts,
 - (ii) the party's factual and legal submissions, and
 - (iii) any material ordered by the hearing panel.
- (2) A *respondent* or *responding party* may respond, within the time provided in subsection

~~9.2 Particular Practice and Procedure for Written Hearing~~

New

- ~~(1) Submissions and Supporting Documents~~ The applicant shall, within 7 days after receiving notice of the written hearing, file and serve on all other parties its written submissions setting out,
- ~~(a) the grounds upon which the request for the remedy or order is made,~~
 - ~~(b) a statement of the facts relied on in support of the~~

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8413(7) of the *Rules of Practice* or in a decision of a hearing panel, by serving and filing a responding motion record, if applicable, and the party's factual and legal submissions.

- (3) A party may reply to a response served pursuant to subsection 8424(2), within the time provided in subsection 8413(9) of the *Rules of Practice* or in a decision of a hearing panel, by serving and filing a reply record, if applicable, and the party's factual and legal submissions.
- (4) A hearing panel may
- (i) require a party to serve and file additional information,
 - (ii) on request of a party, order that a party present a witness to be examined or cross-examined on any terms and conditions the hearing panel directs, and
 - (iii) after considering the record, order that the hearing be continued as an oral hearing or electronic hearing.

~~remedy or order requested;
(e) the evidence relied on in support of the remedy or order requested; and~~

~~(d) any law relied on in support of the remedy or order requested.~~

~~(2) **Additional Information** - The Hearing Panel may require the applicant to provide further information, and this information must be supplied to every other party.~~

~~(3) **Response** - A party may respond to the submissions of the applicant by filing and serving on every other party a written response within 5 days after the submissions and supporting documents of the applicant are served on the party which response shall set out the submissions of the responding party relating to the matter before the Hearing Panel and be accompanied by a statement of the facts and any evidence and any law relied on in support of the response.~~

~~(4) **Reply to Response** - The applicant may reply to a response by filing and serving on every other party a written reply within 5 days after a response from a party is served on the applicant which reply to the response must set out the position of the applicant to the response and be accompanied by any additional facts, evidence and law that the applicant relies on in support of the reply.~~

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~~(5) **Questions and Answers** — If a written hearing involves evidentiary issues, the Hearing Panel may direct that,~~

~~(a) the applicant and any responding party may ask such questions of the other as are reasonably necessary for the purpose of clarification of the other's evidence by filing and serving on every other party written questions within such time as is directed by the Hearing Panel; and~~

~~(b) the party to whom the questions are directed shall file and serve on every other party written answers to such questions within such time as is directed by the Hearing Panel.~~

~~(6) **Evidence** — The evidence must:~~

~~(a) be in writing, or when electronic transmission is permitted, it must be in the form directed by the Hearing Panel;~~

~~(b) identify the person giving the evidence and be in certified form or in affidavit form; and~~

~~(c) include all documents and things a party is relying on to support the remedy or order requested or the response or to otherwise support the position a party is taking in the hearing.~~

~~(7) **No Oral Examination** — Unless~~

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~~ordered by the Hearing Panel,
there will be no oral examination.
(8) **Presentation of Witness** If
a party requests, the Hearing
Panel may order that a party
present a witness to be examined
or cross-examined upon such
conditions as the Hearing Panel
directs.~~

8425. Temporary Orders

- (1) Where a proceeding pursuant to section 8211 (Temporary Orders) is commenced, *Enforcement Staff* must file a notice of application and application record at least five days prior to the date of the *hearing* or a shorter period permitted by a *hearing panel*.
- (2) An application under subsection 8425(1) may be made with or without notice to the *respondent*.
- (3) A notice of application must contain:
- (i) the date, time and location of the *hearing*,
 - (ii) whether notice has been given to the *respondent*,
 - (iii) a statement of the purpose of the proceeding,
 - (iv) the sanctions requested by *Enforcement Staff*,
 - (v) the grounds for the application, including a reference to any *Corporation requirements* or *laws* that the *respondent* is alleged to have contravened,
 - (vi) a statement of the facts alleged that support the alleged contraventions and the need for a temporary order,
 - (vii) a list of documentary and other evidence relied on,
 - (viii) whether it is proposed that the application be heard as an *oral hearing*, *electronic hearing* or *written hearing*, and

New, except see UMIR 10.5 where interim order of Market Regulator is issued re Restricting Access, this is subject to procedure under UMIR 10.5.

New

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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| <p>(ix) any other information that <i>Enforcement Staff</i> considers advisable.</p> <p>(4) An application record must contain</p> <p>(i) the notice of application, and</p> <p>(ii) copies of the evidence, including affidavit and other materials relied on.</p> <p>(5) If an application under subsection 8425(1) is made with notice, <i>Enforcement Staff</i> must serve the application record before it is <i>filed</i> and a <i>respondent</i> may serve and <i>file</i> a responding record at least two days prior to the date of the <i>hearing</i>.</p> <p>(6) A responding record must contain</p> <p>(i) the order requested by the <i>respondent</i>, including a statement of the reasons for the order requested, and</p> <p>(ii) copies of any additional evidence, including affidavits and other materials relied on.</p> <p>(7) A <i>party</i> to an application under subsection 8425(1) may serve, if notice is given, and <i>file</i> a memorandum of fact and law prior to the <i>hearing</i> of the application.</p> <p>(8) A <i>hearing panel</i> may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the <i>hearing</i> on any matter in issue and allow cross-examination on an affidavit.</p> <p>(9) A <i>hearing panel</i> may</p> <p>(i) grant the temporary order requested,</p> <p>(ii) dismiss or adjourn the application in whole or in part, with or without terms, and</p> <p>(iii) make another <i>decision</i> it considers appropriate.</p> <p>(10) If an application under subsection 8425(1) is made on notice, the <i>decision</i> and reasons of the <i>hearing panel</i> constitute the notice required by subsection 8211(3) (Enforcement Proceedings).</p> | | |
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(11) If an application under subsection 8425(1) is made without notice, a notice of a temporary order pursuant to subsection 8211(3) (Enforcement Proceedings) must contain:

- (i) a statement that a temporary order has been made with respect to the *respondent*, describing the terms of the temporary order,
- (ii) the grounds on which the temporary order was requested and a reference to the notice of application containing them, and
- (iii) a summary of subsection 8211(2) (Enforcement Proceedings) and the date, time and location of the *hearing* required by subsection 8211(2).

(12) A notice of a temporary order under subsection 8425(11) must be accompanied by:

- (i) a copy of the *decision* or order and reasons of the *hearing panel*,
- (ii) a copy of the notice of application and application record filed by *Enforcement Staff*,
- (iii) a summary of any oral evidence received by the *hearing panel* or a transcript of the *hearing*,
- (iv) copies of any documentary or other evidence received by the *hearing panel* that is not contained in the application record, and
- (v) any written submissions presented to the *hearing panel*.

(13) A *hearing* to extend a temporary order must follow the procedure in section 8413 for a motion.

8426. Expedited Hearings

New

- (1) Where a proceeding pursuant to section 8212 (Expedited Hearings) is commenced, *Enforcement Staff* must serve and *file* a notice of application and application record at least five

~~**RULE 16: EXPEDITED AGREEMENTS**~~

~~**16.1 Notice of Application**~~

~~An expedited proceeding pursuant to Dealer Member Rule 20.41, shall be commenced by Notice of Application.~~

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<p>days prior to the date of the <i>hearing</i> or a shorter period permitted by a <i>hearing panel</i>.</p> <p>(2) A notice of application must contain:</p> <p>(i) the date, time and location of the <i>hearing</i>,</p> <p>(ii) a statement of the purpose of the proceeding,</p> <p>(iii) the sanctions requested by <i>Enforcement Staff</i>,</p> <p>(iv) the grounds for the application, including a reference to any <i>Corporation requirements</i> or <i>laws</i> that the <i>respondent</i> is alleged to have contravened,</p> <p>(v) a statement of the facts alleged that support the alleged contraventions, the need for an <i>expedited hearing</i> and the sanctions sought,</p> <p>(vi) a list of documentary and other evidence relied on,</p> <p>(vii) whether it is proposed that the application be heard as an <i>oral hearing</i>, <i>electronic hearing</i> or <i>written hearing</i>, and</p> <p>(viii) any other information that <i>Enforcement Staff</i> considers advisable.</p> <p>(3) An application record must contain</p> <p>(i) the notice of application, and</p> <p>(ii) copies of the evidence, including affidavits and other materials relied on.</p> <p>(4) <i>Enforcement Staff</i> must serve the application record before it is <i>filed</i> and a <i>respondent</i> may serve and <i>file</i> a responding record.</p> <p>(5) A responding record must contain</p> <p>(i) the order requested by the <i>respondent</i>, including a statement of the reasons for the order requested, and</p> <p>(ii) copies of any additional evidence, including affidavits and other materials relied on.</p>	<p>16.2 Contents of Notice of Application</p> <p>A Notice of Application shall:</p> <p>(a) state the specific relief sought;</p> <p>(b) state the grounds for the relief sought including reference to any Dealer Member Rules, and statutory provisions; and</p> <p>(c) list the evidence to be relied upon.</p> <p>16.3 Expedited Hearing Date</p> <p>Prior to the issuance of the Notice of Application, the Corporation shall obtain from the National Hearing Coordinator a date, time and location for the expedited hearing.</p> <p>16.4 Evidence Relied Upon</p> <p>Evidence relied upon for the application may be provided by sworn statement.</p> <p>The Hearing Panel may require the deponent of the sworn statement to attend and provide oral evidence at the hearing.</p> <p>16.5 Service Not Required</p> <p>The Notice of Application is not required to be served on the Respondent.</p> <p>16.6 Application Record</p> <p>(1) An Application Record shall contain:</p> <p>(a) the Notice of Application; and</p> <p>(b) copies of the evidence to be relied upon, and shall be filed as soon as practicable.</p> <p>16.7 Order</p>
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(6) A party to an application under subsection 8426(1) may serve and file a memorandum of fact and law prior to the hearing of the application.

(7) A hearing panel may, at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the expedited hearing on any matter in issue and allow cross-examination on an affidavit.

(8) A hearing panel may

(i) grant the sanction requested,

(ii) dismiss or adjourn the application in whole or in part, with or without terms, and

(iii) make any other decision authorized by subsection 8212(4) (Expedited Hearings) that it considers appropriate.

8427. Expedited Hearing Review

New

(1) A party who requests a review of a decision made after an expedited hearing must serve and file, within thirty days of the date of the decision and no more than twenty-one days, or such longer period as agreed by the parties, prior to the commencement of the hearing, 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 Corporation 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

~~Where the Hearing Panel makes an order at the conclusion of an expedited hearing, the Corporation shall forthwith:~~

~~(a) file a copy of the order and reasons; and~~

~~(b) serve a copy of the order and reasons of the Hearing Panel and Application Record.~~

~~At the time of serving the order, the Corporation shall advise the Respondent in writing of the right to request a review pursuant to Dealer Member Rule 20.47.~~

~~**RULE 18: EXPEDITED REVIEW HEARINGS**~~

~~**18.1 Notice of Request for Review**~~

~~A request for a review of an expedited hearing pursuant to Dealer Member Rule 20.47 shall be commenced by a Notice of Request for Review.~~

~~The Requesting Party shall serve and file a Notice of Request for Review within 30 days from the effective date of service of the order made at the hearing.~~

~~**18.2 Contents of Notice of Request for Review**~~

~~A Notice of Request for Review shall:~~

~~(a) state the specific relief sought;~~

~~(b) state the grounds for the relief sought, including reference to any Corporation Dealer Member Rule; and~~

~~(c) list the evidence to be relied upon.~~

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- (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 expedited hearing record, the decision and reasons of the hearing panel, a transcript of the expedited 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

~~18.3 Review Hearing Date~~

~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator. The review hearing date shall be within 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.47(2).~~

~~18.4 Review Record~~

~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~

~~The Review Record shall contain:~~

- ~~(a) the Notice of Request for Review;~~
- ~~(b) the Notice of Application filed in respect of the expedited hearing;~~
- ~~(c) the order and reasons made at the expedited hearing; and~~
- ~~(d) copies of the evidence to be relied upon.~~

~~18.5 Reply~~

~~The Corporation may serve and file a Reply at least 2 days prior to the date of the review hearing.~~

~~The Reply shall be restricted to statements and documents responding to new issues raised by the Respondent in the Review Hearing Record.~~

~~RULE 19: CONDUCT OF EXPEDITED REVIEW HEARING~~~~19.1 Rights of Parties~~

~~A party is entitled at the hearing:~~

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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 a sanction imposed under subsection 8212(4) (Expedited Hearings).

- ~~(a) to attend and be heard in person;~~
~~(b) to be represented by counsel or agent;~~
~~(c) to introduce evidence; and~~
~~(d) to make submissions relevant to the issues in the review hearing.~~

~~19.2 Order of Presentation~~

~~The order of presentation shall be as follows:~~

- ~~(a) the Requesting Party shall present evidence and make submissions;~~
~~(b) the Responding Party shall then present evidence and make submissions;~~
~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~

~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~

~~RULE 15: SETTLEMENT HEARINGS~~

~~15.1 Settlement Hearing Date~~

~~Upon the entering into of a Settlement Agreement, the Corporation shall request a date for the settlement hearing from the National Hearing Coordinator.~~

~~The National Hearing Coordinator shall give written notice of the settlement hearing date to all parties.~~

~~15.2 Settlement Hearing Materials~~

~~The Corporation shall serve and file a copy of the Settlement Agreement~~

8428. Settlement Hearings

- (1) If a settlement agreement is made after a notice of hearing has been issued, a settlement hearing must be commenced by a notice of motion.
- (2) If a settlement agreement is made before a notice of hearing is issued, a settlement hearing must be commenced by a notice of application.
- (3) Enforcement Staff must serve and file a commencing notice for a settlement hearing and must file copies of the settlement agreement at least seven days prior to the date of the settlement hearing, unless the hearing on the merits has commenced and the hearing panel orders otherwise.

~~Part 3 Offers of Settlement and Settlement Agreements~~

~~3.1 Provision of Offer of Settlement~~

~~If the Market Regulator has served a Statement of Allegations on any person, the Market Regulator may serve an Offer of Settlement on such person concurrent with or at any time after the serving of the Statement of Allegations.~~

~~3.2 Contents of Offer of Settlement~~

~~An Offer of Settlement must:~~

- ~~(a) be in writing;~~
~~(b) be signed by the President~~

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- (4) A commencing notice for a settlement hearing must contain:
- (i) the date, time and location of the settlement hearing,
 - (ii) the identity of the respondent,
 - (iii) a statement of the purpose of the hearing,
 - (iv) the general nature of the allegations addressed by the settlement agreement, and
 - (v) whether it is proposed that the settlement hearing be an oral hearing, electronic hearing or written hearing.
- (5) A settlement agreement must not be open for inspection by the public unless it has been accepted by a hearing panel.
- (6) At a settlement hearing, facts that are not contained in the settlement agreement must not be disclosed to the hearing panel without the consent of all parties, unless the respondent does not appear, in which case Enforcement Staff may disclose additional relevant facts, if requested by the hearing panel.

~~of the Market Regulator or such other officer of the Market Regulator as is authorized to make an Offer of Settlement;~~

~~(e) specify, that if the Offer of Settlement is accepted, the date on or before which the Settlement Agreement must be served on the Market Regulator provided that the date shall not be earlier than 20 days after the Offer of Settlement has been served;~~

~~(d) contain a reference to the Statement of Allegations intended to be relied upon by the Market Regulator;~~

~~(e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and~~

~~(f) contain a statement that if the Offer of Settlement is accepted by the person on whom it is served;~~

~~(i) the resulting Settlement Agreement is conditional upon the approval of the Hearing Panel, and (ii) the person shall waive all rights under UMIR and the other Requirements to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.~~

~~and any supporting materials as soon as practicable and in any case not later than 2 days prior to the date of the settlement hearing.~~

~~15.3 Facts not to be Disclosed~~

~~Unless the parties consent, facts not contained in the Settlement Agreement cannot be referred to or disclosed to the Hearing Panel.~~

~~If a Respondent is not present at the settlement hearing, the Corporation may disclose additional relevant facts, at the request of the Hearing Panel.~~

8429. Monitor

- (1) A request for directions by Enforcement staff or a monitor must be made by bringing a motion in accordance with section 8413 of the

Not applicable to UMIR.

~~RULE 17: APPOINTMENT OF MONITOR~~

~~17.1 Notice of Application~~

~~An application for the appointment of a Monitor pursuant to Dealer Member~~

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Rules of Practice.

~~20.46 shall be commenced by a Notice of Application.~~

~~17.2 Application Procedure~~

~~An application for the appointment of a Monitor shall follow the procedure set out in Rule 16.~~

~~17.3 Factors to Consider in Appointment of Monitor~~

~~In exercising its discretion under Dealer Member Rule 20.46 to appoint a Monitor, a Hearing Panel shall consider:~~

- ~~(a) the harm or potential harm to the investing public;~~
- ~~(b) the financial solvency of the Member;~~
- ~~(c) the adequacy of internal controls and operating procedures;~~
- ~~(d) the Member's ability to maintain regulatory capital requirements;~~
- ~~(e) any previous suspension of the Member for failing to meet regulatory capital requirements;~~
- ~~(f) the costs to the Member associated with the appointment of the Monitor; and~~
- ~~(g) any other relevant factors.~~

~~17.4 Eligible Monitors and Costs~~

~~In exercising its discretion under Dealer Member Rule 20.46, a Hearing Panel shall:~~

- ~~(a) appoint a Monitor on such terms as it considers appropriate;~~
- ~~(b) appoint a Monitor from the roster of eligible Monitors set out in Schedule "B"; and~~
- ~~(c) fix the costs of the~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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~~appointment of the Monitor in accordance with the fee schedule set out in Tariff "A".~~

REVIEW PROCEEDINGS

8430. Regulatory Review Hearings

Not applicable to UMIR.

~~RULE 22: APPROVALS — INDIVIDUALS~~~~22.1 Request for Review~~

~~A request for review pursuant to Dealer Member Rule 20.19 shall be commenced by a Notice of Request for Review.~~

~~A Notice of Request for Review shall be served and filed within 10 days after release of the approval decision, as required by Dealer Member Rule 20.19(1).~~

~~22.2 Contents of Notice of Request for Review~~

~~A Notice of Request for Review shall:~~

- ~~(a) state the specific relief sought;~~
- ~~(b) state the grounds for the relief sought; and~~
- ~~(c) list the evidence to be relied upon.~~

~~22.3 Review Hearing Date~~

~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~

~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~

~~22.4 Review Record~~

~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~

~~A Review Record shall contain:~~

- (1) A party who requests a review of a regulatory decision must serve and file, within the time specified in the Corporation requirement relating to the regulatory decision and
- (i) in the case of a decision made under sections 9204, 9206 or 9207 (Approvals and Regulatory Supervision), at least fourteen days, and
 - (ii) in the case of a decision under Dealer Member Rule 30 (early warning review), no more than the number of days specified in Dealer Member Rule 30, prior to the date of the hearing, 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 Corporation 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,
 - (ii) any notice of the regulatory decision received by the requesting party,
 - (iii) the regulatory decision and any reasons for the regulatory decision,

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<p>(iv) any materials that accompanied the notice of the <i>regulatory decision</i> or the <i>regulatory decision</i> received by the <i>requesting party</i>,</p> <p>(v) copies of any additional evidence, including affidavits and other materials relied on.</p> <p>(4) A <i>responding party</i> may serve and <i>file</i> a reply at least seven days prior to the date of the review <i>hearing</i>.</p> <p>(5) A reply must contain</p> <p>(i) the order requested by the <i>responding party</i> and a statement of the reasons for the order requested, and</p> <p>(ii) copies of any additional evidence, including affidavits and other material relied on.</p> <p>(6) The <i>parties</i> may serve and <i>file</i> a memorandum of fact and law no later than two days prior to the date of the review <i>hearing</i>.</p> <p>(7) A review <i>hearing</i> must be conducted in the following order:</p> <p>(i) the <i>requesting party</i> may present evidence,</p> <p>(ii) the <i>responding party</i> may present evidence,</p> <p>(iii) the <i>requesting party</i> may make submissions,</p> <p>(iv) the <i>responding party</i> may make submissions, and</p> <p>(v) the <i>requesting party</i> may reply to the submissions of the <i>responding party</i>.</p> <p>(8) A <i>hearing panel</i> may at any time, on any terms or conditions it considers appropriate, require oral testimony to be adduced at the review <i>hearing</i> on any matter in issue and allow cross-examination on an affidavit.</p> <p>(9) A member of a <i>District Council</i> whose <i>decision</i> is the subject of a request for review</p>	<p>(a) the Notice of Request for Review;</p> <p>(b) the decision under review; and</p> <p>(c) copies of the evidence to be relied upon.</p> <p>22.5 Reply</p> <p>The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.</p> <p>22.6 Contents of Reply</p> <p>A Reply shall:</p> <p>(a) state the grounds upon which the relief ought not to be granted; and</p> <p>(b) list the evidence to be relied upon.</p> <p>22.7 Reply Record</p> <p>A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.</p> <p>The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing.</p> <p>RULE 23: APPROVALS - MEMBERS</p> <p>23.1 Request for Review</p> <p>A request for review pursuant to Dealer Member Rule 20.22 shall be commenced by a Notice of Request for Review.</p> <p>A Notice of Request for Review shall be served and filed within 30 days after release of the approval decision, as required by Dealer Member Rule 20.22(2).</p> <p>23.2 Contents of Notice of Request for Review</p>
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may not be a member of the *hearing panel* on the review *hearing*.

~~A Notice of Request for Review shall:~~

~~(a) state the specific relief sought;~~

~~(b) state the grounds for the relief sought; and~~

~~(c) list the evidence to be relied upon.~~

~~**23.3 Review Hearing Date**~~

~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~

~~The review hearing date shall not be later than 90 days after the filing of the Notice of Request for Review.~~

~~**23.4 Review Record**~~

~~The Requesting Party shall serve and file a Review Record not less than 30 days prior to the date of the review hearing.~~

~~A Review Record shall contain:~~

~~(a) the Notice of Request for Review;~~

~~(b) the decision under review; and~~

~~(c) copies of the evidence to be relied upon.~~

~~**23.5 Reply**~~

~~The Responding Party may serve and file a Reply at least 14 days prior to the date of the review hearing.~~

~~**23.6 Contents of Reply**~~

~~A Reply shall:~~

~~(a) state the grounds upon which the relief ought not to be granted; and~~

~~(b) list the evidence to be relied upon.~~

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~~23.7 Reply Record~~

~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~

~~The Responding Party shall serve and file the Reply Record at least 7 days prior to the date of the review hearing.~~

~~RULE 24: EXEMPTION REVIEW HEARINGS~~~~24.1 Request for Review~~

~~A request for review pursuant to Dealer Member Rule 20.26 shall be commenced by a Notice of Request for Review.~~

~~A Notice of Request for Review shall be served and filed within 10 days after release of the decision, as required by Dealer Member Rule 20.26(1).~~

~~24.2 Contents of Notice of Request for Review~~

~~A Notice of Request for Review shall:~~

- ~~(a) state the specific relief sought;~~
- ~~(b) state the grounds for the relief sought; and~~
- ~~(c) list the evidence to be relied upon.~~

~~24.3 Review Hearing Date~~

~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~

~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review.~~

~~24.4 Review Record~~

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~

~~A Review Record shall contain:~~

~~(a) the Notice of Request for Review;~~

~~(b) the decision under review; and~~

~~(c) copies of the evidence to be relied upon.~~

~~**24.5 Reply**~~

~~The Responding Party may serve and file a Reply at least 5 days prior to the date of the review hearing.~~

~~**24.6 Contents of Reply**~~

~~A Reply shall:~~

~~(a) state the grounds upon which the relief ought not to be granted; and~~

~~(b) list the evidence to be relied upon.~~

~~**24.7 Reply Record**~~

~~A Reply Record shall contain copies of any evidence the Responding Party intends to rely upon.~~

~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing.~~

~~**RULE 25. CONDUCT OF APPROVAL AND EXEMPTION REQUEST REVIEW HEARINGS**~~

~~**25.1 Application**~~

~~This Rule shall apply to all review hearings referred in Rules 22 to 24 in this Part D.~~

~~**25.2 Rights of Parties**~~

~~A party is entitled at the hearing:~~

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- ~~(a) to attend and be heard in person;~~
~~(b) to be represented by counsel or agent;~~
~~(c) to introduce evidence; and~~
~~(d) to make submissions relevant to the issues in the review hearing.~~

~~**25.3 Order of Presentation**~~

~~The order of presentation shall be as follows:~~

- ~~(a) the Requesting Party shall present evidence and make submissions;~~
~~(b) the Responding Party shall then present evidence and make submissions;~~
~~(c) the Requesting Party may then reply to the submissions of the Responding Party.~~

~~Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent.~~

~~**25.4 Form of Evidence**~~

~~Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination.~~

~~**26.1 Request for Review**~~

~~A request for review pursuant to Dealer Member Rule 20.29(1) shall be commenced by a Notice of Request for Review.~~

~~A Notice of Request for Review shall be served and filed within 3 days after the Member was served with the~~

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~~early warning order, as required by Dealer Member Rule 20.29(1).~~

~~**26.2 Contents of Notice of Request for Review**~~

~~A Notice of Request for Review shall:~~

- ~~(a) state the specific relief sought;~~
- ~~(b) state the grounds for the relief sought; and~~
- ~~(c) list the evidence to be relied upon.~~

~~**26.3 Review Hearing Date**~~

~~Notice of the date, time and location of the review hearing will be provided to the parties by the National Hearing Coordinator.~~

~~The review hearing date shall not be later than 21 days after the filing of the Notice of Request for Review, as required by Dealer Member Rule 20.29(2).~~

~~**RULE 27: SUPPORTING MATERIALS**~~

~~**27.1 Review Record**~~

~~The Requesting Party shall serve and file a Review Record at least 10 days prior to the date of the review hearing.~~

~~A Review Record shall contain:~~

- ~~(a) the Notice of Request for Review;~~
- ~~(b) the early warning order;~~
- ~~(c) copies of the evidence to be relied upon.~~

~~**27.2 Reply**~~

~~The Responding Party may serve and file a Reply, at least 5 days prior to the date of the review hearing.~~

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~~27.3 Contents of Reply~~~~A Reply shall:~~~~(a) state the grounds upon which the relief ought not be granted; and~~~~(b) list the evidence to be relied upon.~~~~27.4 Reply Record~~~~A Reply Record shall contain copies of any evidence the Corporation intends to rely upon.~~~~The Responding Party shall serve and file the Reply Record at least 5 days prior to the date of the review hearing.~~**SECURITIES REGULATORY AUTHORITY REVIEW****8431. Record for Review**

New

New

- (1) A party who applies to a securities regulatory authority for review of a final decision of a hearing panel may obtain a copy of the record of the proceeding in which the decision was made by sending a request for the record, in prescribed form, to the National Hearing Coordinator.
- (2) The National Hearing Coordinator must provide a copy of the record of the proceeding to the party within a reasonable time after receipt of a request under subsection 8431(1), subject to payment of any applicable costs or fees.
- (3) Subject to subsection 8431(4), the record of a proceeding must include copies of:
- (i) the commencing notice in the proceeding,
 - (ii) any interim orders made in the proceeding,
 - (iii) any preconference memorandums,
 - (iv) documentary and other evidence adduced in the proceeding, subject to any

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limitations imposed under *Corporation requirements* by a *hearing panel* or by *law*,

(v) any other *documents* in the proceeding requested by a *party*,

(vi) a transcript of oral evidence given at the *hearing* on the merits, and

(vii) the *decision* and reasons of the *hearing panel*.

(4) The *National Hearing Coordinator* may omit any *documents* from the record of a proceeding, if

(i) the *parties* consent and the *hearing panel* agrees, or

(ii) the *hearing panel* so directs.

(5) The *National Hearing Coordinator* may require the *party* who requests the record of a proceeding to pay the costs of preparing a copy of the record and a reasonable fee for its preparation.

Rule 9100

Compliance Examinations

9101. Introduction

New

New

(1) This Rule sets out the powers of the *Corporation* to initiate and conduct compliance examinations and request information and the rights and obligations of *Regulated Persons* with respect to such examinations.

9102. Examinations

New

New

(1) An examination under this Rule includes a request for information made by *Corporation* staff.

9103. Conducting Examinations

See UMIR 10.2 above; to be repealed.

See Dealer Member Rule 19.1 and 19.2 above; to be repealed.

(1) *Corporation* staff may examine the conduct, business and affairs of a *Regulated Person* with respect to *Corporation requirements*, applicable laws, or trading or advising in respect of securities, commodities contracts or

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derivatives.

- (2) *Corporation* staff may initiate an examination where they reasonably consider it advisable to do so.

9104. Examination Powers

See UMIR 10.12 above; to be repealed.

See Dealer Member Rule 19.5 and 19.6 above; to be repealed.

- (1) In connection with an examination, *Corporation* staff may, by written or electronic request, require a *Regulated Person*, an *employee*, or an investor of a *Dealer Member* to:

(i) provide a written report with respect to any matter;

(ii) produce for inspection any *records* and documents in the *person's* possession or control that *Corporation* staff believe may be relevant to the examination, whether written, electronically stored, or recorded;

(iii) provide copies of any such *records* and documents in the manner and form, including electronically and recorded, that *Corporation* staff requests; and

(iv) answer questions with respect to any matter.

- (2) In a request made under subsection 9104(1), *Corporation* staff may require production of original documents and must provide a receipt for any original documents received.

- (3) In connection with an examination, *Corporation* staff

(i) may, with or without prior notice, enter the business premises of any *Regulated Person* during business hours;

(ii) are entitled to free access to and to make and keep copies of all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and *records* of every description, including by taking an image of the computer hard drives of the *Regulated Person*, that are not subject to solicitor-client privilege; and

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(iii) may remove the original of any document or record obtained under clause 9104(3)(ii), and where an original document or record is removed from the premises, Corporation staff must provide a receipt for the removed document or record.

9105. Obligations of Regulated Persons and Other Persons

- (1) A person who receives a request made under section 9104 must comply with the request within the time specified in it.
- (2) A Regulated Person must cooperate with Corporation staff who are conducting an examination, and a Regulated Person must require its employees to cooperate with Corporation staff conducting an examination and to comply with a request made under section 9104.
- (3) A person who is aware that Corporation staff is conducting an examination must not conceal or destroy any record, document or thing that contains information that may be relevant to the examination.

UMIR PART 10 - COMPLIANCE

10.1 Compliance Requirement

- (1) Each Participant and Access Person shall comply with applicable Requirements.
- (2) For the purposes of subsection (1), a Participant or Access Person shall, with respect to a particular order, comply with the Marketplace Rules of:
 - (a) the marketplace on which the particular order is entered; and
 - (b) the marketplace on which the particular order is executed.
- (3) Each marketplace shall comply with the applicable Requirements, the Market Operation Instrument and any other applicable securities regulatory requirements.
- (4) The Market Regulator shall promptly report to the applicable securities regulatory authorities, if the Market Regulator believes that a marketplace has failed to comply with the requirements of subsection (3) or has otherwise engaged in misconduct or apparent misconduct.
- (5) A Regulated Person shall not do any act that the Regulated Person knows or could have

See Dealer Member Rule 19.5, 19.1, and 19.6 above.

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known after the exercise of reasonable diligence would impede or obstruct the ability ~~of:~~

~~(a) the Market Regulator to conduct an investigation pursuant to Rule 10.2;~~

~~(b) the Market Regulator to conduct a hearing to make a determination pursuant to Rule 10.6; or~~

~~(c) a afa Market Integrity Official to exercise a power under Rule 10.9.~~

(6) Without limiting the generality of subsection (5), a Regulated Person shall be considered to have impeded or obstructed the ability of ~~the Market Regulator to conduct an investigation or a hearing or~~ a Market Integrity Official to exercise a power if the Regulated Person:

(a) destroys or renders inaccessible any document in the possession or control of the Regulated Person, whether or not the document is of the form or type that must be retained in accordance with Rule 10.12, that is relevant ~~to the investigation or hearing or~~ to the exercise of power;

(b) provides any information, document, record or statement to the Market Regulator ~~in connection with the investigation or hearing or to a Market Integrity Official~~ in

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connection with the exercise of a power that is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading; or

(c) persuades or attempts to persuade any person by whatever means to:

(i) destroy or render inaccessible any document in the possession or control of that other person relevant ~~to the investigation or hearing or~~ to the exercise of power, or

(ii) provide any information, document, record or statement to the Market Regulator ~~in connection with the investigation or hearing~~ or to a Market Integrity Official in connection with the exercise of a power that would be misleading or untrue or would not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading.

(7) Without limiting the availability of other defences, a Regulated Person shall not be considered to have breached subsection (5) or (6) if the Regulated Person did not know or could not have known after the

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exercise of reasonable diligence that:

- (a) the document was relevant to ~~the investigation or hearing or~~ the exercise of a power; or
- (b) the information, document, record or statement was or would be misleading or untrue or that it omitted to state a fact that was required to be stated or that was necessary to make the information, document, record or statement not misleading in light of the circumstance in which it was made or would be made.

POLICY 10.1 - COMPLIANCE REQUIREMENT

Part 1 - Monitoring for Compliance

Rule 10.1 requires each Participant and Access Person to comply with applicable Requirements. The term "Requirements" is defined as meaning:

- UMIR;
- the Policies;
- the Trading Rules;
- the Marketplace Rules;
- any direction, order or decision of the Market Regulator or a Market Integrity Official; and
- securities legislation,

as amended, supplemented and in effect from time to time.

The Market Regulator will monitor the activities of Regulated Persons for compliance with each aspect of the definition of Requirements and ~~the Market Regulator will~~ use the powers under [Consolidated Rule 10-28100](#) to conduct any [enforcement](#) investigation into possible non-compliance.

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If the Regulated Person has not complied with:

- UMIR, the Policies or any direction, order or decision of the Market Regulator or a Market Integrity Official, the Market Regulator may undertake a disciplinary proceeding pursuant to ~~10.5~~[Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access](#);
- the Trading Rules or securities legislation, the Market Regulator may, pursuant to the exchange of information provided for under Rule 10.13, refer the matter to the applicable securities regulatory authority to be dealt with in accordance with applicable securities legislation; and
- Marketplace Rules, the Market Regulator may undertake a disciplinary proceeding pursuant to [Consolidated Rule 8200 or Rule 10.5 with respect to temporary restriction of access](#), if the marketplace has retained the Market Regulator to conduct disciplinary proceedings on behalf of the marketplace in accordance with an agreement with the Market Regulator contemplated by Part 7 of the Trading Rules, otherwise the Market Regulator may refer the matter to the marketplace to be dealt with in accordance with the Marketplaces Rules of that marketplace.

9106. Use of Information

New

New

- (1) *Corporation* staff may refer any information obtained from an examination to *Enforcement Staff*, other *Corporation Staff*, or a securities or commodities regulatory authority.
- (2) *Corporation* staff may take any other appropriate action based on information obtained from an

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examination.

Rule 9200

Approvals and Regulatory Supervision

9201. Introduction

Not applicable

New

- (1) This Rule sets out the authority of the Corporation to approve individuals employed by or otherwise acting on behalf of *Dealer Members*, to grant exemptions from the Corporation's proficiency and educational requirements, to grant exemptions from the Corporation's introducing/carrying broker requirements, to impose terms and conditions on approvals and membership, to suspend and revoke approvals, and rights of review available to parties to such decisions.

9202. Definitions

Not applicable

New

- (1) In this Rule,
- "application" means an application for approval or an exemption under this Rule, but does not include a request for a review of a decision on such an application under Rule 9300 (Regulatory Review Proceedings).
- "decision" means a determination made by a *District Council*, a subcommittee of a *District Council*, *Registration Staff* or the Corporation under this Rule.
- "District Council panel" means a panel of three members of a *District Council*.
- "Registration Staff" means registration staff of the Corporation.

9203. Decisions of a District Council

Not applicable

~~Part 7 — Individual and Membership Approvals~~

~~APPROVAL APPLICATIONS~~

~~20.18 Powers of District Council~~

~~(1) — The District Council shall have the power, which it may delegate to a Sub-Committee of the~~

- (1) A *District Council* may delegate its authority to make decisions under this Rule to a subcommittee of three to five *industry members* of the *District Council* or, except for its authority under section 9205 and subsection 9207(2), to *Registration Staff*.
- (2) Notice of a decision of a District Council

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<p>must be given to an applicant or other person who is its subject.</p> <p>(3) A District Council must not</p> <p style="padding-left: 20px;">(i) refuse an application,</p> <p style="padding-left: 20px;">(ii) impose terms and conditions on an approval, or</p> <p style="padding-left: 20px;">(iii) suspend or revoke an approval, unless the applicant or <i>Approved Person</i> has been given an opportunity to be heard.</p> <p>(4) Written reasons must be provided with notice of a <i>decision</i> that</p> <p style="padding-left: 20px;">(i) refuses an application,</p> <p style="padding-left: 20px;">(ii) imposes terms and conditions on an approval, or</p> <p style="padding-left: 20px;">(iii) suspends or revokes an approval.</p> <p>(5) Unless it is stayed, a <i>decision</i> is effective ten business days after it is released.</p>	<p style="color: red;">District Council comprised of three industry members or to Corporation Staff, to:</p> <p style="color: red;">(a) approve an application for approval as a:</p> <p style="padding-left: 20px; color: red;">(i) Supervisor under Rule 4,</p> <p style="padding-left: 20px; color: red;">(ii) Director or Executive under Rule 7,</p> <p style="padding-left: 20px; color: red;">(iii) Registered Representative or Investment Representative, under Rule 18,</p> <p style="padding-left: 20px; color: red;">(iv) Ultimate Designated Person, Chief Financial Officer or Chief Compliance Officer under Rule 38, or</p> <p style="padding-left: 20px; color: red;">(v) Trader under Rule 500.</p> <p style="color: red;">(2) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to:</p> <p style="padding-left: 20px; color: red;">(a) approve an application for approval referred to in Rule 20.18(1)(a) subject to such terms and conditions as the District Council considers just and appropriate,</p> <p style="padding-left: 20px; color: red;">(b) refuse an application for approval referred to in Rule 20.18(1)(a), if in its opinion:</p> <p style="padding-left: 40px; color: red;">(i) the Applicant does not meet any requirements prescribed by the Rules or Rulings,</p>
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~~(ii) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~

~~(iii) the Applicant is not qualified for approval by reason of integrity, solvency, training or experience; or~~

~~(iv) such approval is otherwise not in the public interest.~~

~~(3) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council or to Corporation Staff, pursuant to subsection (1), to impose such terms and conditions on the continued approval of an Approved Person as the District Council considers just and appropriate.~~

~~(4) The District Council shall have the power, which it may delegate to a Sub-Committee of the District Council, pursuant to subsection (1), to revoke or suspend the approval of an individual at any time during the period of approval of the individual if it appears to the District Council,~~

~~(i) that the individual is not suitable for approval by reason of integrity, solvency, training or experience or has failed to comply with the Rules or Rulings of the Corporation; or~~

~~(ii) that the approval is~~

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		otherwise not in the public interest. (5) The District Council shall not do any of the following without giving an individual an opportunity to be heard: (i) Refuse to approve the individual. (ii) Impose terms and conditions on the approval, either as a condition of approval or at any time during the period in which the individual is approved. (iii) Suspend or revoke the approval of the individual under (4). 20.25 Powers of District Councils (4) The Dealer Member shall be provided with notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.
9204. Individual Approval Applications	Not applicable	See Dealer Member Rule 20.18 above.
(1) An <i>individual</i> may apply to a <i>District Council</i> for approval as a		
(i) <i>Supervisor</i> under Dealer Member Rule section 1300.2,		
(ii) <i>Director</i> or <i>Executive</i> under Dealer Member Rule section 7.2,		
(iii) <i>Registered Representative</i> or <i>Investment Representative</i> under Dealer Member Rule section 18.2,		

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(iv) *Ultimate Designated Person, Chief Financial Officer, or Chief Compliance Officer* under Dealer Member Rule sections 38.5, 38.6, or 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 *Corporation* requirement,

(b) is likely not to comply with *Corporation requirements*, or

(c) does not satisfy *securities laws* or *commodities laws* 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.

9205. Membership Approval Applications

(1) The *District Council* shall make a recommendation to the Board of Directors to:

(i) approve an *application* for *Dealer Member* membership in the *Corporation* made pursuant to section 3.5 of General By-law No. 1,

(ii) approve the *application* subject to such terms and conditions as may be considered just and appropriate, or

(iii) refuse the *application* if, in its opinion,

(a) the applicant does not comply with one or more of the *Corporation requirements*,

(b) one or more *Corporation*

~~MEMBERSHIP APPLICATIONS~~

~~20.20 Recommendation of District Council~~

~~(1) The District Council, or a Sub Committee of the District Council comprised of three industry members established pursuant to Rule 11, shall make a recommendation to the Board of Directors to:~~

~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~

~~(b) approve the application subject to such terms and~~

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<p>requirements will not be complied with by the applicant,</p> <p>(c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or</p> <p>(d) such approval is not in the public interest.</p> <p>(2) Prior to consideration of an application for Dealer Member membership in the Corporation by the Board of Directors, the applicant shall be informed that it has an opportunity to be heard by the Board of Directors prior to the Board of Directors deciding on its application.</p> <p>(3) The Board of Directors shall have the power to:</p> <p>(i) approve an application for Dealer Member membership in the Corporation made pursuant to section 3.5 of General By-law No. 1,</p> <p>(ii) approve the application subject to such terms and conditions as may be considered just and appropriate; or</p> <p>(iii) refuse the application if, in its opinion,</p> <p>(a) the applicant does not comply with one or more of the Corporation requirements,</p> <p>(b) one or more Corporation requirements will not be complied with by the applicant,</p> <p>(c) the applicant is not qualified for approval by reason of integrity, solvency, or experience, or</p> <p>(d) such approval is not in the public interest.</p>	<p style="color: red;">conditions as may be considered just and appropriate; or</p> <p style="color: red;">(e) refuse the Application if, in the opinion of the District Council or the Sub-committee of the District Council:</p> <p style="color: red;">(i) the Applicant does not meet any requirements prescribed by the Rules or Rulings;</p> <p style="color: red;">(ii) the Rules and Rulings of the Corporation will not be complied with by the Applicant;</p> <p style="color: red;">(iii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience; or</p> <p style="color: red;">(iv) such approval is otherwise not in the public interest.</p> <p style="color: red;">20.21 Applicant opportunity to be heard by the Board of Directors</p> <p style="color: red;">(1) Prior to the consideration of an application for Membership by the Board of Directors, the Applicant shall be:</p> <p style="color: red;">(a) provided with copies of the Corporation staff recommendation, the District Council recommendation and any other documents to be provided to the Board of Directors relating to the consideration of its Application; and</p> <p style="color: red;">(b) informed that it has an opportunity to be heard by the Board of Directors prior to</p>
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~~the Board deciding on its Application.~~

~~The Applicant must inform the Corporation within ten (10) business days of its receipt of these recommendations and other documents whether it wants to heard by the Board of Directors prior to the Board deciding on its Application.~~

~~**20.22 Powers of the Board of Directors**~~

~~(1) The Board of Directors shall have the power to:~~

~~(a) approve an application for Membership made pursuant to Section 3.5 of General By-law No. 1;~~

~~(b) approve the application subject to such terms and conditions as may be considered just and appropriate;~~

~~(c) refuse the application if, in its opinion:~~

~~(i) the Rules and Rulings of the Corporation will not be complied with by the Applicant;~~

~~(ii) the Applicant is not qualified for approval by reason of integrity, solvency, or experience, or~~

~~(iii) such approval is otherwise not in the public interest.~~ **20.23 District Council Powers -- Exemption for Payment of Entrance Fee**

~~(1) Notwithstanding Rule 20.20, Rule 20.21 and Rule 20.22, if an~~

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9206. Exemption Applications

Not applicable

- (1) An individual may apply to a District Council for an exemption from the proficiency requirements under Dealer Member Rule 2900, Part I or an examination requirement under Dealer Member Rule 2900, Part II, or for an extension of or exemption from a continuing education requirement under Dealer Member Rule 2900, Part III.
- (2) A Dealer Member may apply to a District Council for an exemption from the introducing / carrying broker requirements under Dealer Member Rule 35.
- (3) On an application under subsection 9206(1) or 9206(2), the District Council may grant an exemption or extension in accordance with any standards in the relevant rule, subject to any terms and conditions it considers appropriate.

~~Applicant is exempted from payment of the Entrance Fee and has met all Membership application conditions pursuant to Section 3.5 of General By-law No. 1, except any conditions the District Council has waived in the circumstances, the District Council may approve the application for Membership without referral to the Board of Directors for final decision.~~

~~Part 8 — Exemption Request Applications.~~

~~PROFICIENCY EXEMPTIONS~~

~~20.24 Powers of District Councils~~

- ~~(1) Persons may apply for a proficiency exemption pursuant to Rule 2900.~~
- ~~(2) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, shall have the power, to:~~
 - ~~(a) exempt any person or class of persons from proficiency requirements, pursuant to paragraph B of Rule 2900 — Part I Proficiency Requirements on such terms and conditions, if any, as it may determine;~~
 - ~~(b) exempt any person from writing or re-writing any required course or examination, pursuant to paragraph C of Rule 2900 — Part II Course and Examination Exemptions, on such terms and~~

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~~conditions, if any, as it may determine, or~~

~~(e) exempt any person from the Continuing Education Program requirements, pursuant to Section A.3 of Rule 2900 Part III The Continuing Education Program, on such terms and conditions, if any, as it may determine.~~

~~(3) The District Council, or a Sub-Committee of the District Council comprised of three industry members and established pursuant to Rule 11, may delegate the power to approve or refuse proficiency exemptions to Corporation Staff.~~

~~**INTRODUCING CARRYING BROKER ARRANGEMENT EXEMPTIONS**~~

~~**20.25 Powers of District Councils**~~

~~(1) Dealer Members may apply for an exemption from the introducing carrying broker arrangement requirements pursuant to Rule 35.~~

~~(2) The District Council, or a sub-committee of the District Council, established pursuant to Rule 11, shall have the power to:~~

~~(a) exempt any Dealer Member from any of the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate; and~~

~~(b) exempt any arrangements between a Dealer Member and a Dealer Member's foreign affiliate, pursuant to Rule~~

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		35.6, from the requirements of Rule 35 on such terms and conditions, if any, as it determines to be just and appropriate. (3) The Dealer Member shall comply with any rules applicable to introducing carrying broker arrangement exemption applications prescribed by the Corporation Practice and Procedure. (4) The Dealer Member shall be provided with notice of the decision where the exemption is granted and the decision with reasons where the exemption is refused or granted subject to conditions.
9207. Continued Approval	Not applicable	See Dealer Member Rule 20.18 above.
<p>(1) A <i>District Council</i> may impose terms and conditions on the continued approval of an <i>Approved Person</i>, where the <i>District Council</i> considers it appropriate to ensure continuing compliance with <i>Corporation requirements</i>.</p> <p>(2) A <i>District Council</i> may suspend or revoke the approval of an <i>Approved Person</i>, if it appears to the <i>District Council</i> that</p> <p>(i) the <i>Approved Person</i> is not suitable for approval by reason of integrity, solvency, training or experience,</p> <p>(ii) the <i>Approved Person</i> has failed to comply with <i>Corporation requirements</i>, or</p> <p>(iii) the approval is otherwise not in the public interest.</p>		
9208. Terms and Conditions on Membership	Not applicable	New
<p>(1) The <i>Corporation</i> may impose terms and conditions on a <i>Dealer Member's</i> membership, where the <i>Corporation</i> considers it appropriate to ensure continuing compliance with <i>Corporation</i></p>		

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requirements.

- (2) The Corporation must not impose terms and conditions on a membership, unless the Dealer Member has been given an opportunity to be heard.
- (3) Notice of a decision imposing terms and conditions under this Rule must be given to the Dealer Member and must be accompanied by written reasons for the decision.

9209. Review Hearings

Not applicable

- (1) An applicant, Approved Person or Dealer Member may, within ten business days after the release of a decision under section 9204, 9207 or 9208, request a review of the decision by a hearing panel under Rule 9300 (Regulatory Review Proceedings).
- (2) An applicant may, within ten business 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 ten business 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 hearing panel 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 is not requested within ten business days after the release of the decision, the decision made under section 9204, 9206, 9207, or 9208 shall become final.
- (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

~~20.19 Review Hearings~~

- ~~(1) Corporation Staff, the Applicant or an Approved Person may request a review of a decision under Rule 20.18 by a Hearing Panel within ten business days after release of the decision.~~
- ~~(2) If a review is not requested within ten business days after release of the decision, the decision under Rule 20.18 becomes final.~~
- ~~(3) No member of a District Council who has participated in a decision under Rule 20.18 shall participate on the Hearing Panel.~~
- ~~(4) A review hearing held under this Part shall be held in accordance with the Corporation Practice and Procedure.~~
- ~~(5) The Hearing Panel may:~~
- ~~(a) affirm the decision;~~
- ~~(b) quash the decision;~~
- ~~(c) vary or remove any terms and conditions imposed on approval or continued approval;~~
- ~~(d) limit the ability to re-apply for approval for such period of time as it~~

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- Council panel on a review of the decision.*
- (7) A *District Council panel* may:
- (i) affirm the decision made under section 9206;
 - (ii) quash the decision made under section 9206;
 - (iii) vary or remove any terms and conditions imposed on the applicant under section 9206; and;
 - (iv) make any decision that could have been made by the *District Council* under section 9206.
- (8) A decision of the *District Council panel* is a decision for which no further review or appeal is provided in the Rules.

~~determines just and appropriate; and~~

~~(e) make any decision that could have been made by the District Council pursuant to Rule 20.18.~~

~~(6) A decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.~~

~~EXEMPTION - REVIEW HEARINGS~~

~~20.26 Review Hearings~~

~~(1) The Applicant or Corporation Staff may apply for a review of the District Council decisions pursuant to Rule 20.24 or Rule 20.25 within ten business days after release of the decision.~~

~~(2) If the Applicant does not request a review within the time period prescribed in subsection (1), the District Council decision to refuse the exemption request application or approve the exemption request application subject to terms and conditions, shall become final.~~

~~(3) If Corporation Staff requests a review within the time period prescribed in subsection (1), the request for review shall operate as a stay from the District Council decision.~~

~~(4) A review of a District Council decision shall be heard by a District Council Panel comprised of three members of the District Council. No member of a District Council who participated in the District Council decision shall~~

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~~sit on the District Council Panel.~~
~~(5) The District Council Panel may:~~
~~(a) affirm the decision;~~
~~(b) quash the decision;~~
~~(c) vary or remove any terms and conditions imposed on an Applicant; and~~
~~(d) make any decision that could have been made by the District Council or a sub-committee of the District Council pursuant to Rule 20.24 and Rule 20.25.~~

~~(6) A decision of the District Council Panel is a decision for which no further review or appeal is provided in the Rules.~~

~~**RULE 28: CONDUCT OF EARLY WARNING REVIEW HEARINGS**~~

~~**28.1 Rights of Parties**~~

~~A party is entitled at the hearing:~~

- ~~(a) to attend and be heard in person;~~
- ~~(b) to be represented by counsel or agent;~~
- ~~(c) to introduce evidence; and~~
- ~~(d) to make submissions relevant to the issues in the review hearing.~~

~~**28.2 Order of Presentation**~~

~~The order of presentation shall be as follows:~~

- ~~(a) the Requesting Party shall present evidence and make submissions; and~~
- ~~(b) the Responding Party shall then present evidence and make~~

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		submissions; (c) the Requesting Party may then reply to the submissions of the Responding Party. Where a party is represented by counsel or agent, the right to address the Hearing Panel shall be exercised by the counsel or agent. 28.3 Form of Evidence Evidence shall be in the form of a sworn statement or documentation unless an adverse party reasonably requires the attendance of a witness for cross-examination.
9210. Review by a Securities Regulatory Authority	Not applicable	New
<p>(1) A party may apply to the securities regulatory authority in the relevant District for a review of a final decision of a District Council panel under this Rule.</p> <p>(2) A person who is entitled to request a review of a final decision of a District Council panel under section 9209 may not apply to a securities regulatory authority for review of the decision, unless the person has requested a review by a District Council panel and the District Council panel has made a final decision.</p> <p>(3) For purposes of subsection 9210(1), Corporation staff is directly affected by a decision in a proceeding in which Corporation staff is a party.</p>		
Rule 9300		
Regulatory Review Proceedings		
9301. Introduction	Not applicable	New
<p>(1) This Rule sets out the authority of hearing panels to review a decision under Rule 9200 (Approvals and Regulatory Supervision) or an early warning level 2 prohibition under Dealer</p>		

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Member Rule 30.

9302. Definitions

Not applicable

New

(1) In this Rule:

"application" means an application for approval under section 9204 (Approvals and Regulatory Supervision).

"approval order" means an order made under section 9207 (Continued Approval).

"compliance order" means an order made under section 9208 (Terms and Conditions on Membership).

"decision" means a determination made by a *District Council*, a *person* to whom decision-making authority is delegated by a *District Council*, the *Corporation*, or a *hearing panel* that makes a *decision* in a *review proceeding* under this Rule.

"early warning review order" means an order made under Dealer Member Rule 30.

9303. Hearings and Decisions

Not applicable

New

(1) Section 8203 (Enforcement Proceedings) applies to a proceeding under this Rule, with modifications required by the context of this Rule.

(2) A *decision* of a *hearing panel* is effective on the date the *decision* is dated by the *National Hearing Coordinator*, unless the *decision* provides otherwise, in which case the *decision* is effective on the date so provided.

9304. Review Proceedings

Not applicable

See Dealer Member Rule 20.26, 20.19, and 20.48 above.

~~20.29 Review of Early Warning Level 2 Prohibitions~~

~~(1) The Dealer Member may request a review of a Rule 20.28 order by a Hearing Panel within three business days after release of the decision.~~

(1) A request for review of a *decision* made on an *application*, an *approval order*, a *compliance order* or an *early warning review order* must be heard by a *hearing panel* in accordance with the *Rules of Practice*.

(2) After a *hearing* under this section, a *hearing panel* may

(i) affirm the *decision* under review,

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<p>(ii) quash the <i>decision</i>,</p> <p>(iii) vary or remove any terms and conditions imposed by the <i>decision</i>,</p> <p>(iv) prohibit a further <i>application</i> for approval under section 9204 (Approvals and Regulatory Supervision) by the applicant for a period of time it considers appropriate, or</p> <p>(v) make any <i>decision</i> authorized by the Rule under which the <i>decision</i> was made,</p> <p>(3) A member of a <i>District Council</i> who participates in a <i>decision</i> on an <i>application</i> or in making an <i>approval order</i>, <i>compliance order</i> or <i>early warning review order</i> must not be a member of the <i>hearing panel</i> on a review of the <i>decision</i>.</p>	<p style="text-align: center;">Not applicable</p>	<p>(2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty one calendar days after the request for review, unless otherwise agreed by the parties.</p> <p>(3) If a Dealer Member does not request a review within the time period prescribed in subsection (1), the Rule 20.28 order becomes effective and final.</p> <p>(4) A Hearing Panel may:</p> <p style="padding-left: 20px;">(a) affirm the order;</p> <p style="padding-left: 20px;">(b) quash the order; or</p> <p style="padding-left: 20px;">(c) vary or remove any prohibitions imposed on the Dealer Member; and</p> <p style="padding-left: 20px;">(d) make any decision that could have been made by the Corporation pursuant to Rule 20.28.</p> <p>(5) A decision of the Hearing Panel is a decision for which no further review or appeal is provided in the Rules.</p>
<p>9305. Review by a Securities Regulatory Authority</p> <p>(1) A party may apply to the <i>securities regulatory authority</i> in the relevant <i>District</i> for a review of a final <i>decision</i> of a <i>hearing panel</i> under this Rule.</p> <p>(2) A person who is entitled to request a review of a <i>decision</i> under section 9304 may not apply to a <i>securities regulatory authority</i> for review of the <i>decision</i>, unless the person has requested a review by a <i>hearing panel</i> and the <i>hearing panel</i> has made a final <i>decision</i>.</p> <p>(3) For purposes of subsection 9305(1), Corporation staff is directly affected by a</p>	<p style="text-align: center;">Not applicable</p>	<p style="text-align: center;">New</p>

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decision in a proceeding in which *Corporation* staff is a *party*.

Rule 9400

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

9401. Introduction

Not applicable

New

(1) These Procedures apply where the Dealer Member Rules require an opportunity to be heard before:

(i) a District Council (including the District Council's delegate where authority has been delegated to a Registration Subcommittee or *Corporation* staff),

(ii) a *senior officer* who has the authority to make a decision concerning an individual or a *Dealer Member*, or

(iii) the Board of Directors concerning an *application* for *Dealer Member* membership in the *Corporation*.

These procedures will also be followed where the *Corporation* makes registration decisions under statutory authority that has been delegated to the *Corporation* by a *securities regulatory authority*. Securities legislation generally provides that an opportunity to be heard be provided before a decision is made to: refuse to register; amend a registration; refuse to reinstate a registration after a period of suspension; impose terms and conditions on a registration either as a condition of registration or at any time during the period of registration; suspend or revoke a registration; or impose terms and conditions on the surrender of a registration.

9402. Definitions

Not applicable

New

(1) In this Rule,

"decision maker" means a *District Council* or *senior officer* with authority to make a decision in a hearing under Rule 9200 (Approvals and

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Regulatory Supervision).

"District Council" is the applicable District Council that is authorized to act as decision maker for purposes of Rule 9200 (Approvals and Regulatory Supervision) and includes a Registration Subcommittee or *Registration Staff* to whom the *District Council* has delegated authority to make approval decisions.

"senior officer" is a senior officer of the *Corporation* who has authority to make a decision to impose terms and conditions on a membership under section 9208 (Approvals and Regulatory Supervision).

"Registration Staff" refers to registration employees of the *Corporation* or employees of the *Corporation* who conduct compliance examinations under Rule 9100 (Compliance Examinations).

PART A - OPPORTUNITIES TO BE HEARD BY A DISTRICT COUNCIL OR A SENIOR OFFICER

9403. Opportunities to be heard by a District Council or a senior officer	Not applicable	New
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(1) The procedures in sections 9404 through 9410 apply where an applicant has requested an opportunity to be heard by a *District Council* of by a *senior officer*.

9404. Counsel	Not applicable	New
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(1) An applicant, *Approved Person* or *Dealer Member* may choose to be represented by a lawyer or an agent. These Procedures are intended to ensure that opportunities to be heard by a *District Council* or *senior officer* are handled in a way that ensures a fair hearing, without being unnecessarily formal. If an applicant, *Approved Person* or *Dealer Member* chooses to be represented by a lawyer or an agent, staff will communicate with the applicant, *Approved Person* or *Dealer Member* through the lawyer or agent.

9405. Staff's Notice	Not applicable	New
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(1) If *Registration Staff* recommends that a *District*

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Council refuse to grant, revoke, or suspend a *Corporation* approval or that terms and conditions be imposed on an approval or membership, *Registration Staff* must send a letter to the applicant, *Approved Person* or *Dealer Member* giving notice of *Registration Staff's* recommendation and brief reasons for it, along with a copy of these Procedures.

9406. Response of Applicant, Approved Person or Dealer Member

Not applicable

New

- (1) If an applicant, *Approved Person* or *Dealer Member* wishes to be heard before a decision is made on *Registration Staff's* recommendation, the applicant, *Approved Person* or *Dealer Member* must inform *Registration Staff* in writing (a "Response").
- (2) The time period for a Response will be set out in *Registration Staff's* letter.
- (3) A Response must be delivered within two weeks after receiving *Registration Staff's* letter, but in exceptional circumstances, *Registration Staff* may require a Response to be delivered more quickly.
- (4) If a Response is not delivered within the time set out in *Registration Staff's* letter, *Registration Staff* will send its recommendation to the *decision maker* for consideration.

9407. Choice of Written Submissions or Appearance

Not applicable

New

- (1) An opportunity to be heard will normally be conducted as an exchange of written submissions. However, an applicant, *Approved Person*, *Dealer Member* or *Registration Staff* may request that the opportunity to be heard be conducted as an appearance
 - (i) in the presence of a *decision maker*,
 - (ii) by telephone conference, or
 - (iii) by other interactive electronic means acceptable to both *parties*.
- (2) A request that an opportunity to be heard

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be conducted as an appearance must be made to the *decision maker* in writing, with a brief statement of the reasons for making the request. The other *party* will be given an opportunity to object to the request before the *decision maker* decides whether to grant a request for an appearance.

- (3) A *decision maker* may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in which case the *decision maker* must promptly inform the *parties* of its decision.

9408. Exchange of Written Submissions

Not applicable

New

- (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. Normally, *Registration Staff's* submission must be delivered to the applicant, *Approved Person* or *Dealer Member* within two weeks 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 staff with a written submission responding to staff's submission. Normally, these submissions must be delivered within two weeks after the applicant, *Approved Person* or *Dealer Member* receives *Registration Staff's* submission.
- (4) In most cases, there will only be one exchange of written submissions so that the *decision maker* may render a decision without unnecessary delay. However, the *parties* may agree to make further submissions or either of them may request that the *decision maker* allow further submissions. Any such agreement or

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request must be made within one week after delivery of the applicant's, *Approved Person's* or *Dealer Member's* submissions under subsection 9407(3).

- (5) Unless an agreement or request is made under subsection 9407(4), *Registration Staff's* and the applicant's, *Approved Person's* or *Dealer Member's* submissions will be provided to the *decision maker* one week after the applicant's, *Approved Person's* or *Dealer Member's* submission is delivered.
- (6) If an agreement or request is made under subsection 9407(4), the submissions of all parties will be provided to the *decision maker* when all submissions have been delivered or the time for their delivery has elapsed.

9409. Appearance Before a Decision Maker

Not applicable

New

- (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance.
- (2) An appearance before a *decision maker* will generally be an informal proceeding. The *Rules of Practice* do not apply.
- (3) At an appearance, the *decision maker* may ask any question and admit any evidence it thinks fit, except evidence that is subject to a legal privilege. Witnesses may be called, examined and cross-examined with the consent of the *decision maker*. The applicant, *Approved Person* or *Dealer Member* and any witnesses may be required to give evidence under oath or affirmation.

9410. Decisions

Not applicable

New

- (1) Where an opportunity to be heard has been conducted by exchange of written submissions, the *decision maker* will normally make its decision no more than thirty days after delivery of all submissions. If the applicant, *Approved Person* or *Dealer Member* fails to deliver submissions within the required time, the

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decision maker may make its decision on *Registration Staff's* recommendation and submissions without further notice or delay.

- (2) Where an opportunity to be heard has been conducted as an appearance, the *decision maker* must make its decision no more than thirty days after the conclusion of the appearance.

PART B - OPPORTUNITIES TO BE HEARD BY THE BOARD OF DIRECTORS

9411. Opportunities to be heard by the Board of Directors

Not applicable

New

- (1) The procedures in sections 9412 through 9417 apply where an applicant has requested an opportunity to be heard by the Board of Directors in relation to an *application* for *Dealer Member* membership as set out on section 9205.

9412. Staff's Notice

Not applicable

New

- (1) If *Corporation* staff recommends that the Board of Directors refuse to grant membership in the *Corporation*, or that terms and conditions be imposed on membership in the *Corporation*, *Corporation* staff must send a letter to the applicant giving notice of *Corporation* staff's recommendation and brief reasons for it, along with a copy of these Procedures.

9413. Response of Applicant, Approved Person or Dealer Member

Not applicable

New

- (1) If an applicant wishes to be heard before a decision is made on *Corporation* staff's recommendation, the applicant must inform *Corporation* staff in writing (a "Response").
- (2) The time period for a Response will be set out in *Corporation* staff's letter.
- (3) A Response must be delivered within two weeks after receiving *Corporation* staff's letter, but in exceptional circumstances, *Corporation* staff may require a Response to be delivered more quickly.
- (4) If a Response is not delivered within the time

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set out in *Corporation* staff's letter, *Corporation* staff will send its recommendation to the Board of Directors for consideration.

9414. Choice of Written Submissions or Appearance

Not applicable

New

- (1) An opportunity to be heard will normally be conducted as an exchange of written submissions. However, an applicant or *Corporation* staff may request that the opportunity to be heard be conducted as an appearance
- (i) in the presence of the Board of Directors,
 - (ii) by telephone conference, or
 - (iii) by other interactive electronic means acceptable to both *parties*.
- (2) A request that an opportunity to be heard be conducted as an appearance must be made to the Board of Directors in writing, with a brief statement of the reasons for making the request. The other *party* will be given an opportunity to object to the request before the Board of Directors decides whether to grant a request for an appearance.
- (3) The Board of Directors may also decide on its own initiative that the opportunity to be heard will be conducted as an appearance, in which case the Board of Directors must promptly inform the *parties* of its decision.

9415. Exchange of Written Submissions

Not applicable

New

- (1) This section describes the process to be followed if the opportunity to be heard is conducted by exchange of written submissions.
- (2) *Corporation* staff must provide the applicant with a written submission setting out the facts and law supporting *Corporation* staff's recommendation. Normally, *Corporation* staff's submission must be delivered to the applicant within two weeks after *Corporation* staff receives the applicant's Response.
- (3) An applicant must then provide staff with a written submission responding to staff's

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
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submission. Normally, these submissions must be delivered within two weeks after the applicant receives *Corporation* staff's submission.

- (4) In most cases, there will only be one exchange of written submissions so that the Board of Directors may render a decision without unnecessary delay. However, the *parties* may agree to make further submissions or either of them may request that the Board of Directors allow further submissions. Any such agreement or request must be made within one week after delivery of the applicant's submissions under subsection 9415(3).
- (5) Unless an agreement or request is made under subsection 9415(4), *Corporation* staff's and the applicant's submissions will be provided to the Board of Directors one week after the applicant's submission is delivered.
- (6) If an agreement or request is made under subsection 9415(4), the submissions of all *parties* will be provided to the Board of Directors when all submissions have been delivered or the time for their delivery has elapsed.

9416. Appearance before the Board of Directors

Not applicable

New

- (1) This section describes the process to be followed if the opportunity to be heard is conducted as an appearance.
- (2) An appearance before the Board of Directors will generally be an informal proceeding. The *Rules of Practice* do not apply.
- (3) At an appearance, the Board of Directors may ask any question and admit any evidence it thinks fit, except evidence that is subject to a legal privilege. Witnesses may be called, examined and cross-examined with the consent of the Board of Directors. The applicant and any witnesses may be required to give evidence under oath or affirmation.

Consolidated Rule	Repealed or amended UMIR, Transitional Rule or General By-law Section	Repealed or amended DMR, Transitional Rule or General By-law Section
<p>9417. Decisions</p> <p>(1) Where an opportunity to be heard has been conducted by exchange of written submissions, the Board of Directors will normally make its decision at its next scheduled meeting. If the applicant fails to deliver submissions within the required time, the Board of Directors may make its decision on <i>Corporation</i> staff's recommendation and submissions without further notice or delay.</p> <p>(2) Where an opportunity to be heard has been conducted as an appearance, the Board of Directors must make its decision at its next scheduled meeting.</p>	Not applicable	New
PART C - GENERAL		
<p>9418. Right of Review</p> <p>(1) Rights of Review are provided in Rule 9200 (Approvals and Regulatory Supervision) and in Rule 9300 (Regulatory Review Proceedings).</p>	Not applicable	New

1. The following consequential amendments are made to the Dealer Member Rules:

- (a) Regarding the requirements for submitting complaints in writing to IIROC, Dealer Member Rule 19.3 is repealed.
- (b) Regarding the requirements for Dealer Members to provide information to certain exchanges, Rule 19.8 is repealed and new Rule 19 is enacted as follows:

"RULE 19

Provision of Information

19.1. A Dealer Member or any person approved by, or under the jurisdiction of, the Corporation, that is requested by a Canadian stock exchange to provide information in connection with an investigation of trading of a security listed on that exchange shall submit the requested information, books, records, reports, filings and papers to the exchange making the request in such manner and form, including electronically, as may reasonably be prescribed by such exchange."

(c) Regarding the Early Warning Level 2 prohibitions to which Dealer Members may be subject:

- (i) Dealer Member Rule 30.6 is repealed.
- (ii) Dealer Member Rule 20.28 is repealed and new Dealer Member Rules 30.6 is enacted as follows:

"30.6 Imposition of Prohibitions - Early Warning Level 2

- (1) The Corporation may order that a Dealer Member designated as being in Early Warning Level 2, pursuant to Rule 30.4, be prohibited from:
 - (a) opening any new branch offices;
 - (b) hiring any new registered representative, or investment representative;
 - (c) opening any new customer accounts;
or
 - (d) changing, in any material respect, the inventory positions of the Dealer Member.

- (2) Written notice of an order made under subsection (1) shall be provided to the Dealer Member."
- (iii) Dealer Member Rule 30.7 is renumbered as Dealer Member Rule 30.8 and the words "pursuant to Part 9 Rule 20 or Rule 19" are replaced with the words "pursuant to Rule 19 or Rule 30".
- (iv) Dealer Member Rule 20.29 is repealed and new Dealer Member Rules 30.7 is enacted as follows:

"30.7 Review of Early Warning Level 2 Prohibitions

- (1) The Dealer Member may request a hearing panel review of a Rule 30.6 order within three business days after release of the decision.
 - (2) If a request for review is made, the hearing shall be held as soon as reasonably possible and no later than twenty-one calendar days after the request for review, unless otherwise agreed by the parties. The hearing panel review shall be conducted in accordance with the requirements set out in Consolidated Rule 9300 (Regulatory Review Proceedings).
 - (3) If a Dealer Member does not request a review within the time period prescribed in subsection (1), the Rule 30.6 order becomes effective and final."
- (v) Dealer Member Rules 30.7 and 30.8 are renumbered as Dealer Member Rules 30.8 and 30.9.

2. The following consequential amendments are made to the Universal Market Integrity Rules (UMIR):

(a) Regarding the defined terms used in UMIR:

(i) the term "Regulated Person" defined in Rule 1.1 of UMIR is:

(A) renamed to "Subject Person"

(B) amended by replacing the text "UMIR 10.3" in paragraph (c) of the definition with the text "Consolidated Rule 1400".

(ii) references to the term "Regulated Person" in Rules 10.1, 10.5, 10.9 and 11.10 of UMIR and Policy 10.1 of UMIR are repealed and replaced with references to the term "Subject Person".

(b) Regarding just and equitable principles of trade, Policy 2.1 of UMIR is repealed.

- (c) Regarding specific unacceptable trading activities, Rule 2.1 of UMIR is enacted as follows:

"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 ordersin 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;
 - (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;
 - (d) without the specific consent of the client, to vary the instructions of the client to indicate that securities held by the client are to participate in a dividend reinvestment plan such that the Participant would receive securities of the issuer and would account to the client for the dividend in cash; or

- (e) without the specific consent of the lender of securities, vary the arrangements in respect of securities borrowed by the Participant to indicate that the borrowed securities are to participate in a dividend reinvestment plan such that the Participant would receive securities of the issuer and would account to the lender for the dividend in cash.
- (3) A Participant or Access Person shall not enter an order on a marketplace that is intended to execute as a pre-arranged trade or an intentional cross without the prior approval of a Market Regulator if the pre-arranged trade or intentional cross would be undertaken at a price that will be:
- (a) less than the lesser of 95% of the best bid price and the best bid price less 10 trading increments; or
 - (b) more than the greater of 105% of the best ask price and the best ask price plus 10 trading increments.
- (4) As a condition for granting approval of the pre-arranged trade or intentional cross for the purposes of subsection (3), the Market Regulator may require the Participant or Access Person to enter a series of orders on one or more protected marketplaces over a period of time considered reasonable by the Market Regulator in order to move the market price to the price at which the pre-arranged trade or intentional cross will occur and that time period will generally be not less than:
- (a) 5 minutes if the price variation from the best ask price or best bid price, as applicable, is more than 5% but less than 10%; and
 - (b) 10 minutes if the price variation is 10% or more."
- (d) Regarding the requirements within UMIR for trades to be on a marketplace:
- (i) the first paragraph of Part 2 of Policy 6.4 of UMIR is repealed and replaced with the following:

"The Market Regulator considers that any use by a Participant of another person that is not subject to Rule 6.4 in order to make a trade off of a marketplace (other than as permitted by one of the exemptions) to be a violation of clause (a) of subsection (2) of Rule 2.1 respecting specific unacceptable activities."

(ii) the first bullet following the first paragraph of Part 5 of Policy 6.4 of UMIR is repealed.

(e) Regarding the extension of the UMIR provisions to others, clauses (1) (a) and (2) (a) of Rule 10.4 are amended by repealing and replacing the text "just and equitable principles of trade" with the text "specific unacceptable activities".

(f) Regarding the gatekeeper obligations within UMIR:

(i) clause (1) (a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (1) of Rule 2.1 respecting specific unacceptable activities;"

(ii) clause (2) (a) of Rule 10.16 of UMIR is repealed and replaced with the following:

"(a) Subsection (2) of Rule 2.1 respecting specific unacceptable activities;"

(g) Regarding the transitional provisions within UMIR, Rule 11.8 of UMIR is repealed.

3. The following consequential amendments are made to Transition Rule No. 1:

(a) Schedule C.1 is enacted as follows:

"SCHEDULE C.1

TO TRANSITION RULE NO. 1

**CONSOLIDATED ENFORCEMENT, PROCEDURAL, EXAMINATION AND APPROVAL
RULES**

Preamble

On [IMPLEMENTATION DATE], the Investment Industry Regulatory Organization of Canada ("IIROC") implemented new rules which, in pith and substance, consolidate existing IIROC Rules relating to IIROC's enforcement, procedural, examination and approval activities, as well as codify certain practices relating thereto (the "Consolidated Enforcement, Procedural, Examination and Approval Rules"). The Consolidated Enforcement, Procedural, Examination and Approval Rules primarily effect non-substantive changes to existing Rules and practices. However, to the extent that any particular Consolidated Enforcement, Procedural, Examination and Approval Rule is found to create a substantive change in the rights or duties of an IIROC Regulated Person, such Rule shall only

apply to conduct that occurred on or after [IMPLEMENTATION DATE]. In accordance with this principle, the following transition rules shall apply.

Part A. DEFINITIONS

1.1. In this Rule:

"Consolidated Enforcement, Procedural, Examination and Approval Rules" refers to the IIROC Rules implemented on [IMPLEMENTATION DATE], which are Consolidated Rules 1400, 8100 through 8400 and 9100 through 9400.

"Consolidated Procedural Rules" refers to Consolidated Rules 8200 through 8400, other than Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), 8213 (Monitor), 8214 (Costs), and 8216 (Failure to Pay Fine or Costs).

"Enforcement Proceeding" means a disciplinary hearing, a settlement hearing, an expedited hearing, or a temporary order hearing under former UMIR 10 or Policy 10.8, former Dealer Member Rule 20.30, 20.33, 20.34, 20.42 or 20.43 or Consolidated Rule 8200, as applicable, and includes any procedural applications or motions in relation to such a proceeding.

"Investigation" refers to any action taken by Enforcement staff pursuant to former Dealer Member Rule 19, former UMIR 10.2 or Consolidated Rule 8100.

"Practice and Procedure" means the practice and procedure governing a hearing brought pursuant to IIROC Rules.

"Review Proceeding" means a review hearing concerning an approval matter, an exemption matter, an early warning review order, or an expedited hearing decision under former Dealer Member Rule 20.19, 20.26, 20.29 or 20.47 or Subsection 9209(1) or (2) of Consolidated Rule 9200, new Dealer Member Rule 30.7 or Sub-section 8212(5) of Consolidated Rule 8200 and includes any procedural applications or motions in relation to any such review hearing.

Terms used in this Transition Rule which are not defined herein shall have the same meanings as used or defined in other IIROC Rules. In the case of any inconsistency between terms used or defined in this Transition Rule and terms used or defined in other IIROC Rules, the meanings of such terms as used or defined in this Transition Rule shall prevail.

PART B. TRANSITIONAL PROVISIONS

1.1 Effective Date

- (1) The Consolidated Enforcement, Procedural, Examination and Approval Rules shall take effect on

[IMPLEMENTATION DATE], subject to the transitional provisions set forth below.

1.2. Investigations

- (1) Any Investigation commenced by IIROC prior to [IMPLEMENTATION DATE] shall proceed in accordance with former Dealer Member Rule 19 or former UMIR 10.2, as applicable, in effect and applicable to such Investigation at the time it was commenced.
- (2) Any Investigation commenced by IIROC on or after [IMPLEMENTATION DATE] shall be undertaken in accordance with IIROC Rule 8100, irrespective of when the conduct which is the subject of the investigation occurred.

1.3. Enforcement Proceedings

- (1) Any Enforcement Proceeding commenced by IIROC in accordance with IIROC Rules prior to [IMPLEMENTATION DATE] shall proceed in accordance with the Rules and Practice and Procedure in effect and applicable to such Enforcement Proceeding at the time it was commenced.
- (2) Any Enforcement Proceeding commenced on or after [IMPLEMENTATION DATE] shall be undertaken in accordance with the Consolidated Procedural Rules, irrespective of when the conduct which is the subject of the Enforcement Proceeding occurred.
- (3) The following Rules, which concern the substantive rights of IIROC Regulated Persons, shall only apply in an Enforcement Proceeding the subject of which relates to conduct that occurred on or after [IMPLEMENTATION DATE]: Consolidated Rule 1400 (Standards of Conduct) and Sections 8206 (Limitation), 8209 (Sanctions for Dealer Members), 8210 (Sanctions for Regulated Persons other than Dealer Members), 8213 (Monitor), 8214 (Costs), and 8216 (Failure to Pay Fine or Costs) of Consolidated Rule 8200 (Enforcement Proceedings).

1.4. Review Proceedings

- (1) Any Review Proceeding that has been requested prior to [IMPLEMENTATION DATE] by IIROC or a Regulated Person in accordance with IIROC Rules in effect and applicable at the time of the request shall proceed in accordance with the Rules in effect and applicable to such Review Proceeding at the time it was requested.
- (2) Any Review Proceeding that has been requested on or after [IMPLEMENTATION DATE] shall be undertaken in

accordance with Subsection 9209(1) or (2) of Consolidated Rule 9200, new Dealer Member Rule 30.7 or Subsection 8212(5) of Consolidated Rule 8200, as applicable, irrespective of when the conduct or application which is the subject of the Review Proceeding occurred.”

Table of Concordance Comparing Proposed Consolidated Rule to Existing Equivalents

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
1200 - Definitions	1201	Definitions	{1}			New - Non-substantive. Introductory section added.
1200 - Definitions	1201	Definitions	{2} "affiliate"	Not defined in UMIR	DMR 1.1 "Affiliate" or "Affiliated Corporation"	Amended - Non-substantive. Adopted definition of "affiliate" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Approved Person"	Not defined in UMIR	DMR 1.1 "Approved Person"	Amended - Non-substantive. Adopted definition of "Approved Person" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "business day"	Not defined in UMIR	DMR 20.1 "Business Days"	Amended - Non-substantive. Adopted definition of "Business Days" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Chief Compliance Officer" or "CCO"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Chief Financial Officer" or "CFO"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "control" or "controlled"	Not defined in UMIR	DMR 1.1 "Control" or "Controlled"	Amended - Non-substantive. Adopted definition of "Control" or "Controlled" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Corporation"	General By-law No. 1, Section 1.1 "Corporation"		
1200 - Definitions	1201	Definitions	{2} "Corporation requirements"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Dealer Member"	General By-law No. 1, Section 1.1 "Dealer Member"		
1200 - Definitions	1201	Definitions	{2} "Director"	Not defined in UMIR	DMR 1.1 "Director"	Amended - Non-substantive. Adopted definition of "Director" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "disciplinary hearing"	Not defined in UMIR	DMR 20.1 "Disciplinary Hearing"	Amended - Non-substantive. Adopted definition of "Disciplinary Hearing" from DMR. Definition has been rewritten in plain language.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
1200 - Definitions	1201	Definitions	{2} "District"	General By-law No. 1, Section 1.1 "District"		
1200 - Definitions	1201	Definitions	{2} "District Council"	General By-law No. 1, Section 1.1 "District Council"		
1200 - Definitions	1201	Definitions	{2} "employee"	UMIR 1.1 "employee"	Not defined in DMR	Amended - Non-substantive. Adopted definition of "employee" from UMIR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Enforcement Staff"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Executive"	Not defined in UMIR	DMR 1.1 "Executive"	Amended - Non-substantive. Adopted definition of "Executive" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "expedited hearing"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "hearing"	UMIR 1.1 "hearing"	Rules of Procedure 1.3 "Hearing"	Amended - Non-substantive. Adopted from definitions of "hearing" in both UMIR and DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "hearing committee"	UMIR 1.1 "Hearing Committee"	Rules of Procedure 1.3 "Hearing Committee"	Amended - Non-substantive. Adopted from definitions of "Hearing Committee" in both UMIR and DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "hearing panel"	UMIR 1.1 "Hearing Panel"	Rules of Procedure 1.3 "Hearing Panel"	Amended - Non-substantive. Adopted from definitions of "Hearing Panel" in both UMIR and DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "individual"	Not defined in UMIR	DMR 1.1 "individual"	Amended - Non-substantive. Adopted definition of "individual" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "industry member"	Schedule C.1 to Transition Rule No.1 "industry member"		Amended - Non-substantive. Adopted definition of "industry member" in Transition Rule No. 1. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Investment Representative" or "IR"	Not defined in UMIR	DMR 1.1 "Investment Representative"	Amended - Non-substantive. Adopted definition of "Investment Representative" from DMR. Definition has been rewritten in plain language.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
1200 - Definitions	1201	Definitions	{2} "laws" or "applicable laws"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Marketplace"	General By-law No. 1, Section 1.1 "Marketplace" and UMIR 1.1 "Marketplace"	General By-law No. 1, Section 1.1 "Marketplace"	
1200 - Definitions	1201	Definitions	{2} "Marketplace Member"	General By-law No. 1, Section 1.1 "Marketplace Member"		
1200 - Definitions	1201	Definitions	{2} "monitor"		DMR 20.1 "Monitor"	Amended - Non-substantive. Adopted definition of "monitor" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "National Hearing Coordinator"	Schedule C.1 to Transition Rule No.1 "National Hearing Coordinator"		Amended - Non-substantive. Adopted definition of "National Hearing Coordinator" in Transition Rule No. 1. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "officer"	Not defined in UMIR	DMR 1.1 "officer"	Amended - Non-substantive. Adopted definition of "officer" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "party"	Not defined in UMIR	ROP 1.3 "Party"	Amended - Substantive. DMR definition has been revised to specifically include Corporation Enforcement Staff.
1200 - Definitions	1201	Definitions	{2} "person"	UMIR 1.2{2} "person"	DMR 1.1 "Person"	Amended - Non-substantive. Adopted from definitions of "person" in both UMIR and DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "public member"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "records"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Registered Representative" or "RR"	Not defined in UMIR	DMR 1.1 "Registered Representative" or "RR"	Amended - Non-substantive. Adopted definition of "Registered Representative" or "RR" from DMR. Definition has been rewritten in plain language.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
1200 - Definitions	1201	Definitions	{2} "Regulated Persons"	General By-law No. 1, Section 1.1 "Regulated Persons"		
1200 - Definitions	1201	Definitions	{2} "respondent"	Not defined in UMIR	DMR 20.1 "Respondent"	Amended - Non-substantive. Adopted definition of "Respondent" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Rules of Practice"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "sanction"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "securities legislation" or "applicable securities legislation"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "securities regulatory authority"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "settlement agreement"	Not defined in UMIR	DMR 20.1 "Settlement Agreement"	Amended - Non-substantive. Adopted definition of "Settlement Agreement" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "settlement hearing"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "subsidiary"	Not defined in UMIR	DMR 1.1 "Subsidiary"	Amended - Non-substantive. Adopted definition of "Subsidiary" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Supervisor"	Not defined in UMIR	DMR 1.1 "Supervisor"	Amended - Non-substantive. Adopted definition of "Supervisor" from DMR. Definition has been rewritten in plain language.
1200 - Definitions	1201	Definitions	{2} "Trader"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
1200 - Definitions	1201	Definitions	{2} "Ultimate Designated Person" or "UDP"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
1400 - Standards of Conduct	1401	Introduction	{1}	New	New	New - Non-substantive. Introductory section added.
1400 - Standards of Conduct	1402	Standards of Conduct	{1}	UMIR 2.1	DMR 29.1	
1400 - Standards of Conduct	1402	Standards of Conduct	{2}		DMR 29.1	Amended - Substantive. Amended to clarify that negligence may be conduct unbecoming.
1400 - Standards of Conduct	1403	Applicability	{1}	UMIR 10.3	DMR 29.1	
1400 - Standards of Conduct	1403	Applicability	{2}	UMIR 10.3	DMR 29.1	
8100 - Enforcement Investigations	8101	Introduction	{1}	New	New	New - Non-substantive. Introductory section added.
8100 - Enforcement Investigations	8102	Conducting Investigations	{1}	UMIR 10.2{1}	DMR 19.1	
8100 - Enforcement Investigations	8102	Conducting Investigations	{2}	UMIR 10.2{1}	DMR 19.2	
8100 - Enforcement Investigations	8103	Investigation Powers	{1}	UMIR 10.2{2}; UMIR 10.2{3}	DMR 19.5	Amended - Substantive. IIROC may investigate any person not subject to IIROC's authority, provided the investigation is authorized by law.
8100 - Enforcement Investigations	8103	Investigation Powers	{2}	New	New	New - Substantive. Enforcement staff must provide a receipt for documents received relating to an investigation.
8100 - Enforcement Investigations	8103	Investigation Powers	{3}	UMIR 10.2{2}	DMR 19.6	
8100 - Enforcement Investigations	8104	Obligations of Members and Other Persons	{1}		DMR 19.5	
8100 - Enforcement Investigations	8104	Obligations of Members and Other Persons	{2}	UMIR 10.2{2}{c}		
8100 - Enforcement Investigations	8104	Obligations of Members and Other Persons	{3}		DMR 19.1	
8100 - Enforcement Investigations	8104	Obligations of Members and Other Persons	{4}		DMR 19.6	
8100 - Enforcement Investigations	8105	Right to Counsel	{1} and {2}	New	New	New - Substantive. Right to counsel in relation to investigations. Based on <i>Ontario Securities Act</i> , s.13{2}

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8100 - Enforcement Investigations	8106	Confidentiality of Investigations	{1}	New	New	New - Substantive. Requirement to keep investigation confidential based on <i>Ontario Securities Act</i> , s.16
8100 - Enforcement Investigations	8107	Continuing Jurisdiction	{1}	New	New	New - Substantive. Requirement based on separate IIROC proposals relating to continuing jurisdiction.
8200 - Enforcement Proceedings	8201	Introduction	{1}	New	New	New - Non-substantive. Introductory section added.
8200 - Enforcement Proceedings	8201	Introduction	{2}		DMR 20.30{1}	
8200 - Enforcement Proceedings	8202	Definitions	{1} "decision"		DMR 20.1 "Decision"	Definitions that are only used within proposed Rule 8200 are defined here.
8200 - Enforcement Proceedings	8202	Definitions	{1} "investigation"	Not defined in UMIR	Not defined in DMR	New - Non-substantive. Definition codifies existing application of the term.
8200 - Enforcement Proceedings	8203	Hearings	{1}		DMR 20.30{2}	
8200 - Enforcement Proceedings	8203	Hearings	{2}	UMIR 10.6	DMR 20.2{1}	
8200 - Enforcement Proceedings	8203	Hearings	{3}		DMR 20.2{2}	
8200 - Enforcement Proceedings	8203	Hearings	{4}		DMR 20.2{3}	
8200 - Enforcement Proceedings	8203	Hearings	{5}		DMR 20.50{1}, ROP 8.10	
8200 - Enforcement Proceedings	8203	Hearings	{6}		DMR 20.50{2}	
8200 - Enforcement Proceedings	8203	Hearings	{7}		DMR 20.50{3}	
8200 - Enforcement Proceedings	8203	Hearings	{8}	New	New	New - Non-substantive. Clarifies that parties to an enforcement proceeding may be represented by counsel or agent. Based on s.10 of SPPA.
8200 - Enforcement Proceedings	8203	Hearings	{9}	New	New	New - Substantive. Requires that a hearing panel provide written reasons for a decision.
8200 - Enforcement Proceedings	8204	Application and Effective Date of Decisions	{1}		DMR 20.4{1}	
8200 - Enforcement Proceedings	8204	Application and Effective Date of Decisions	{2}		DMR 20.5	

Attachment D

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8200 - Enforcement Proceedings	8204	Application and Effective Date of Decisions	{3}		DMR 20.6{1}	
8200 - Enforcement Proceedings	8204	Application and Effective Date of Decisions	{4}		DMR 20.6{2}	
8200 - Enforcement Proceedings	8205	Commencement of Enforcement Proceedings	{1}	UMIR 10.6	DMR 20.30{1}	
8200 - Enforcement Proceedings	8205	Commencement of Enforcement Proceedings	{2}	New	New	New - Non-substantive. Clarifies that proceeding must be commenced in accordance with ROP.
8200 - Enforcement Proceedings	8206	Limitation	{1} and {2}		DMR 20.7{1} and {2}	Based on currently outstanding proposal relating to limitation on enforcement proceedings
8200 - Enforcement Proceedings	8207	Amounts Owing to the Corporation	{1}		DMR 20.7{3}	
8200 - Enforcement Proceedings	8208	Powers of Compulsion	{1}	New	New	New - Substantive. Allows hearing panel to compel anyone if authorized by law to do so.
8200 - Enforcement Proceedings	8208	Powers of Compulsion	{2}		DMR 20.31	
8200 - Enforcement Proceedings	8208	Powers of Compulsion	{3}		DMR 20.32	
8200 - Enforcement Proceedings	8209	Sanctions: Dealer Members	{1}	UMIR 10.5{1}	DMR 20.34	
8200 - Enforcement Proceedings	8209	Sanctions: Dealer Members	{2}	UMIR 10.3{1}		
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{1}	UMIR 10.3, UMIR 10.5{1}	DMR 20.33	
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{2}	UMIR 10.3{1}		
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{3}	UMIR 10.3{2}		
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{4}	UMIR 10.3{4}		
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{5}	UMIR 10.5		
8200 - Enforcement Proceedings	8210	Sanctions: Other Regulated Persons	{6}	New	New	New - Substantive. Prohibits Members or Regulated Persons from employing sanctioned persons in any capacity.

Attachment D

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
				UMIR 10.5{6}		Repealed - Non-Substantive. Requirement to provide formal written notice of sanctions to securities regulatory authorities and marketplaces is repealed as adequate written notice is already otherwise give to all through the issuance of a public Disciplinary Notice.
8200 - Enforcement Proceedings	8211	Temporary Orders	{1} through {3}	UMIR 10.5{2}	DMR 20.2{1}	New - Substantive. Temporary orders may be used where necessary to protect the public interest.
8200 - Enforcement Proceedings	8212	Expedited Hearings	{1}		DMR 20.41{1}	Amended - Substantive. Written notice of hearing required to commence an expedited hearing.
8200 - Enforcement Proceedings	8212	Expedited Hearings	{2} and {3}		DMR 20.42, DMR 20.43, DMR 20.46{1}	
8200 - Enforcement Proceedings	8212	Expedited Hearings	{4}		DMR 20.45	
8200 - Enforcement Proceedings	8212	Expedited Hearings	{5} through {8}		DMR 20.47	
8200 - Enforcement Proceedings	8212	Expedited Hearings	{9}		DMR 20.48	
8200 - Enforcement Proceedings	8213	Monitor	{1}		DMR 20.46{2}	
8200 - Enforcement Proceedings	8213	Monitor	{2}		DMR 20.46{3}	
8200 - Enforcement Proceedings	8213	Monitor	{3}	New	New	New - Non-substantive. Clarifies that Members must cooperate with a monitor.
8200 - Enforcement Proceedings	8213	Monitor	{4}		DMR 20.46{4}	
8200 - Enforcement Proceedings	8213	Monitor	{5} and {6}	New	New	New - Substantive. Allows Corporation staff or monitor to apply to a hearing panel for direction on conduct of monitor's activities.
8200 - Enforcement Proceedings	8214	Costs	{1} and {2}	UMIR 10.7	DMR 20.49	Amended - Substantive. Authorizes hearing panels to award costs but limits their authority to award costs to IIROC.
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{1}	POL 10.8{3.1, 3.3}	DMR 20.35{1}, DMR 20.35{3}	
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{2}	POL 10.8{3.2}	ROP 14.1	
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{3}	POL 10.8{3.5}	DMR 20.35{4}	

Attachment D

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{4}		DMR 20.35{2}	Amended - Substantive. Parties to a settlement agreement may agree to any penalty, not just those that a hearing panel may impose.
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{5}	POL 10.8{3.4}	DMR 20.36{1}	
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{6} and {7}	POL 10.8{3.6}	DMR 20.36{2}, DMR 20.37	
8200 - Enforcement Proceedings	8215	Settlements and Settlement Hearings	{8} and {9}	POL 10.8{3.7}	DMR 20.38, DMR 20.39, DMR 20.40	
8200 - Enforcement Proceedings	8216	Failure to Pay Fine or Costs	{1}		DMR 20.44	
8200 - Enforcement Proceedings	8217	Review by a Securities Regulatory Authority	{1} through {3}	UMIR 11.3		Amended - Non-substantive. Clarifies that a party may only request a securities regulatory authority review if a hearing panel has made a final decision. Also clarifies that Corporation staff are a party to the proceedings for the purposes of review or appeal.
8300 - Hearing Committees	8301	Introduction	{1}	New	New	New - Non-substantive. Introduction added.
8300 - Hearing Committees	8302	Hearing Committees	{1}	New	New	New - Non-substantive. Clarifies that a hearing committee must be appointed in each District.
8300 - Hearing Committees	8302	Hearing Committees	{2}	Schedule C.1 to Transition Rule No.1, 1.2{1}		
8300 - Hearing Committees	8302	Hearing Committees	{3}	Schedule C.1 to Transition Rule No.1, 1.3{4}		
8300 - Hearing Committees	8302	Hearing Committees	{4}	Schedule C.1 to Transition Rule No.1, 1.3{3}		
8300 - Hearing Committees	8302	Hearing Committees	{5}	Schedule C.1 to Transition Rule No.1, 1.4{1}		
8300 - Hearing Committees	8303	Nominations	{1}	Schedule C.1 to Transition Rule No.1, 1.2{1}		
8300 - Hearing Committees	8303	Nominations	{2}	Schedule C.1 to Transition Rule No.1, 1.2{2}		
8300 - Hearing Committees	8303	Nominations	{3}	Schedule C.1 to Transition Rule No.1, 1.2{3}-{4}		
8300 - Hearing Committees	8304	Appointment	{1}	Schedule C.1 to Transition Rule No.1, 1.3{2}		

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8300 - Hearing Committees	8304	Appointment	{2}	Schedule C.1 to Transition Rule No.1, 1.3{1}		
8300 - Hearing Committees	8304	Appointment	{3}	Schedule C.1 to Transition Rule No.1, 1.3{5}		Amended - Substantive. Prohibits anyone who has represented a party to a proceeding within the last two years from being appointed as a public member. Also prohibits current or former employees of a Member or Regulated Person from being appointed as a public member.
8300 - Hearing Committees	8304	Appointment	{4}	Schedule C.1 to Transition Rule No.1, 1.4{1}		
8300 - Hearing Committees	8305	Term of Appointment	{1} and {2}	Schedule C.1 to Transition Rule No.1, 1.5{1}		
8300 - Hearing Committees	8305	Term of Appointment	{3}	Schedule C.1 to Transition Rule No.1, 1.5{2}		
8300 - Hearing Committees	8306	Removal	{1}	Schedule C.1 to Transition Rule No.1, 1.5{3}		
8300 - Hearing Committees	8306	Removal	{2}	Schedule C.1 to Transition Rule No.1, 1.5{2&4}		
8400 - Rules of Practice and Procedure	8401	Introduction		New	New	New - Non-substantive. Introduction added.
8400 - Rules of Practice and Procedure	8402	Definitions	{1}	POL 10.8{1.1}	ROP 1.3	Definitions that are only used within proposed Rule 8400 are defined here. Definitions used in more than one consolidated rule are at the front of the consolidated rules.
8400 - Rules of Practice and Procedure	8403	General Principles	{1}		ROP 1.2	
8400 - Rules of Practice and Procedure	8403	General Principles	{2}	POL 10.8{1.3}	ROP 1.6	
8400 - Rules of Practice and Procedure	8403	General Principles	{3}	POL 10.8{1.2}	ROP 1.5	
8400 - Rules of Practice and Procedure	8403	General Principles	{4}	New	New	New - Substantive. Allows for a party to a hearing to request a procedural matter not provided for in the Rules of Practice.
8400 - Rules of Practice and Procedure	8404	Time	{1}		ROP 2.1	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8404	Time	{2}	POL 10.8{1.5}{6}	ROP 2.2	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{1}		ROP 3.1	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{2} and {3}	New	New	New - Substantive. Requires self-represented parties and counsel to keep their contact information current during a proceeding.
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{4}		ROP 3.2	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{5}		ROP 3.3{3}	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{6}		ROP 3.3{1}	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{7}		ROP 3.3{2}	
8400 - Rules of Practice and Procedure	8405	Appearance and Representation	{8}	New	New	New - Non-substantive. Clarifies that where a party is represented, communication must be made through the counsel or agent.
8400 - Rules of Practice and Procedure	8406	Service and Filing	{1}		ROP 5.1	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{2}	New	New	New - Substantive. Requires that a copy of a notice of hearing served on an approved person be given to the employer of that approved person.
8400 - Rules of Practice and Procedure	8406	Service and Filing	{3}	POL 10.8{1.5}{1}	ROP 5.3	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{4}	POL 10.8{1.5}{1}	ROP 5.2	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{5}	POL 10.8{1.5}{4}	ROP 5.4	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{6}	POL 10.8{1.5}{2}	ROP 5.5	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8406	Service and Filing	{7}	POL 10.8{1.5}{3}	ROP 5.6	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{8}	New	New	New - Non-substantive. Allows NHC to permit fewer copies of a document to be filed if appropriate.
8400 - Rules of Practice and Procedure	8406	Service and Filing	{9}	POL 10.8{1.5}{5}	ROP 5.7	
8400 - Rules of Practice and Procedure	8406	Service and Filing	{10}	New	New	New - Substantive. Requires IIROC to make available for public inspection filed documents unless confidentiality prevents it.
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{1}		ROP 4.1, 4.2, ROP Sched. A.1 & B	
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{2}		ROP 4.2	
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{3}	Schedule C.1 to Transition Rule No.1, 1.4{2}		
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{4}	New	New	New - Substantive. Allows NHC to publish guidelines concerning practices under the Rules of Practice.
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{5}	New	New	New - Substantive - Allows NHC to prescribe the format of documents to be filed.
8400 - Rules of Practice and Procedure	8407	National Hearing Coordinator	{6}		ROP 4.2	Amended - Non-substantive - Clarifies that NHC may delegate duties.
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{1}	Schedule C.1 to Transition Rule No.1, 1.6{1}		
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{2}	Schedule C.1 to Transition Rule No.1, 1.4{2}		
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{3}	Schedule C.1 to Transition Rule No.1, 1.6{1}		
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{4}	Schedule C.1 to Transition Rule No.1, 1.6{2}		

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{5}	Schedule C.1 to Transition Rule No.1, 1.6{2} & 1.7		
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{6}	New	New	New - Non-substantive - Clarifies that a hearing panel can consist of a single member if it is a public member.
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{7}	Schedule C.1 to Transition Rule No.1, 1.6{3}		
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{8}	New	New	New - Substantive. Prohibits panel members in one hearing from participating in a subsequent hearing relating to the same matter.
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{9}		Schedule C.1 to Transition Rule No.1, 1.8{3}	
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{10}		Schedule C.1 to Transition Rule No.1, 1.8{2}	
8400 - Rules of Practice and Procedure	8408	Hearing Panels	{11}		Schedule C.1 to Transition Rule No.1, 1.8{1}	
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{1}	POL 10.8{5.1}		
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{2}	New	New	New - Non-substantive. Restricts when a written hearing can be held.
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{3}	POL 10.8{5.1}		
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{4}	New	New	New - Non-substantive. Clarifies that a party may request a written or electronic hearing.
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{5}	POL 10.8{5.2}		
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{6}	POL 10.8{5.3}		

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{7}	POL 10.8{5.4}		
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{8}	New	New	New - Non-substantive. Requires hearing panel to render its decision on the form of hearing as expeditiously as possible.
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{9}	POL 10.8{5.5}		
8400 - Rules of Practice and Procedure	8409	Form of Hearings	{10}	New	New	New - Non-substantive. Clarifies how an electronic hearing must be arranged and who pays for it.
8400 - Rules of Practice and Procedure	8410	Hearing Panel Decisions	{1}	POL 10.8{9.6}{1-2}		
8400 - Rules of Practice and Procedure	8410	Hearing Panel Decisions	{2}	POL 10.8{9.6}{4-5}		
8400 - Rules of Practice and Procedure	8410	Hearing Panel Decisions	{3}	New	New	New - Non-substantive. Clarifies that IIROC is not required to publish reasons for a decision rejecting a settlement agreement.
8400 - Rules of Practice and Procedure	8410	Hearing Panel Decisions	{4}	POL 10.8{9.6}{3}		
8400 - Rules of Practice and Procedure	8410	Hearing Panel Decisions	{5}	New	New	New - Non-substantive. Clarifies that IIROC must publish accepted settlement agreements as if they were a decision.
8400 - Rules of Practice and Procedure	8411	Language of Hearings and Interpreters	{1} through {6}	POL 10.8{1.4}	Schedule C.1 to Transition Rule No.1, 1.3{6}	Amended - Substantive. Hearings may be in English, French, or both. Permits parties to request interpreters.
8400 - Rules of Practice and Procedure	8412	Commencement and Abandonment of Proceedings	{1}		ROP 6.1, 8.1	
8400 - Rules of Practice and Procedure	8412	Commencement and Abandonment of Proceedings	{2} through {8}	New	New	New - Substantive. Clarifies that a party who requests the issuance of a commencing notice must obtain a date from the NHC first. Sets out the procedure and IIROC's duties when a proceeding is commenced.
8400 - Rules of Practice and Procedure	8413	Motions	{1}		ROP 8.1	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8413	Motions	{2}		ROP 8.2	Amended - Substantive. Motions may now only be brought prior to the commencement of a proceeding with the hearing panel's consent.
8400 - Rules of Practice and Procedure	8413	Motions	{3}	POL 10.8{6.1}	ROP 8.7	
8400 - Rules of Practice and Procedure	8413	Motions	{4}	New	New	New - Substantive. A hearing panel may permit a party to bring a motion without notice if circumstances require.
8400 - Rules of Practice and Procedure	8413	Motions	{5}	POL 10.8{6.2-6.3}	ROP 8.4, 8.5	
8400 - Rules of Practice and Procedure	8413	Motions	{6}		ROP 8.6	
8400 - Rules of Practice and Procedure	8413	Motions	{7}		ROP 8.8	
8400 - Rules of Practice and Procedure	8413	Motions	{8}		ROP 8.9	
8400 - Rules of Practice and Procedure	8413	Motions	{9} through {15}	New	New	New - Substantive. Allows for reply records, memoranda of facts and law, and sets out the relief that a hearing panel may grant.
8400 - Rules of Practice and Procedure	8414	Commencement of Disciplinary Proceedings	{1}	POL 10.8{4.1}	ROP 6.4	
8400 - Rules of Practice and Procedure	8414	Commencement of Disciplinary Proceedings	{2}	POL 10.8{4.2}	ROP 6.5	
8400 - Rules of Practice and Procedure	8414	Commencement of Disciplinary Proceedings	{3}	POL 10.8{2.1-2.2}		
8400 - Rules of Practice and Procedure	8414	Commencement of Disciplinary Proceedings	{4}	POL 10.8{4.3}		
8400 - Rules of Practice and Procedure	8415	Response to a Notice of Hearing	{1}		ROP 7.1	
8400 - Rules of Practice and Procedure	8415	Response to a Notice of Hearing	{2}		ROP 7.3	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8415	Response to a Notice of Hearing	{3}		ROP 7.4	
8400 - Rules of Practice and Procedure	8415	Response to a Notice of Hearing	{4}		ROP 7.2	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{1}	POL 10.8{7.1}	ROP 9.1	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{2}		ROP 9.3	Amended - Substantive. Required contents of a notice of prehearing conference.
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{3}	POL 10.8{7.4}	ROP 9.4	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{4}	New	New	New - Non-substantive. Clarifies that if a hearing has already been scheduled, a prehearing conference will follow immediately without having to be scheduled.
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{5}	New	New	New - Non-substantive. Requires parties to file a prehearing conference form.
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{6}	POL 10.8{7.3, 7.5}	ROP 9.5	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{7}		ROP 9.6	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{8}	New	New	New - Non-substantive. Clarifies that a hearing panel case managing a proceeding must preside over all prehearing conferences and preliminary motions, unless ordered otherwise.
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{9} through {12}	New	New	New - Substantive. Enumerates procedures for a panel to make an order recorded in a prehearing memorandum.
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{13}	POL 10.8{7.7}	ROP 9.7	
8400 - Rules of Practice and Procedure	8416	Prehearing Conferences	{14}	New	New	New - Non-substantive. Clarifies that a prehearing agreement to settle all issues in a proceeding is still subject to approval as a settlement agreement.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8417	Disclosure	{1} through {4}	POL 10.8{8.1}	ROP 10.1, 10.2, 10.3	
8400 - Rules of Practice and Procedure	8417	Disclosure	{5}	POL 10.8{8.2}	ROP 10.4	
8400 - Rules of Practice and Procedure	8418	Witness Lists and Statements	{1} and {2}	POL 10.8{8.3}{1}	ROP 11.1	
8400 - Rules of Practice and Procedure	8418	Witness Lists and Statements	{3}	POL 10.8{8.3}{2}	ROP 11.2	
8400 - Rules of Practice and Procedure	8418	Witness Lists and Statements	{4}	POL 10.8{8.3}{3}	ROP 11.3	
8400 - Rules of Practice and Procedure	8418	Witness Lists and Statements	{5}	POL 10.8{8.3}{4}	ROP 11.4	
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{1}	POL 10.8{8.4}{1}	ROP 12.1	
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{2}		ROP 12.2	
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{3}	New	New	New - Non-substantive. Clarifies that parties who call expert evidence to reply to a responding expert's report must serve a written report in reply.
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{4}	POL 10.8{8.4}{2}	ROP 12.3	
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{5}	POL 10.8{8.4}{3}	ROP 12.4	
8400 - Rules of Practice and Procedure	8419	Expert Witnesses	{6}	POL 10.8{8.4}{4}	ROP 12.4	
8400 - Rules of Practice and Procedure	8420	Deemed Undertaking	{1} through {5}	New	New	New - Substantive. Deemed undertaking to only use information obtained from another party for the purposes of the proceeding.
8400 - Rules of Practice and Procedure	8421	Order to Attend and Issue of Summons	{1} through {4}	New	New	New - Substantive. Allows parties to request that a hearing panel exercise its authority to require a person to give evidence or produce documents.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8422	Adjournments	{1} through {5}	New	New	New - Non-Substantive. Sets out procedures for adjournments.
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{1}	POL 10.8{9.1}{3}{a}	ROP 13.1{b}	
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{2}	POL 10.8{9.1}{3}	ROP 13.1	
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{3}	POL 10.8{9.1}, POL 10.8{9.3}	ROP 13.2	
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{4} and {5}	New	New	New - Non-substantive. Clarifies the procedure for cross-examination of witnesses.
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{6}	New	New	New - Non-substantive. Clarifies procedure for when multiple respondents are represented separately.
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{7}		ROP 13.3	
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{8} and {9}	New	New	New - Non-substantive. Details procedures for excluding witnesses from a hearing.
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{10}		ROP 13.4	
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{11}	POL 10.8{9.4}	ROP 13.5	Amended - Non-substantive. Clarifies that parties may present submissions on sanctions and costs.
8400 - Rules of Practice and Procedure	8423	Conduct of Hearing on the Merits	{12}	POL 10.8{9.4}	ROP 13.5	
8400 - Rules of Practice and Procedure	8424	Written Hearings	{1}	POL 10.8{9.2}{1}		
8400 - Rules of Practice and Procedure	8424	Written Hearings	{2}	POL 10.8{9.2}{3}		
8400 - Rules of Practice and Procedure	8424	Written Hearings	{3}	POL 10.8{9.2}{4}		

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8424	Written Hearings	{4}	POL 10.8{9.2}{2,5-8}		
8400 - Rules of Practice and Procedure	8425	Temporary Orders	{1} through {13}	New	New	New - Substantive. Sets out the procedures for temporary orders to be granted. Procedures closely follow those for motions and notice of hearing. Based on authority used by provincial regulators in similar circumstances.
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{1}		ROP 16.1	
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{2}		ROP 16.2, 16.3, 16.4	
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{3}		ROP 16.6	
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{4} through {6}	New	New	New - Non-substantive. Clarifies procedures for when notice of an expedited hearing is given to the respondent.
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{7}		ROP 16.4	
8400 - Rules of Practice and Procedure	8426	Expedited Hearings	{8}		ROP 16.7	Amended - Non-substantive. Clarifies hearing panel's powers in an expedited hearing. Procedures closely follow those for a normal disciplinary proceeding.
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{1}		ROP 18.1	
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{2}		ROP 18.2, 18.3	
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{3} and {4}		ROP 18.4	
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{5} and {6}		ROP 18.5	
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{7} and {8}		ROP 19.1, 19.2	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{9}	New	New	New - Non-substantive. Clarifies that a hearing panel can require oral testimony on any matter and allow cross-examination of an affidavit.
8400 - Rules of Practice and Procedure	8427	Expedited Review Hearings	{10}	New	New	New - Non-substantive. Clarifies that a party may bring a motion for a stay of a sanction prior to a review hearing.
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{1}	New	New	New - Non-substantive. Clarifies that if a settlement agreement is made after a notice of hearing is issued, a settlement hearing must be commenced by notice of motion.
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{2}	New	New	New - Non-substantive. Clarifies that if a settlement agreement is made before a notice of hearing is issued, a settlement hearing must be commenced by notice of application.
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{3}	POL 10.8{3.1}	ROP 15.1	
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{4}	POL 10.8{3.2}	ROP 15.2	
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{5}	New	New	New - Non-substantive. Clarifies that settlement agreements are confidential until accepted by a hearing panel.
8400 - Rules of Practice and Procedure	8428	Settlement Hearings	{6}		ROP 15.3	
8400 - Rules of Practice and Procedure	8429	Monitor	{1}		ROP 17.1-17.4	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{1}		ROP 22.1, 23.1, 24.1, 26.1, 27.1	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{2}		ROP 22.2, 22.3, 23.2, 23.3, 24.2, 24.3, 26.2, 26.3	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{3}		ROP 22.4, 23.4, 24.4	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{4}		ROP 22.5, 23.5, 24.5	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{5}		ROP 22.6, 23.6, 24.6, 27.3, 27.4	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{6}		ROP 22.7, 23.7, 24.7	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{7}		ROP 25.1-25.4, 28.1-28.3	
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{8}	New	New	New - Non-substantive. Clarifies that a hearing panel can require oral testimony on any matter and allow cross-examination of an affidavit.
8400 - Rules of Practice and Procedure	8430	Regulatory Review Hearings	{9}	New	New	New - Non-substantive. Clarifies that a member whose decision is subject of the review cannot sit on the hearing panel reviewing that decision.
8400 - Rules of Practice and Procedure	8431	Record for Review	{1} through {5}	New	New	New - Non-substantive. Clarifies process for review of a final decision to a securities regulatory authority.
9100 - Compliance Examinations	9101	Introduction	{1}	New	New	New - Non-substantive. Introductory section added.
9100 - Compliance Examinations	9102	Examinations	{1}	New	New	New - Non-substantive. Clarifies that an examination includes a request for information.
9100 - Compliance Examinations	9103	Conducting Examinations	{1}		DMR 19.1	
9100 - Compliance Examinations	9103	Conducting Examinations	{2}		DMR 19.2	
9100 - Compliance Examinations	9104	Examination Powers	{1}		DMR 19.5	
9100 - Compliance Examinations	9104	Examination Powers	{2}	New	New	New - Substantive. Corporation staff must provide a receipt for documents received relating to an examination.
9100 - Compliance Examinations	9104	Examination Powers	{3}	UMIR 10.12{2-3}	DMR 19.6	
9100 - Compliance Examinations	9105	Obligations of Members and Other Persons	{1}		DMR 19.5	

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9100 - Compliance Examinations	9105	Obligations of Members and Other Persons	{2}		DMR 19.1	
9100 - Compliance Examinations	9105	Obligations of Members and Other Persons	{3}	New	New	New - Substantive. Require cooperation of employees with examinations in regard to their employment with an affiliate when they are dually employed.
9100 - Compliance Examinations	9106	Use of Information	{1} and {2}		DMR 19.7	
9200 - Approvals and Regulatory Supervision	9201	Introduction	{1}	Not applicable	New	New - Non-substantive. Introductory section added.
9200 - Approvals and Regulatory Supervision	9202	Definitions	{1}	Not applicable	DMR 20.1	Definitions that are only used within proposed Rule 9200 are defined here.
9200 - Approvals and Regulatory Supervision	9203	Decisions of a District Council	{1}	Not applicable	DMR 20.18{1-2}, DMR 20.24{3}	
9200 - Approvals and Regulatory Supervision	9203	Decisions of a District Council	{2}	Not applicable	New	New - Non-substantive. Clarifies that notice of a decision relating to an applicant must be given to that applicant.
9200 - Approvals and Regulatory Supervision	9203	Decisions of a District Council	{3}	Not applicable	DMR 20.18{5}	
9200 - Approvals and Regulatory Supervision	9203	Decisions of a District Council	{4}	Not applicable	DMR 20.25{4}	
9200 - Approvals and Regulatory Supervision	9203	Decisions of a District Council	{5}	Not applicable	DMR 20.19{2}	
9200 - Approvals and Regulatory Supervision	9204	Individual Approval Applications	{1}	Not applicable	DMR 20.18{1}	
9200 - Approvals and Regulatory Supervision	9204	Individual Approval Applications	{2}	Not applicable	DMR 20.18{2}{b}, DMR 20.18{4},	
9200 - Approvals and Regulatory Supervision	9204	Individual Approval Applications	{3}	Not applicable	DMR 20.18{2}{a}, DMR 20.18{3},	
9200 - Approvals and Regulatory Supervision	9205	Membership Approval Applications	{1}	Not applicable	DMR 20.20	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9200 - Approvals and Regulatory Supervision	9205	Membership Approval Applications	{2}	Not applicable	DMR 20.21	
9200 - Approvals and Regulatory Supervision	9205	Membership Approval Applications	{3}	Not applicable	DMR 20.22	
					DMR 20.23	Repealed - Non-substantive. Refers to District Council approving Dealer Member membership application where the applicant has been exempted from the Entrance Fee, which is not part of the proposed Rules. This provision has never been used and it is not considered appropriate for a District Council to approve a Dealer Member membership application under any circumstances.
9200 - Approvals and Regulatory Supervision	9206	Exemption Applications	{1}	Not applicable	DMR 20.24{1}	
9200 - Approvals and Regulatory Supervision	9206	Exemption Applications	{2}	Not applicable	DMR 20.25{1}	
9200 - Approvals and Regulatory Supervision	9206	Exemption Applications	{3}	Not applicable	DMR 20.24{2}, DMR 20.25{2}	
9200 - Approvals and Regulatory Supervision	9207	Continued Approval	{1}	Not applicable	DMR 20.18{3}	
9200 - Approvals and Regulatory Supervision	9207	Continued Approval	{2}	Not applicable	DMR 20.18{4}	
9200 - Approvals and Regulatory Supervision	9208	Terms and Conditions on Membership	{1} through {3}	Not applicable	New	New - Substantive. Allows IIROC to impose terms and conditions on a Member of IIROC.
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{1}	Not applicable	DMR 20.19{1-2}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{2}	Not applicable	DMR 20.26{1-2}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{3}	Not applicable	DMR 20.19{1}, DMR 20.26{1}	

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{4}	Not applicable	DMR 20.26{3}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{5}	Not applicable	DMR 20.19{2}, DMR 20.26{2}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{6}	Not applicable	DMR 20.19{3}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{7}	Not applicable	DMR 20.19{5}, DMR 20.26{5}	
9200 - Approvals and Regulatory Supervision	9209	Review Hearings	{8}	Not applicable	DMR 20.26{6}	
9200 - Approvals and Regulatory Supervision	9210	Review by a Securities Regulatory Authority	{1} through {3}	Not applicable	New	New - Non-substantive. Clarifies that a party may only request a securities regulatory authority review if a District Council panel has made a final decision. Also clarifies that Corporation staff are a party to the proceedings for the purposes of review or appeal.
9300 - Regulatory Review Proceedings	9301	Introduction	{1}	Not applicable	New	New - Non-substantive. Introductory section added.
9300 - Regulatory Review Proceedings	9302	Definitions	{2}	Not applicable	DMR 20.1	Definitions that are only used within proposed Rule 9300 are defined here.
9300 - Regulatory Review Proceedings	9303	Hearings and Decisions	{1} and {2}	Not applicable	New	New - Non-substantive. Clarifies that enforcement proceeding rules applying to hearings apply to review proceedings.
9300 - Regulatory Review Proceedings	9304	Review Proceedings	{1}	Not applicable	DMR 20.26{4}	
9300 - Regulatory Review Proceedings	9304	Review Proceedings	{2}	Not applicable	DMR 20.19{5}, DMR 20.26{5}, DMR 20.29{4}, DMR 20.48	
9300 - Regulatory Review Proceedings	9304	Review Proceedings	{3}	Not applicable	DMR 20.19{3}, DMR 20.26{4}	
9300 - Regulatory Review Proceedings	9305	Review by a Securities Regulatory Authority	{1} through {3}	Not applicable	New	New - Non-substantive. Clarifies that a party may only request a securities regulatory authority review if a hearing panel has made a final decision. Also clarifies that Corporation staff are a party to the proceedings for the purposes of review or appeal.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9401	Introduction	{1}	Not applicable	DMR 20.18{5}	Amended - Non-substantive. Clarifies where an opportunity to be heard is required.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9402	Definitions	{1}	Not applicable	New	New - Non-substantive. Definitions that are only used within proposed Rule 9400 are defined here.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9403	Opportunities to be heard by a District Council or a senior officer	{1}	Not applicable	New	New - Non-substantive. Clarifies that an applicant, Approved Person, or Member may be represented by counsel or agent. Also clarifies that hearings are to be conducted fairly without being unnecessarily formal.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9404	Counsel	{1}	Not applicable	New	New - Non-substantive. Clarifies that an applicant, Approved Person, or Member may be represented by counsel or agent. Also clarifies that hearings are to be conducted fairly without being unnecessarily formal.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9405	Staff's Notice	{1}	Not applicable	New	New - Substantive. Requires registration staff to send a letter to an applicant of registration staff recommends to a District Council that registration be denied, revoked, suspended, or granted with terms and conditions.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9406	Response of Applicant, Approved Person or Member	{1} through {4}	Not applicable	New	New - Substantive - Clarifies procedure for delivering responses where an applicant, Approved Person, or Member desires an opportunity to be heard.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9407	Choice of Written Submissions or Appearance	{1}	Not applicable	New	New - Substantive. Allows applicant, Approved Person, or Member who desires and opportunity to be heard to request the format of the hearing.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9407	Choice of Written Submissions or Appearance	{2}	Not applicable	New	New - Substantive. Request for format of hearing must be made in writing and reasons for the request provided.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9407	Choice of Written Submissions or Appearance	{3}	Not applicable	New	New - Substantive. Allows the decision maker to decide on the format of the hearing.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9408	Exchange of Written Submissions	{1} through {6}	Not applicable	New	New - Substantive. Sets out procedures for written hearings.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9409	Appearance Before a Decision Maker	{1} through {3}	Not applicable	New	New - Substantive. Sets out procedures for oral hearings.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9410	Decisions	{1} and {2}	Not applicable	New	New - Substantive. Requires decision makers to make a decision within thirty days after the conclusion of a hearing, whether written or oral.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9411	Opportunities to be heard by the Board of Directors	{1}	Not applicable	New	New - Non-substantive. Clarifies that an applicant, Approved Person, or Member may be represented by counsel or agent. Also clarifies that hearings are to be conducted fairly without being unnecessarily formal.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9412	Staff's Notice	{1}	Not applicable	New	New - Substantive. Requires registration staff to send a letter to an applicant of registration staff recommends to a District Council that registration be denied, revoked, suspended, or granted with terms and conditions.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9413	Response of Applicant, Approved Person or Member	{1} through {4}	Not applicable	New	New - Substantive - Clarifies procedure for delivering responses where an applicant, Approved Person, or Member desires an opportunity to be heard.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9414	Choice of Written Submissions or Appearance	{1}	Not applicable	New	New - Substantive. Allows applicant, Approved Person, or Member who desires and opportunity to be heard to request the format of the hearing.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9414	Choice of Written Submissions or Appearance	{2}	Not applicable	New	New - Substantive. Request for format of hearing must be made in writing and reasons for the request provided.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9414	Choice of Written Submissions or Appearance	{3}	Not applicable	New	New - Substantive. Allows the decision maker to decide on the format of the hearing.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9415	Exchange of Written Submissions	{1} through {6}	Not applicable	New	New - Substantive. Sets out procedures for written hearings.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9416	Appearance Before a Decision Maker	{1} through {3}	Not applicable	New	New - Substantive. Sets out procedures for oral hearings.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9417	Decisions	{1} and {2}	Not applicable	New	New - Substantive. Requires decision makers to make a decision within thirty days after the conclusion of a hearing, whether written or oral.
9400 - Procedures for Opportunities to be Heard Before Decisions on Approval and Regulatory Compliance Matters	9418	Right of Review	{1}	Not applicable	New	New - Non-substantive. Refers to Rule 9200 which provides rights of review.
					DMR 19.4 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.3 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.8 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.9 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.10 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.11 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.12 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.13 Repealed	Repealed - Non-substantive. Removal of previously repealed section.

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					DMR 20.14 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.15 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.16 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.17 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.25	Repealed - Non-substantive. It is unnecessary to state that an application for an introducing carrying exemption is subject to corporation procedures. That is a given.
					DMR 20.27	Repealed - Substantive. The consolidated Rules do not contemplate ordering costs against an applicant applying for an exemption.
					DMR 20.51 Repealed	Repealed - Non-substantive. Removal of previously repealed section.
					DMR 20.52	Repealed - Non-substantive. These are transitional provisions for the coming into force of Rule 20 and are no longer required.
					ROP 1.1	Repealed - Non-substantive. Summary of what the possible applications are is not required.
					ROP 1.4	Repealed - Non-substantive. Section imparting singular meaning to plural and vice-versa is unnecessary.
					ROP 6.2 and ROP 6.3	Repealed - Non-substantive. Different enforcement tracks are not contemplated in the proposed consolidated rules and therefore the designation of the track is not required.
					ROP 8.3	Repealed - Non-substantive. Under the proposed consolidated rules, all motions will be heard by a hearing panel, not a presiding officer, so this section is redundant.
					ROP 9.2	Repealed - Non-substantive. No longer a concept of a presiding officer, so this section is redundant.
					ROP 20	Repealed - Non-substantive. No longer internal appeals, only reviews.

Consolidated Rule	Section	Title	Subs.	UMIR Equivalent	Dealer Member Rule {DMR} Equivalent	Comments
					ROP 21	Repealed - Non-substantive. No longer internal appeals, only reviews.