



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

## Impact Analysis of the Phase 5 Proposed DC Rules

### Impact Assessment Table

In the impact assessment table below, we list:

- the major policy elements of the Phase 5 Proposed DC Rules,
- a description of the intended policy benefits of each element, and
- an assessment of its impact on clients, investment dealers, mutual fund dealers, and CIRO itself.

### Conclusions

#### Outsourcing and service arrangements

We concluded that the proposed consolidation of outsourcing and service arrangement requirements would result in generally more consistent regulatory requirements for these types of arrangements. We assessed the impact of these changes to be generally neutral to positive for clients, Dealer Members and CIRO staff. Overall, we believe the proposed changes will allow Dealer Members to maintain their existing arrangements while enhancing the flexibility to expand arrangements between dealer types.

#### Reporting and handling of complaints, internal investigations and other reportable matters

While proposed DC Rule 3700 introduces some negative impacts on Dealer Members, mostly with respect to the potential for increased reporting and changes to the scope of existing policies and procedures, these impacts are outweighed by the positive impacts on investors, clients, Dealer Members, participants and CIRO. Our view is that these changes will result in a more consistent reporting, investigation and complaint handling regime, which will ultimately ensure that clients have a consistent experience in respect of how their complaints are handled, that Dealer Members will have consistent understanding of industry standards regarding how to handle complaints and investigations, and regulators will be able to more accurately track matters that lead to complaints and investigations at both the dealer and industry-wide level.

#### Recordkeeping and client reporting

We concluded that the proposed harmonization of recordkeeping and client reporting requirements would enhance the consistency of regulatory requirements and Dealer practices, mitigate client confusion and regulatory arbitrage, and level the playing field for both Dealer categories. We assessed the impact of these changes to be generally neutral to positive for clients, Dealer Members and CIRO staff. We believe these benefits outweigh the potential costs associated with system changes for a subset of Dealer Members, or the negative impact at a very limited subset of clients who do not wish for their dealer to rely on the harmonized rule carve-outs.

#### Financial standards and financial solvency reporting

We concluded that the proposed harmonization of financial standards requirements would result in generally more consistent regulatory requirements that also recognize simpler dealer business models. We assessed the impact of these changes to be generally neutral to positive for clients, investment dealers and CIRO staff. We assess the impact of these changes to be generally negative for mutual fund dealers due to the number of new requirements and potential capital implications of adopting a more stringent capital formula. We believe these negative impacts will be less impactful to mutual fund dealers with a simple business model and more impactful for certain subsets of mutual fund dealers

such as Level 4 mutual fund dealers. Overall, we believe the benefits of consistent financial solvency standards outweigh the potential costs associated with system changes and capital implications at a subset of Dealer Members.

#### Client asset use and custody

We concluded that the proposed client asset and custody rules would result in generally more consistent regulatory requirements that also recognize different dealer business model client asset segregation requirements. We assessed the impact of these changes to be generally neutral to positive for clients, Dealer Members and CRO staff. Investment dealers may have some relatively minor negative impacts resulting from proposed internal control requirements regarding the safeguarding of cash and treatment of client free credit segregation deficiencies.

#### **Overall Assessment**

We have assessed the impact of the changes being introduced as part of the Phase 5 Proposed DC Rules as having a neutral to positive impact overall.

We believe Phase 5 Proposed DC Rules would have strong positive impacts on clients and CRO Staff.

While there may be some negative impacts to mutual fund dealers, and in more limited instances to investment dealers, many of these impacts are short-term, as they relate to requirements to develop new policies, procedures and internal systems. Once developed, the existence of harmonized industry infrastructure and regulatory expectations will be net positive for the industry as a whole.

The changes to the capital formula for mutual fund dealers may be significant for some dealers, which offsets the strong positive impacts to other stakeholders. As such our overall assessment of the impact of the Phase 5 Proposed DC Rules is neutral to positive.

#### **Cost Estimate**

We do not know the dollar magnitude of the collective impacts of the Phase 5 Proposed DC Rules, and we cannot determine it without detailed stakeholder feedback. For example, the harmonization of certain client reporting requirements may require changes to a subset of Dealer systems and procedures. The scale of such changes is dependant on many factors, including the level of sophistication of the Dealer Member and their proprietary or vendor systems, whether it is the Dealer Member or their carrying broker who is discharging the reporting task, whether the Dealer Member holds or controls client assets, and how broadly or narrowly the Dealer Member has interpreted their reporting responsibility.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<b>Additional services proposed to be offered by mutual fund dealers</b>					
<i>Allow mutual fund dealers to offer margin accounts under certain conditions</i>	Brings client leveraging into regulatory framework and allows level-playing field between dealer types	<i>Positive</i> – Clients benefit from new account offering and consistency in margin requirements between dealer types	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Mutual fund dealers benefit from ability to offer similar services to investment dealers if complying with the same regulatory requirements and financial standards	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<b>Rule interpretation and definitions</b>					
<i>Adopt a DC Rule version of MFD Rule 1.1.1 with regard to certain Approved Persons of mutual fund dealers engaging in securities related business as an employee of a chartered bank or credit union, where permitted by applicable legislation</i>	Retain the possible business structure arrangements as per MFD Rule 1.1.1	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Retains existing possible business structure arrangements as per MFD Rule 1.1.1.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Introduction of monthly financial report definition</i>	Provides clarity that monthly regulatory filing is not as comprehensive as annual Form 1 filing	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Provides clarity that monthly regulatory filing is less onerous than annual regulatory filing.	<i>Positive</i> – CIRO staff who monitor compliance will have a consistent definition.
<b>Outsourcing and service arrangements</b>					
<i>Adopt IDPC Rule requirements for Type 1 to 4 introducing / carrying broker arrangements</i>	Preserve requirements for existing arrangements	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Adopt MFD Rule requirements (with minor modifications) related to introducing / carrying broker arrangements between two mutual fund dealers as a Type 5 introducing / carrying arrangement</i>	Preserve requirements for existing arrangements while ensuring a level playing field for investment dealers and mutual fund dealers.	<i>Positive</i> – Both introducing broker and carrying broker are responsible for clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor negative</i> – Minor modifications in arrangement requirements may impact a subset of mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Preserve capability for mutual fund dealer to enter into multiple arrangements but restrict ability for multiple Type 2 introducing / carrying arrangements</i>	Preserve requirements for existing arrangements while ensuring a level playing field for investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral to negative</i> – Investment dealers with more than one Type 2 introducing / carrying arrangement will need to request an exemption.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Introduce ability for CIRO staff to provide exemptions related to introducing / carrying broker requirements</i>	Ability to be flexible where dealers have unique business models that may not be specifically considered in rule requirements	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Positive</i> – Investment dealers benefit from more efficient and timely process for exemptions.	<i>Positive</i> – Mutual fund dealers benefit from more efficient and timely process for exemptions.	<i>Neutral to Positive</i> – Creates more efficient exemption process.
<i>Adopt IDPC Rules related to other permitted outsourcing and back office arrangements, for all dealers</i>	Ensure a level playing field for investment dealers and mutual fund dealers	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Additional back office arrangements available for mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Adopt MFD Rule requirements for service arrangements, for all dealers</i>	Ensure a level playing field for investment dealers and mutual fund dealers	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Minor Negative to Neutral</i> – New rule requirement for investment dealers, which codifies general business practices.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Positive</i> – Consistency in requirements among dealers and ability to enforce service

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
					arrangement requirements.
<b>Continuing education requirements</b>					
<i>Adopt and maintain the existing separate Continuing Education regimes as an interim measure (a separate CE Harmonization project is currently in progress).</i>	CIRO is waiting to provide only one set of substantive CE changes to all industry participants to minimize impact of harmonized changes.	<i>Neutral</i> – No material changes for clients at this time.	<i>Neutral</i> – No material changes for investment dealers at this time.	<i>Neutral</i> – No change for mutual fund dealers at this time.	<i>Neutral</i> – No material changes CIRO Staff for at this time.
<b>Reporting and Handling of Complaints, Internal Investigations and other Reportable Matters</b>					
<i>Adopt the definition of “compensation” that is set out in the MFD Rules</i>	Ensure clarity and consistency regarding what constitutes compensation	<i>Neutral</i> – No significant change for clients.	<i>Neutral</i> – No significant change for investment dealers.	<i>Neutral</i> – No change for mutual fund dealers.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have a consistent definition.
<i>Introduce definition of “complaint”</i>	Ensure a consistent definition that includes employees, and both verbal and written complaints	<i>Minor Positive</i> – Clients’ recourses will benefit from employees being included as potential subjects of a complaint in the definition	<i>Minor Negative</i> – Employees being included as potential subjects of a complaint in the definition is new for investment dealers and widens the scope of complaints that must be managed by the Dealer Member and are reportable to CIRO.	<i>Minor Negative</i> – Employees being included as potential subjects of a complaint in the definition is new for mutual fund dealers and widens the scope of complaints that must be managed by the Dealer Member and are reportable to CIRO.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have a consistent definition of complaint.
<i>Adopt the definition of “cybersecurity incident” that is set out in the IDPC Rules</i>	Ensure consistency regarding what constitutes a cybersecurity incident	<i>Neutral</i> – No significant change for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> - Mutual fund dealers previously did not have to report cybersecurity incidents.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have a consistent definition and reporting will be

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
					harmonized across Dealer Members
<i>Introduce definition of “internal dispute resolution service”</i>	Avoid confusion with respect to OBSI’s ombudsman service.	<i>Minor Positive</i> – Reduces any possible client confusion between the two distinct resolution processes.	<i>Neutral</i> – No significant change for investment dealers.	<i>Neutral</i> – No significant change for mutual fund dealers.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce definition of “non-reportable complaint”</i>	Replace the definition of a “service complaint” in the MFD Rules and IDPC Rules in order to provide added clarity.	<i>Neutral</i> – No significant change for clients.	<i>Minor Positive</i> – The definition more clearly sets out which matters are unlikely to raise regulatory concerns and therefore are not reportable to CIRO.	<i>Minor Positive</i> – The definition more clearly sets out which matters are unlikely to raise regulatory concerns and therefore are not reportable to CIRO.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have a clear and consistent definition.
<i>Introduce definitions of “serious misconduct” and “serious client-related misconduct”</i>	Provide harmonized and clearer definitions regarding certain reportable events.	<i>Minor Positive</i> – Promotes client protection by providing further clarity regarding types of reportable events.	<i>Neutral</i> – Increased reporting is possible; however, this is mitigated by the increased clarity and consistency that may prevent unnecessary over-reporting.	<i>Neutral</i> – Increased reporting is possible; however, this is mitigated by the increased clarity and consistency that may prevent unnecessary over-reporting.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have a clear and consistent definition.
<i>Introduce requirement to establish policies and procedures that require employees to report certain matters to the Dealer Member.</i>	Provide clarity and consistency with prescribed reportable matters.	<i>Positive</i> – Promotes client protection by providing further clarity regarding types of reportable events.	<i>Minor Negative</i> – Addition of employees into current policies and procedures represents a new burden.	<i>Minor Negative</i> – Addition of employees into current policies and procedures represents a new burden.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent and clearer requirements.
<i>Introduce requirement that Approved Persons and employees must report to Dealer Members, certain matters pertaining to Approved Persons</i>	Provide harmonized and enhanced specificity regarding circumstances that Approved Persons and	<i>Minor Positive</i> – Promotes client protection by expanding the types of reportable events.	<i>Minor Negative</i> – Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Neutral</i> – The requirements were included in the MFD Rules and thus do not represent a new burden.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>including, among others, certain licensing issues, declaration of bankruptcy, and outstanding garnishments.</i>	employees must report to Dealer Members.				and clearer requirements.
<i>Not require disclosure of an investigation if such disclosure is prohibited by the securities laws, applicable laws, or requirements or policies of any regulatory organization or SRO, professional licensing, credentialing or registration body</i>	Prevent conflicting obligations with other relevant legal or regulatory requirements.	<i>Neutral</i> – No significant change for clients.	<i>Neutral</i> – No significant change for investment dealers.	<i>Neutral</i> – No significant change for mutual fund dealers.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce requirements for Dealer Members to report serious misconduct matters to CIRO.</i>	Provide harmonized and enhanced specificity regarding circumstances that Dealer Members must report to CIRO.	<i>Minor Positive</i> – Promotes client protection by providing further clarity regarding types of reportable events.	<i>Minor Negative</i> – Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Negative</i> – Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent and clearer requirements.
<i>Introduce requirement that Dealer Members must report to CIRO certain matters pertaining to itself and Approved Persons including, among others, certain licensing issues, declaration of bankruptcy, and outstanding garnishments.</i>	Provide harmonized and enhanced specificity regarding circumstances that Dealer Members must report to CIRO.	<i>Minor Positive</i> – Promotes client protection by providing further clarity regarding types of reportable events.	<i>Minor Negative</i> – Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Neutral</i> – The requirements were included in the MFD Rules and thus do not represent a new burden.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent and clearer requirements.
<i>Replace requirement for Dealer Members to report amounts over certain thresholds with a</i>	Ensure that CIRO is informed of matters resulting in contextually	<i>Minor Positive</i> – Promotes client protection by providing further	<i>Neutral</i> – The less prescriptive approach regarding substantial client payouts may result in	<i>Neutral</i> – The less prescriptive approach regarding substantial client payouts may result in	<i>Minor Positive</i> – CIRO staff will receive more relevant reporting.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>requirement to report any substantial compensation paid to a client to CIRO.</i>	substantial compensation paid to clients. This may result in smaller or larger amounts being reported, depending on the significance to the investor.	clarity and more contextually relevant types of reportable information.	increased or decreased reporting, as context will be considered under this approach.	increased or decreased reporting, as context will be considered under this approach.	
<i>Introduce requirement that Dealer Members must report to CIRO any time an Approved Person, employee or the Dealer Member is the subject of any proceeding or disciplinary action alleging contravention of any applicable laws concerning to Dealer Member related activities.</i>	Provide harmonized and enhanced specificity regarding circumstances that Dealer Members must report to CIRO	<i>Minor Positive –</i> Promotes client protection by expanding the types of reportable events.	<i>Minor Negative –</i> Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Negative –</i> Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Positive –</i> CIRO staff who monitor compliance will have consistent and clearer requirements.
<i>Remove the dollar thresholds for reporting internal disciplinary actions to CIRO.</i>	Standardize requirements by applying reporting requirement to all internal disciplinary actions involving allegations of serious misconduct.	<i>Minor Positive –</i> Promotes client protection by removing a minimum threshold regulatory reporting, thus giving regulatory visibility into outcome of material internal investigations	<i>Minor Negative –</i> Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Negative –</i> Increased reporting burden is possible; however, this is mitigated by the increased clarity and consistency of reportable events.	<i>Minor Positive –</i> Enhances CIRO’s line of sight into material investigations.
<i>Adopt requirement for Dealer Members to report the outcomes of client complaints alleging serious misconduct.</i>	Ensure reporting that provides important information related to investor protection, compliance tracking and governance.	<i>Positive –</i> Promotes client protection by increasing the regulatory supervision in respect of the result	<i>Minor Negative –</i> Additional regulatory reporting burden that is not in IDPC Rules.	<i>Neutral –</i> No change for mutual fund dealers.	<i>Minor Positive –</i> CIRO staff will have more comprehensive information of outcomes of

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
		of serious misconduct.			serious misconduct complaints.
<i>Adopt requirement that Dealer Members include a detailed description of the investigation and its results when reporting the results of an internal investigation to CIRO.</i>	Provide improved insight into Dealer Members' processes and outcomes in respect of matters significant enough to warrant an internal investigation.	<i>Minor Positive</i> – Promotes client protection by providing further clarity regarding client complaint outcomes.	<i>Neutral</i> – Recording additional details in the description of the investigation should not pose significant additional burden.	<i>Neutral</i> – No change for mutual fund dealers.	<i>Minor Positive</i> – CIRO staff will have additional information in respect of processes and outcomes.
<i>Adopt prescribed timeline requirements for Dealer Members reporting to CIRO in the DC Rules</i>	Provide clarity by specifying timelines in the DC Rules rather than guidance.	<i>Neutral</i> – No change for clients.	<i>Neutral</i> – Clearer rule timeline requirements and no significant change to existing practice.	<i>Neutral</i> – No significant change to existing practice.	<i>Neutral</i> – No significant change to existing practice.
<i>Introduce requirement that Dealer Members report to CIRO any material breach of client information that is reportable under applicable privacy legislation.</i>	Ensure that such issues are tracked and addressed.	<i>Positive</i> – Promotes client protection by tracking client information breach incidents.	<i>Minor Negative</i> – In order to manage the increased regulatory burden, reporting to CIRO would be in the form and in compliance with the timelines required by applicable privacy legislation.	<i>Minor Negative</i> – In order to manage the increased regulatory burden, reporting to CIRO would be in the form and in compliance with the timelines required by applicable privacy legislation.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have additional information.
<i>Introduce requirement that Dealer Members must maintain current records relating to reportable matters under proposed DC Rule subsections 3711-3712.</i>	Provide clarity by explicitly including the requirement in the DC Rules.	<i>Neutral</i> – No significant change for clients.	<i>Neutral</i> – No significant change for investment dealers.	<i>Neutral</i> – No significant change for mutual fund dealers.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Structure the basis for triggering an internal investigation on the concept of “serious misconduct”.</i>	Eliminate potential inconsistencies between reporting, complaint handling, and internal investigations.	<i>Minor Positive</i> – Promote client protection by triggering internal investigations on the basis of	<i>Minor Negative</i> – Potentially will trigger more internal investigations, particularly with respect to employees.	<i>Minor Negative</i> – Potentially will trigger more internal investigations, particularly with respect to employees.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
		potential serious misconduct.			
<p><i>Introduce a prescriptive approach to specifically list the triggers for an internal investigation, rather than the general requirement.</i></p>	<p>Ensure clarity that an investigation must be launched when the Dealer Member becomes aware that an Approved Person, former Approved Person or employee appears to have engaged in serious misconduct.</p>	<p><i>Neutral</i> – No significant change for clients.</p>	<p><i>Neutral</i> – Increased clarity and consistency of events triggering an internal investigation.</p>	<p><i>Neutral</i> – Increased clarity and consistency of events triggering an internal investigation.</p>	<p><i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.</p>
<p><i>Adopt the existing IDPC Rules provisions regarding records of an internal investigation, however with more detail regarding the issues, findings, investigatory process, evidence, conclusions and recommendations in the internal investigation records. Also clarify that Dealer Members must provide these records to CIRO upon request.</i></p>	<p>Ensure that the documentation evidencing such investigation forms a complete record for review and compliance purposes.</p>	<p><i>Neutral</i> – No significant change for clients.</p>	<p><i>Neutral</i> – No significant change for investment dealers.</p>	<p><i>Minor Negative</i> – Increased record keeping requirements for mutual fund dealers.</p>	<p><i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.</p>
<p><i>Introduce an exception that indicates that a Dealer Member, an Approved Person or an employee are not required to comply the reporting requirements under Rule 3700 for any matter reported to the CIRO under Universal</i></p>	<p>Avoid duplicative reporting and burden.</p>	<p><i>Neutral</i> – No change for clients.</p>	<p><i>Minor Positive</i> – Avoids duplicative reporting.</p>	<p><i>Neutral</i> – Not applicable to mutual fund dealers.</p>	<p><i>Neutral</i> – No significant change for CIRO staff.</p>

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Market Integrity Rules 10.16, 10.17 and 10.18.</i>					
<i>Expand restriction from entering into settlement agreements unless prior written consent of the Dealer Member has been obtained to employees</i>	Ensure consistency given the expansion of the scope of DC Rule 3700 to include employees.	<i>Minor Positive</i> – Promotes client protection by requiring Dealer Member consent.	<i>Neutral</i> – The expansion to employees should not represent a significant increased burden and will increase Dealer Member visibility on any such settlements.	<i>Neutral</i> – The expansion to employees should not represent a significant increased burden and will increase Dealer Member visibility on any such settlements.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Prohibit confidentiality or similar restrictions on a client pursuant to a release. Also, prohibit Dealer Members from preventing clients, via a release agreement or otherwise, from communicating or sharing information with securities regulatory authorities, SROs or other enforcement authorities.</i>	Enhance client protection by prohibiting communication restrictions pursuant to releases.	<i>Positive</i> – Promotes client protection by prohibiting communication restrictions pursuant to releases.	<i>Neutral</i> – No significant change for investment dealers.	<i>Neutral</i> – No significant change for mutual fund dealers.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Harmonization of requirements regarding complaint policies and procedures relating to institutional clients.</i>	Ensure a level playing field by harmonizing the provision to both investment dealers and mutual fund dealers regarding complaint policies and procedures relating to institutional clients	<i>Neutral</i> – No significant change for clients.	<i>Neutral</i> – No significant change for investment dealers.	<i>Minor Positive</i> – Mutual fund dealers will be able to categorize and treat institutional client complaints accordingly.	<i>Neutral</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Dealer Members only need acknowledge a verbal institutional client complaint alleging serious client-related misconduct where a preliminary investigation indicates that</i>	Allow for different standards for institutional client vs retail client complaint handling requirements.	<i>Neutral</i> – No significant change impact for clients.	<i>Minor Positive</i> - Allow Dealer Members to assess and handle institutional client complaints accordingly.	<i>Minor Positive</i> - Allow Dealer Members to assess and handle institutional client complaints accordingly.	<i>Neutral</i> – No significant change for CIRO staff.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>the allegation may have merit.</i>					
<i>Introduce requirement that Dealer Members document and respond to each retail client complaint in a manner that a reasonable investor considers effective, fair and expeditious.</i>	Allow for different standards for institutional client vs retail client complaint handling requirements.	<i>Positive</i> – Centers the expectation in reasonable client expectations.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce clarifying requirement that Dealer Members provide a written response to any written retail client complaint, and any retail client complaint alleging serious misconduct.</i>	Addresses the types of complaints that raise regulatory concern, while permitting Dealer Members to manage verbal complaints that do not allege serious misconduct in a more expeditious manner.	<i>Neutral</i> – Reflects current practice.	<i>Neutral</i> – Provides more clarity regarding complaint response requirements.	<i>Neutral</i> – Provides more clarity regarding complaint response requirements.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce requirements that Dealer Members must commit adequate resources to staff managing complaints and establish clear roles and responsibilities for managing complaints.</i>	Harmonize and include these requirements in the DC Rules for the purpose of rule consistency and clarity.	<i>Neutral</i> – No specific effect as it codifies current practice.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce a requirement that an individual who is the subject of a client complaint cannot handle the client complaint.</i>	Harmonize and include these requirements in the DC Rules for the purpose of rule consistency and clarity.	<i>Neutral</i> – No specific effect as it codifies current practice.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Require a Dealer Member to provide drafting assistance to clients who request it.</i>	Harmonize and include these requirements in the DC Rules for the purpose of rule consistency and clarity.	<i>Neutral</i> – No specific effect as it codifies current practice.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Withdraw the requirement in the IDPC Rules that Dealer Members must handle complaints in a balanced manner considering the interests of the client, Dealer Member, Approved Person and employee.</i>	Remove provision that is inconsistent with the Dealer Member’s and Approved Person’s obligation to put the client’s interests first when managing conflicts of interest.	<i>Minor Positive</i> – Clarifies obligations with respect to client protection and complaint responsiveness, reflecting current regulatory requirements.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce requirement that, when a recurrent complaint issue is detected, Dealer Members must ascertain the scope and severity of any client detriment and consider whether it is fair and reasonable to proactively conduct any redress or remediation.</i>	Codify best practices and ensure that Dealer Members must consider broader client impact with respect to complaints they have received and when deciding whether the appropriate resolution must be broader than rectifying an individual complaint.	<i>Positive</i> – Promotes client protection and complaint responsiveness.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce requirement that acknowledgement and substantive response letters be written in plain language and provided to the complainant in a format readily accessible</i>	Ensure client comprehension of complaint responses.	<i>Positive</i> – Promotes client protection and complaint responsiveness.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>and understandable by that complainant.</i>					
<i>Introduce requirement that substantive response must indicate that clients may report suspected serious misconduct to CIRO, and that CIRO will assess whether any disciplinary action is warranted.</i>	Ensure client comprehension of possible recourses.	<i>Positive</i> – Promotes client protection by ensuring clients are informed of their options in respect of complaints.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Adopt the IDPC Rules requirement that Dealer Members provide a substantive response to a client complaint within 90 days (Dealer Members are still subject to any other relevant provincial timeline requirements).</i>	Standardize practice by applying the IDPC Rules provision to both investment dealers and mutual fund dealers.	<i>Neutral</i> – Reflects current practice.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce prescribed time limits on a Dealer Member’s internal dispute resolution process.</i>	Introduces a time limit to ensure that complaints are resolved more expeditiously.	<i>Positive</i> – Imposes a reasonable timeline on internal dispute resolution processes lead to a resolution in a timely manner.	<i>Minor Negative</i> – Introduces a new time limitation for internal dispute resolution processes where no limit existed previously.	<i>Minor Negative</i> – Introduces a new time limitation for internal dispute resolution processes where no limit existed previously.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Introduce acceptable practices for communicating internal dispute resolution services and OBSI services.</i>	Clarify and standardize disclosure to clients regarding dispute resolution service options.	<i>Positive</i> – Promotes consistent client disclosure, protection and complaint responsiveness.	<i>Neutral</i> – No significant change for investment dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely reflect current practice.	<i>Neutral</i> – No significant change for CIRO staff.
<i>Introduce prohibition against the use of any misleading terms, including the term “ombudsman” or</i>	Clarify and standardize disclosure to clients regarding	<i>Positive</i> – Enhances client understanding of the complaint handling processes.	<i>Neutral</i> – No significant change for investment dealers as it should largely	<i>Neutral</i> – No significant change for mutual fund dealers as it should largely	<i>Neutral</i> – No significant change for CIRO staff.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>similar qualifiers, in referring to a Dealer Member's, or a Dealer Member's affiliate's, internal dispute resolution service.</i>	dispute resolution service options.		reflect and complement current practice.	reflect and complement current practice.	
<b>Recordkeeping and client reporting</b>					
Introduce the “automatic plan transactions” concept and corresponding definition.	Ensure clear, consistent and uniform application of client reporting requirements regarding automatic plan transactions.	<i>Minor positive</i> – Clients will benefit from the enhanced consistency and uniformity of reporting across Dealer Members.	<i>Minor positive</i> – Investment dealers will benefit from the enhanced clarity of the reporting requirements regarding automatic plan transactions.	<i>Minor positive</i> – Mutual fund dealers will benefit from the enhanced clarity of the reporting requirements regarding automatic plan transactions.	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices.
Harmonize the delineation between client holdings in Dealer Member control and client's outside holdings, as well as the definition for “outside holdings”.	Ensure clear, consistent and uniform application of reporting requirements regarding client holdings, so as to mitigate client confusion or misleading reporting.	<i>Positive</i> – Clients will benefit from enhanced clarity and uniformity of reporting across Dealer Members with regards to the reportable client positions in Dealer Member control and client assets outside of Dealer Member control.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Minor negative</i> – A subset of mutual fund dealers who offer both nominee and client name accounts [less than thirty mutual fund dealers (Level 4)] may have to adjust their systems (proprietary or vendor systems) to ensure conformity with the proposed client's holding delineation.	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and client protection.
Clarify and harmonize the terminology along Rule 3800 regarding Dealer Member activity i.e. replace “trade”, “buy”, “sell” with the term ‘transactions’, where appropriate.	Ensure DC Rule terminology is inclusive and representative of the broad spectrum of Dealer Member business and uniform	<i>Neutral</i> – No specific effect as proposal should codify current practices.	<i>Neutral</i> – No significant change for investment dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate	<i>Neutral</i> – No significant change for mutual fund dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
	across all Dealer Member categories.		whether system changes are needed as a result and provide feedback.	whether system changes are needed as a result and provide feedback.	
<i>Clarify and harmonize the terminology regarding Dealer Member products i.e. replace “securities”, “precious metals bullion”, “derivatives”, “property”, “investments” and “assets”, with the term “investment products”.</i>	Ensure DC Rules terminology that is inclusive and representative of the broad spectrum of Dealer Member business and used uniformly across all Dealer Member categories.	<i>Neutral</i> – No specific effect as proposal should codify current practice.	<i>Neutral</i> – No significant change for investment dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes are needed as a result and provide feedback.	<i>Neutral</i> – No significant change for mutual fund dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes are needed as a result and provide feedback.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the overarching Dealer Member recordkeeping obligation.</i>	Ensure uniformity of the principles of recordkeeping for both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual dealers as proposal reflects current rules.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Combine and harmonize the recordkeeping requirements of both rules around the minimum mandatory records a Dealer Member is required to maintain.</i>	Ensure adequate, consistent and uniform recordkeeping at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and recordkeeping expectations.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal should reflect current recordkeeping expectations and practices.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the records retention requirements.</i>	Ensure uniformity in the standards of records retention for both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Combine and harmonize the requirements around the internal controls of</i>	Ensure adequate, consistent and uniform internal controls and	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment	<i>Neutral</i> – No significant change for mutual fund	<i>Minor positive</i> – CIRO staff will benefit from one

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>recordkeeping and access to records.</i>	accessibility to records requirements at investment dealers and mutual fund dealers.		dealers as proposal reflects current rules and practices.	dealers as proposal reflects current rules and practices.	set of clear and uniform requirements.
<i>Harmonize the specific requirements regarding transactions blotters.</i>	Ensure adequate, consistent and uniform records of Dealer Member activity at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules and practices.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the specific requirements regarding the general ledger of accounts.</i>	Ensure adequate, consistent and uniform records of Dealer Member business at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules and practices.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the specific requirements regarding the itemized client ledger accounts.</i>	Ensure adequate, consistent and uniform records of client account activity at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules and practices, within their business model.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize by extending to mutual fund dealers the specific requirements regarding the secondary or subsidiary records.</i>	Ensure adequate, consistent and uniform secondary records at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as we believe proposal reflects current practices, within their business model.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize by extending to mutual fund dealers the specific requirements regarding records of client</i>	Ensure adequate, consistent and uniform records of Dealer Member and client	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as we believe proposal reflects current	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRI
<i>and dealer positions in securities, precious metals bullion and similar investment products.</i>	positions at both investment dealers and mutual fund dealers.			practices, within their business model.	uniform requirements.
<i>Harmonize by extending to mutual fund dealers the specific requirements regarding account transfer records.</i>	Ensure adequate, consistent and uniform records of account transfers at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers as we believe proposal reflects current practices, within their business model.	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and uniform requirements.
<i>Bring forward the requirements regarding derivative products and margin call records.</i>	Maintain the status quo in consideration of the broad spectrum of Dealer Member business.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because their current model precludes engagement in derivative products and margin lending.	<i>Neutral</i> – we do not anticipate any impact on CIRI.
<i>Harmonize the requirements regarding the general information that a Dealer Member is required to include in the statements and reports to clients.</i>	Ensure meaningful, consistent and uniform disclosure of the general information in the statements and reports to clients at both investment dealers and mutual fund dealers	<i>Neutral</i> – No specific effect, as we believe Dealer Members already disclose this information to clients.	<i>Neutral</i> – No significant change for investment dealers as we believe proposal reflects current practices.	<i>Neutral</i> – No significant change for mutual fund dealers as we believe proposal reflects current rules and practices.	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and uniform requirements.
<i>Harmonize and clarify the Dealer Member obligation for providing account statements and outside holdings reports to clients in a separate or combined format, but not in a consolidated format.</i>	Ensure meaningful, adequate (which includes operational flexibility), consistent and uniform reporting practices at both investment dealers and mutual fund dealers, while mitigating client confusion with regard	<i>Positive</i> – Clients will benefit directly from consistent and uniform reporting practices that provide adequate and meaningful disclosure of information relevant	<i>Positive</i> – Investment dealers will have the flexibility of maintaining the status quo or moving to combined reporting, subject to the conditions set out in the rules.	<i>Neutral to negative</i> – A subset of mutual fund dealers who offer both nominee and client name accounts [less than thirty mutual fund dealers (Level 4)] may have to adjust their systems (proprietary or vendor systems) to ensure that their periodic statements clearly	<i>Positive</i> – CIRI staff will benefit from one set of clear and uniform requirements, enhanced consistency in Dealer Member practices and

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
	to the information that pertains to client positions held at the Dealer Member and those outside of the Dealer Member and therefore the applicable investor protection coverage.	to client's decision-making.		distinguish between nominee name and book-based client name positions, to conform to the proposed rules.	adequate client protection.
<p><i>Maintain the existing daily/monthly/quarterly reporting frequency for investment dealers, and the quarterly reporting frequency for mutual fund dealers. As an exception, mutual fund dealers who offer margin accounts will be subject to both the monthly and quarterly reporting requirements.</i></p>	<p>Maintain the status quo for the time being, with regards to mutual funds dealers, considering the significant system changes needed of having to switch to the higher standard of monthly reporting. As an exception, uphold the new category of mutual fund dealers with margin accounts to the same reporting standard of investment dealers.</p>	<p><i>Neutral</i> – No specific effect.</p>	<p><i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.</p>	<p><i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules. Those mutual fund dealers who transition into the new category of mutual fund dealers with margin accounts will have to comply with the higher standard of reporting, similar to investment dealers.</p>	<p><i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.</p>
<p><i>Harmonize the requirements for including in the account statement/ outside holding report the opening and closing cash balances.</i></p>	<p>Ensure meaningful, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.</p>	<p><i>Positive</i> – Clients will benefit from the enhanced consistency and uniformity of reporting practices.</p>	<p><i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.</p>	<p><i>Neutral to negative</i> – A subset of mutual fund dealers who currently do not disclose such balance may need to make system adjustments (proprietary or vendor systems) to conform with the proposal.</p>	<p><i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements, enhanced consistency in Dealer Member practices and adequate client protection.</p>

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Harmonize and clarify the transaction information that must be reported in the account statement.</i>	Ensure meaningful, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.	<i>Positive</i> – clients will benefit from the enhanced consistency and uniformity of reporting practices.	<i>Neutral to negative</i> – A subset of investment dealers may need to make system adjustments (proprietary or vendor systems) to conform with the proposal.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules.	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and adequate client protection.
<i>Harmonize the requirements for including in the account statement/ outside holding report the total market value of client cash and positions at the start and the end of reporting period.</i>	Ensure meaningful, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.	<i>Positive</i> – clients will benefit from the enhanced consistency and uniformity of reporting practices.	<i>Neutral to negative</i> – A subset of investment dealers who currently do not disclose such value may need to make system adjustments (proprietary or vendor systems) to conform with the proposal.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and adequate client protection.
<i>Clarify how position cost information for each individual product is to be presented in the account statement/outside holding report.</i>	Ensure meaningful, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as we believe proposal reflects current rules and practices.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize and clarify in the account statement/outside holding report the disclosure with regards to any applicable Investor Protection Fund coverage, or any other investor protection coverage approved</i>	Ensure meaningful, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.	<i>Positive</i> – Clients will benefit from the enhanced consistency and uniformity of reporting practices.	<i>Neutral to minor negative</i> – A subset of investment dealers may need to make system adjustments (proprietary or vendor systems) to ensure proper disclosure of the prescribed coverage.	<i>Neutral to minor negative</i> – A subset of mutual fund dealers may need to make system adjustments (proprietary or vendor systems) to ensure proper disclosure of the prescribed coverage.	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>recognized under securities laws, and where applicable, the lack of such coverage with regards to the reported client holdings.</i>					adequate client protection.
<i>Harmonize by removing the requirement, currently unique to the IDPC Rules, for a Dealer to report non-arm's length transactions in the account statements to clients, therefore align with the MFD Rules and NI 31-103.</i>	Ensure rules that are efficient and proportional. Enhanced conflicts of interest requirements combined with the Dealer responsibility for disclosing the conflicts of interest in a timely manner, including at account opening and transaction execution, offers a more balanced, yet impactful, approach for addressing conflicts of interest.	<i>Neutral to negative</i> – A subset of clients of investment dealers may prefer that their dealer continues to flag non-arms' length transactions in their account statements and disagree with the proposed removal of the disclosure requirement.	<i>Neutral to positive</i> – A subset of investment dealers may choose to take advantage of the disclosure removal from account statements and the associated burden reduction.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules.	<i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional requirements and enhanced consistency in Dealer Member practices.
<i>Harmonize by extending to mutual fund dealers the institutional client exemptions for outside holding reports and position cost information.</i>	Maintain rule proportionality and ensure a level playing field across all Dealer Members.	<i>Neutral to minor negative</i> – A limited subset of clients of mutual fund dealers may not wish to be treated as institutional clients for reporting purposes.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Positive</i> – Mutual fund dealers will benefit from the enhanced uniformity of reporting requirements and burden reduction where they opt to take advantage of this rule carve-out.	<i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional requirements and enhanced consistency in Dealer Member practices.
<i>Codify monthly reporting exemption with regards to automatic plans consistent</i>	Maintain rule proportionality and ensure a level playing	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment	<i>Neutral</i> – No significant change for mutual fund dealers given that they are	<i>Minor positive</i> – CIRO staff will benefit from one

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRI
<i>with existing Dealer Member practices and NI 31-103.</i>	field across all Dealer Members.		dealers as proposal reflects current practices.	currently not subject to monthly reporting requirements.	set of clear and uniform requirements.
<i>Bring forward the account statements reporting requirements regarding derivative products.</i>	Maintain the status quo in consideration of the broad spectrum of Dealer Member business.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because their current model precludes engagement in derivative products.	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and uniform requirements.
<i>Harmonize by adopting the requirement that a Dealer Member sends the first performance report within 24-months after the Dealer Member makes the first trade or transfer for the client. Here we adopt the MFD Rule language, which is aligned with NI 31-103 and produces the least impact on either Dealer Member category.</i>	Ensure uniform reporting at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as they can choose to maintain their status quo.	<i>Neutral</i> – No significant change for mutual fund dealers as proposal reflects current rules.	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the formula for calculating the ‘total market value change since account opening’.</i>	Enhance simplicity and ensure uniform reporting at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect as proposal should codify current practice.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers as we believe proposal reflects current practices; however, these dealers must evaluate whether system changes (proprietary or vendor systems) are needed to conform with this proposal.	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and uniform requirements.
<i>Clarify that where a dealer provides the clients with a performance report for a period shorter than 12-</i>	Ensure non-misleading, consistent and uniform reporting practices at both	<i>Neutral</i> – No specific effect as proposal should	<i>Neutral</i> – No significant change for investment	<i>Neutral</i> – No significant change for mutual fund	<i>Minor positive</i> – CIRI staff will benefit from one set of clear and

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>months, the required performance information must not be calculated on an annualized basis.</i>	investment dealers and mutual fund dealers.	codify current practice.	dealers as proposal should reflect current practices.	dealers as proposal reflects current rules.	uniform requirements.
<i>Repeal rule provisions dealing with performance reports issued for the period ending December 31, 2016.</i>	Ensure rules remain coherent, by removing provisions that are no longer relevant.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No specific effect.
<i>Harmonize by extending to mutual fund dealers the institutional client exemptions for performance reports.</i>	Maintain rule proportionality and ensure a level playing field across all Dealer Members.	<i>Neutral to minor negative</i> – A limited subset of clients of mutual fund dealers may not wish to be treated as institutional clients for reporting purposes.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Positive</i> – Mutual fund dealers will benefit from the enhanced uniformity of reporting requirements and burden reduction where they opt to take advantage of this rule carve-out.	<i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional requirements and enhanced consistency in Dealer Member practices.
<i>Bring forward the performance reporting requirements regarding derivative products.</i>	Maintain the status quo in consideration of the broad spectrum of Dealer Member business.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because their current model precludes engagement in derivative products.	<i>Neutral</i> – No specific effect.
<i>Harmonize by extending to mutual fund dealers the standard that the required fees and charges information (including for non-securities investment products) may be excluded from the report only if reliable data cannot be obtained.</i>	Ensure non-misleading, consistent and uniform reporting practices at both investment dealers and mutual fund dealers.	<i>Positive</i> – Clients will benefit from the enhanced consistency and uniformity of reporting requirements that emphasize cost transparency.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules and practices.	<i>Neutral to minor negative</i> – A subset of mutual fund dealers may need to make system adjustments (proprietary or vendor systems) to ensure they conform with the proposal. Because the MFDA has interpreted the concept of “securities” broadly, we anticipate the impact of this	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and adequate client protection.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
				provision on mutual fund dealers to be limited.	
<i>Harmonize by extending to mutual fund dealers the institutional client exemptions for fee/charges reports.</i>	Maintain rule proportionality and ensure a level playing field across all Dealer Members.	<i>Neutral to minor negative</i> – A limited subset of clients of mutual fund dealers may not wish to be treated as institutional clients for reporting purposes.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Positive</i> – Mutual fund dealers will benefit from the enhanced uniformity of reporting requirements and burden reduction where they opt to take advantage of this rule carve-out.	<i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional requirements and enhanced consistency in Dealer Member practices.
<i>Bring forward the fee/charge reporting requirements regarding derivative products.</i>	Maintain the status quo in consideration of the broad spectrum of Dealer Member business.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because their current model precludes engagement in derivative products.	<i>Neutral</i> – No specific effect.
<i>Harmonize under a more principles based and inclusive language, whereby a dealer must provide clients with a written confirmation of transactions in “investment products” and other property for the client’s account.</i>	Ensure comprehensive, consistent and uniform confirmations at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect as proposal should codify current practice.	<i>Neutral</i> – No significant change for investment dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes are needed as a result and provide feedback.	<i>Neutral</i> – No significant change for mutual fund dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes are needed as a result and provide feedback.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize the requirements by clarifying the minimum information that a Dealer Member must include in the trade confirmation.</i>	Ensure comprehensive, consistent and uniform confirmation practices at both investment dealers and mutual fund dealers.	<i>Neutral</i> – No specific effect as proposal should codify current practice.	<i>Neutral</i> – No significant change for investment dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes	<i>Neutral</i> – No significant change for mutual fund dealers; while we believe such changes are consistent with current reporting expectations and industry practices, Dealer Members are encouraged to evaluate whether system changes are	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
			are needed as a result and provide feedback.	needed as a result and provide feedback.	
<p><i>Harmonize by adopting requirements that are inclusive of the broader spectrum of Dealer Member products (e.g. more complex debt instruments, such as callable debt, variable rate debt and mortgage-backed securities).</i></p>	<p>Ensure comprehensive, consistent and uniform confirmation practices at both investment dealers and mutual fund dealers.</p>	<p><i>Neutral</i> – No specific effect.</p>	<p><i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.</p>	<p><i>Neutral to minor negative</i> – Mutual fund dealers mostly engage in traditional debt products. A limited subset of mutual fund dealers who engage in more complex products may need to evaluate whether system adjustments (proprietary or vendor systems) are needed to conform with the proposal.</p>	<p><i>Positive</i> – CIRO staff will benefit from one set of clear and uniform requirements and enhanced consistency in Dealer Member practices and adequate client protection.</p>
<p><i>Bring forward and harmonize across all Dealer Member categories the confirmation exemptions, subject to the conditions contemplated in the rules, for transactions in:</i></p> <ul style="list-style-type: none"> <li>• <i>managed accounts and in DAP/RAP accounts,</i></li> <li>• <i>in mutual fund securities where the confirmation is sent by the manager of the mutual fund,</i></li> <li>• <i>automatic plans, with the exception of the confirmation for the initial transaction.</i></li> </ul>	<p>Maintain rule proportionality and ensure a level playing field across all Dealer Members.</p>	<p><i>Neutral to minor negative</i> – A limited subset of clients of investment dealers, with client name mutual fund positions, may want to maintain the status quo of receiving confirmations from their Dealer Member rather than the mutual fund.</p>	<p><i>Neutral to positive</i> – A subset of investment dealers with client name mutual fund positions, who opt to take advantage of the rule carve-out where the confirmation is sent by the mutual fund, will benefit from the resulting burden reduction.</p>	<p><i>Neutral to positive</i> – A subset of mutual fund dealers will benefit from the burden reduction where they opt to take advantage of the institutional client rule carve-out.</p>	<p><i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional requirements and enhanced consistency in Dealer Member practices.</p>
<p><i>Bring forward and harmonize across all Dealer Members the exemptions from providing the following information in the</i></p>	<p>Maintain rule proportionality and ensure a level playing field across all Dealer Members.</p>	<p><i>Neutral to minor negative</i> – A limited subset of clients of mutual fund dealers may not wish to be</p>	<p><i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.</p>	<p><i>Positive</i> – Mutual fund dealers will benefit from the enhanced uniformity of reporting requirements and burden reduction where</p>	<p><i>Positive</i> – CIRO staff will benefit from one set of clear, uniform and proportional</p>

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<p><i>confirmation to clients, subject to the conditions contemplated in the rules:</i></p> <ul style="list-style-type: none"> <li><i>• fee/charges information where the confirmation is sent to an institutional client for transactions in over-the-counter products, other than debt securities,</i></li> <li><i>• non-arm's length transactions in investment products of an issuer, whose name is sufficiently similar with that of the Dealer to indicate a related or affiliated relationship.</i></li> </ul>		treated as institutional clients for reporting purposes.		they opt to take advantage of this rule carve-out.	requirements and enhanced consistency in Dealer Member practices.
Bring forward the confirmation requirements regarding derivative products.	Maintain the status quo in consideration of the broad spectrum of Dealer Member business.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because their current model precludes engagement in derivative products.	<i>Neutral</i> – No specific effect.
<i>Harmonize by extending to mutual fund dealers the explicit requirement that the use of earlier cost and performance data is exercised equally for similar clients.</i>	Ensure uniform and fair treatment of clients.	<i>Neutral</i> – No specific effect as proposal should codify current practice.	<i>Neutral</i> – No significant change for investment dealers as proposal reflects current rules.	<i>Neutral</i> – No significant change for mutual fund dealers because we do not believe to have introduced any new requirement for mutual fund dealers which they do not already adhere to under the fair dealing standards of current MFD Rules.	<i>Minor positive</i> – CIRO staff will benefit from one set of clear and uniform requirements.
<i>Harmonize by adding rule clarity and flexibility with regards to the delivery of statements and reports to</i>	Ensure adequate flexibility and uniformity of the reporting	<i>Positive</i> – Clients will benefit from more efficient, consistent and	<i>Positive</i> - Investment dealers will have the flexibility of maintaining the status quo or moving to	<i>Neutral to negative</i> – A subset of mutual fund dealers who offer both nominee and client name	<i>Positive</i> – CIRO staff will benefit from one set of clear and uniform

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>clients in a way that does not result in misleading reporting.</i>	requirements, while maintaining the client protection principles.	uniform requirements that emphasize measures to prevent misleading reporting.	combined reporting, subject to the conditions set out in the rules.	accounts [less than thirty mutual fund dealers (Level 4)] may have to adjust their systems (proprietary or vendor systems) to ensure that their periodic statements clearly distinguish between nominee name and book-based client name positions to conform to the proposed rules.	requirements, enhanced consistency in Dealer Member practices and adequate client protection.
<i>Introduce electronic delivery as the default method for delivering the required disclosures and documents to clients under Rule 3800.</i>	Codify industry best practices and align our rules with evolving global practices, regulatory standards and technological advancements	<i>Neutral to Positive</i> – No impact on clients who already utilize e-delivery. Easier switch to e-delivery for other clients who currently rely on paper delivery.	<i>Negative to Positive:</i> Overall positive impact. In the short-term a subset of Dealers may incur costs associated with the transition to the default e-delivery format, including updating client’s electronic contact information.	<i>Negative to Positive:</i> Overall positive impact. In the short-term a subset of Dealers may incur costs associated with the transition to the default e-delivery format, including updating client’s electronic contact information.	<i>Positive:</i> CIRO will benefit from rules that remain relevant as the market evolves.
<i>Bring forward the reporting requirements that are specific to those mutual fund dealers who are also registered as exempt market dealers and scholarship plan dealers.</i>	Maintain the status quo for this Dealer Member category and stay consistent with securities laws.	<i>Neutral</i> – No specific effect.	<i>Neutral</i> – No specific effect for investment dealers, as proposal does not apply to them.	<i>Neutral</i> – No significant change for mutual funds dealers as proposal reflects current rules, within their business model.	<i>Neutral</i> – No specific effect.
<b>General Dealer Member financial standards – minimum capital, early warning, financial reports and auditors</b>					
<i>Assign responsibilities for financial solvency requirements to the CFO and UDP for all Dealer Members.</i>	Ensure a consistent level of financial subject matter expertise and ensure CFO contribution to Form 1. Align with proposed Phase 4 requirement for	<i>Minor positive</i> – Clients will indirectly benefit from increased financial subject expertise and oversight.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Mutual fund dealers will need to commit resources to satisfy CFO requirement.	<i>Positive</i> – Consistent financial subject expertise will facilitate discussions with Dealer Members

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
	mutual fund dealers to have a qualified CFO.				on financial matters.
<i>Maintain the minimum capital dollar value requirements for all Dealer Members.</i>	Ensure appropriate minimum capital requirements to address business model risk by maintaining IDPC Rule and MFD Rule minimum capital dollar value requirements.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral</i> – No change for mutual fund dealers, unless they opt to offer margin lending.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize the CIRO early warning test failure notification requirements.</i>	Standardize and ensure a level playing field by applying IDPC Rules requirement to notify CIRO of early warning test failures to both investment dealers and mutual fund dealers.	<i>Positive</i> – Ensures consistent minimum capital monitoring related requirement applies to all Dealer Members.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Mutual fund dealers will be subject to heightened monitoring requirement.	<i>Neutral</i> – CIRO staff will be able to react on more timely basis to early warning triggers.
<i>Harmonize the weekly current capital calculation for investment dealers and Level 4 mutual fund dealers.</i>	Ensure appropriate risk-based requirements for dealers with similar risk profiles by applying IDPC Rules weekly current capital calculation requirement to both investment dealers and Level 4 mutual fund dealers.	<i>Positive</i> – Provides a consistent capital monitoring standard for Dealer Members with similar risk profiles.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Level 4 mutual fund dealers will be subject to more frequent capital calculation requirement.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements for Dealer Members with similar risk profiles.
<i>Introduce modified twice monthly current capital</i>	Ensure appropriate risk-based requirements for Level 1 to 3 mutual fund	<i>Positive</i> – Requires a higher capital monitoring standard for Level 1 to 3	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Level 1 to 3 mutual fund dealers will be subject to more frequent	<i>Neutral</i> – We do not anticipate any impact on CIRO.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>calculation for Level 1 to 3 mutual fund dealers.</i>	dealers by applying modified MFD Rule requirement, increasing the capital calculation frequency to twice monthly.	mutual fund dealers.		capital calculation requirement.	
<i>Harmonize the capital calculation option for well capitalized Dealer Members to apply more stringent capital calculations.</i>	Standardize and ensure a level playing field by applying IDPC Rules capital calculation option to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – No change for investment dealers.	<i>Positive</i> – Mutual fund dealers benefit from the same simplified reporting option as investment dealers.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Harmonize the capital requirement that guarantees be a fixed or determinable value unless given to a related company.</i>	Standardize and ensure a level playing field by applying IDPC Rules guarantee requirement to both investment dealers and mutual fund dealers.	<i>Positive</i> – Provides a consistent prudential standard for the treatment of guarantee exposures.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – New requirement for mutual fund dealers but in practice unlikely to have material impact.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Harmonize the early warning framework (early warning tests, early warning levels and sanctions) for investment dealers and Level 4 mutual fund dealers.</i>	Ensure appropriate risk-based early warning framework for dealers with similar risk profiles by applying IDPC Rules early warning framework to both investment dealers and Level 4 mutual fund dealers.	<i>Positive</i> – Provides a consistent early warning prudential framework for Dealer Members with similar risk profiles.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Level 4 mutual fund dealers will be subject to more comprehensive early warning framework.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements for Dealer Members with similar risk profiles.
<i>Maintain the mutual fund dealer early warning framework (early warning tests, early warning level</i>	Ensure appropriate risk-based early warning framework for Level 1 to 3 mutual	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor Negative</i> – New requirements of a twice monthly early warning test	<i>Neutral</i> – CIRO staff who monitor compliance will be able to identify

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>and sanctions) for Level 1 to 3 mutual fund dealers, modified by an increased twice monthly calculation frequency for the early warning tests and the inclusion of a 6-month profitability test.</i>	fund dealers by applying modified MFD Rule requirements.			calculation frequency and a 6 month profitability test.	financial solvency issues on more timely basis.
<i>Harmonize the early warning related requirement regarding reimbursing CIRO for costs.</i>	Standardize and ensure a level playing field by adopting the IDPC Rules early warning cost reimbursement requirement to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor positive</i> – Mutual fund dealers may benefit from the IDPC Rules provision and the reasonableness standard.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Harmonize requirement allowing Dealer Member to request a hearing panel review in response to a CIRO written notice of the order imposing additional early warning restrictions.</i>	Standardize and ensure a level playing field by applying IDPC Rules hearing panel review request to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – No change for investment dealers.	<i>Positive</i> – Mutual fund dealers will benefit from this new ability to request a hearing panel review when CIRO imposes additional restrictions on the Dealer Member.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Maintain different financial report filing deadlines for mutual fund dealers and investment dealers</i>	Avoid potential burden mutual fund dealers may face in obtaining audit services within short timelines.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – No change for mutual fund dealers, unless they opt to offer margin lending.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize approval process and criteria for panel auditors that can perform audits of Dealer Members.</i>	Standardize the process and criteria for determining approval of panel auditors by applying	<i>Positive</i> – Clients will benefit from consistent auditor approval process across Dealer	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Negative</i> – Mutual fund dealers may need to switch to an auditor that meets the more stringent criteria. Our analysis indicates this may	<i>Positive</i> – CIRO staff will benefit generally from consistent requirements and

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
	IDPC Rules methodology to both investment dealers and mutual fund dealers.	Members and the IDPC Rule qualification criteria for panel auditors, which are more stringent than the MFD Rule criteria.		primarily impact Level 1 to 3 mutual fund dealers.	from flexibility of the IDPC methodology when applied to all Dealer Members.
<i>Adopt requirement from MFD Rules that the Dealer Member notify CIRO of any change in the Dealer Member's auditor and/or audit engagement partner.</i>	Standardize and ensure a level playing field by applying MFD Rules auditor change notification requirement to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers as requirement aligns with current practice.	<i>Neutral</i> – No change for mutual fund dealers.	<i>Positive</i> – CIRO staff may benefit from codified requirement.
<i>Introduce modified auditor records requirements that maintain the mutual fund dealer audit working papers retention period and the investment dealer requirement for the auditor to make the working papers available.</i>	Ensure consistent audit requirements for auditors of both mutual fund dealers and investment dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Harmonize prescribed audit procedures for confirmations, reconciliations and other tests, modified by clarifying that certain audit procedures apply only to positions held or controlled by the Dealer Member.</i>	Standardize and ensure a level playing field by applying IDPC Rules prescribed audit procedures for confirmations, reconciliations and other tests to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Adopt requirement allowing the Dealer Member's auditor the option to send second requests for audit confirmations.</i>	Standardize and ensure a level playing field by applying IDPC Rules optional second positive audit confirmation requests to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Mutual fund dealer auditors will benefit from the adoption of optional second requests for audit confirmations, reducing regulatory burden.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Introduce modified auditor procedures that maintain the requirement for the mutual fund dealer auditor and investment dealer auditor to perform the procedures identified in separate “agreed upon procedures” reports customized to the dealer’s prudential requirements regarding insurance and segregation.</i>	Ensure appropriate audit requirements. Adopt modified provisions that maintain MFD Rule “agreed upon procedures” report for mutual fund dealers and IDPC Rule “agreed upon procedures” report for investment dealers and qualifying Level 4 mutual fund dealers offering margin accounts.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers. If a Level 4 mutual fund dealer is approved to offer margin accounts to clients, its auditor will need to comply with the same “agreed upon procedures” report as an investment dealer auditor.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<b>General Dealer Member financial standards – disclosure, internal controls, calculations and professional opinions</b>					
<i>Adopt requirement to provide summary statement of financial position to clients when requested.</i>	Ensure consistent and level playing field for investment dealers and mutual fund dealers.	<i>Positive</i> - Ensures clients of both dealer types are provided with important disclosure regarding the financial health of their Dealer Member.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor negative</i> – Mutual fund dealers will be required to provide additional disclosures to clients which may require system updates.	<i>Neutral</i> – We do not anticipate any impact on CIRO.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Adopt requirement to provide list of current Executives and Directors to clients when requested.</i>	Ensure consistent and level playing field for investment dealers and mutual fund dealers.	<i>Positive</i> - Ensures clients of both dealer types are provided with important disclosure regarding the key personnel of their Dealer Member.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor negative</i> – Mutual fund dealers will be required to provide additional disclosures to clients which may require system updates.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Adopt requirement to disclose financial statements separately from those of affiliates and holding company.</i>	Ensure consistent and level playing field for investment dealers and mutual fund dealers.	<i>Positive</i> - Ensures clients of both dealer types are provided with the most precise financial disclosure of their Dealer Member.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor negative</i> – Mutual fund dealers that publish consolidated financial statements may require additional disclosures.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize requirements for internal control standards.</i>	Ensure consistent requirements for investment dealers and mutual fund dealers on the standards for setting appropriate internal controls.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – No impact anticipated to mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Adopt requirement for pricing internal controls.</i>	Ensure consistent and level playing field for investment dealers and mutual fund dealers.	<i>Positive</i> – Clients benefit from more consistent pricing review of their assets.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor negative</i> – Mutual fund dealers may need update policies and procedures related to pricing.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Adopt requirement for calculation of fixed income prices on a yield basis.</i>	Ensure consistent and level playing field for investment dealers and mutual fund dealers that engage in fixed income market making.	<i>Neutral</i> – No impact anticipated to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – No impact anticipated to mutual fund dealers which generally do not engage in offering fixed income quotes.	<i>Neutral</i> – We do not anticipate any impact on CIRO.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRI
<i>Adopt requirement for professional opinions.</i>	Ensure consistent requirements for investment dealers and mutual fund dealers who engage in the practice.	<i>Neutral</i> – No impact anticipated to clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Neutral</i> – No impact anticipated to mutual fund dealers which generally do not engage in this practice.	<i>Neutral</i> – We do not anticipate any impact on CIRI.
<b>Client asset use and custody</b>					
<i>Harmonize segregation and related internal control requirements while maintaining the requirements applicable to the investment dealer margin lending model and the mutual fund dealer full segregation model.</i>	Ensure appropriate risk-based requirements that recognize different Dealer Member business models.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – No impact on most mutual fund dealers. Provides operational flexibility for Level 4 mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRI.
<i>Harmonize requirements regarding custody and related internal control requirements.</i>	Standardize requirements and ensure a level playing field by applying IDPC Rules custody and related internal control requirements to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Mutual fund dealers will be subject to the same custodial requirements as an investment dealer, which may result in a net capital benefit due to the treatment of mutual fund custodial reconciliations and custody at an acceptable securities location with no written custodial agreement.	<i>Minor Positive</i> – CIRI staff who monitor compliance will have consistent requirements.
<i>Clarify investment products requiring segregation, custody, safekeeping and safeguarding.</i>	Ensure harmonization and clarity for investment dealers and mutual fund dealers with respect to specified investment products requiring segregation,	<i>Neutral</i> – No change for clients.	<i>Neutral</i> – Provides investment dealers with clarification that the scope of the protection of asset requirements extend beyond securities and precious metals bullion to include other like assets.	<i>Neutral</i> – Provides mutual fund dealers with clarification that the scope of the protection of asset requirements extend beyond securities and precious metals bullion to include other like assets.	<i>Minor Positive</i> – CIRI staff who monitor compliance will have consistent and clear requirements and reduced

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
	custody, safekeeping and safeguarding (securities, precious metals bullion and other like assets).				administrative burden.
<i>Harmonize client free credit balance requirements while maintaining the requirements applicable to the investment dealer allowable use model and the mutual fund dealer full cash segregation model. Level 4 mutual fund dealers that choose to use client free credits in their business would be subject to same requirements as investment dealers.</i>	Ensure appropriate risk-based requirements that recognize different dealer business models.	<i>Neutral</i> – No change for clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – No impact for most mutual fund dealers. Provides operational flexibility for Level 4 mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize requirements regarding client free credit balance segregation deficiencies by applying the MFD Rule requirements to both investment dealers and mutual fund dealers regarding the required action to resolve a client free credit balance segregation deficiency and corresponding capital charge for any unresolved deficiency amount.</i>	Standardize requirements and ensure a level playing field by applying MFD Rules requirements for cash segregation deficiencies to both investment dealers and mutual fund dealers.	<i>Positive</i> – Provides a consistent prudential standard for the treatment of client cash segregated in trust or eligible securities.	<i>Minor negative</i> – Investment dealers may require new internal control policies and procedures.	<i>Neutral</i> – The requirements are substantially similar to existing mutual fund dealer treatment of cash segregation deficiencies.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Adopt MFD Rule requirements regarding designated trust account</i>	Standardize requirements and ensure a level playing field by applying MFD	<i>Positive</i> – Provides a consistent prudential standard for the treatment of	<i>Minor negative</i> – Investment dealers may require new internal control policies and procedures and	<i>Neutral</i> – The requirements are substantially similar to existing mutual fund dealer	<i>Minor Positive</i> – CIRO staff who monitor compliance

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>notification to financial institutions.</i>	Rule designated trust account notification requirements to both investment dealers and mutual fund dealers.	client funds held in trust.	updated client trust account notifications to existing financial institutions.	designated trust account notification requirements.	will have consistent requirements.
<i>Apply safekeeping requirements to all Dealer Members engaging in such activities.</i>	Ensure a level playing field by applying IDPC Rules safekeeping requirements to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Positive</i> – Mutual fund dealers will benefit from the transparency and clarity of prescriptive safekeeping requirements.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Apply internal control requirements for safeguarding securities, precious metals bullion and other like assets to all Dealer Members engaging in specified activities.</i>	Standardize and ensure a level playing field by applying IDPC Rules safeguarding requirements to both investment dealers and mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on clients.	<i>Neutral</i> – We do not anticipate any impact on investment dealers.	<i>Minor Positive</i> – Mutual fund dealers will benefit from the transparency and clarity of additional prescriptive safeguarding requirements not currently in scope.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Extend safeguarding access restrictions for the physical handling of securities to also include precious metals bullion and other like assets.</i>	Ensure consistent compliance requirements for assets that may require physical handling.	<i>Neutral</i> – No change for clients.	<i>Neutral</i> – No significant impact on investment dealers according to current scope of operations.	<i>Neutral</i> – No significant impact on mutual fund dealers according to their current scope of operations.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent and clear requirements.
<i>Harmonize requirements regarding safeguarding cash.</i>	Standardize and ensure a level playing field by applying general MFD Rules cash safeguarding requirements to both investment dealers and mutual fund dealers.	<i>Neutral</i> – No significant change for clients.	<i>Minor negative</i> – Investment dealers may require new internal control policies and procedures.	<i>Neutral</i> – The requirements are substantially similar to existing mutual fund dealer safeguarding cash requirements.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Harmonize requirements regarding the payment and disclosure of interest</i>	Standardize and ensure a level playing field by not including the payment of interest disclosure requirements in MFD Rule 3.3.2(e).	<i>Minor negative</i> – No mandatory disclosure regarding the payment of interest and prior written notice of rate changes on client cash held in trust.	<i>Neutral</i> – No change for investment dealers.	<i>Positive</i> – Mutual fund dealers may set interest rates in response to market conditions in a timely manner and earn a spread in the same manner as investment dealers.	<i>Minor Positive</i> – CIRO staff who monitor compliance will have consistent requirements.
<i>Harmonize insurance coverage requirements.</i>	Ensure insurance coverage is appropriate for Dealer Member's size, client assets and business activities.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – A subset of mutual fund dealers may be impacted by an increase in coverage requirements.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Adopt insurance claim notification requirements.</i>	Ensure a level playing field for investment dealers and mutual fund dealers.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Represents a new requirement for mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize mail insurance requirements to require notification to CIRO if Dealer Member is not using mail.</i>	Ensure a level playing field for investment dealers and mutual fund dealers.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – Reduced administrative burden from elimination of exemption request requirement.	<i>Minor negative</i> – Mutual fund dealers that do not have mail insurance must inform CIRO.	<i>Neutral</i> – Reduced administrative burden from elimination of exemption requirement.
<b>Financing arrangements</b>					
<i>Apply repurchase and reverse repurchase trading requirements to all Dealer Members engaging in such activities.</i>	Ensure a level playing field for investment dealers and mutual fund dealers and minimize industry confusion.	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Apply cash and securities loan, repurchase and reverse repurchase</i>	Ensure a level playing field for investment dealers and mutual	<i>Neutral</i> – We do not anticipate any impact to clients.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral</i> – We do not anticipate any impact on mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<p><i>agreement transaction requirements to all Dealer Members engaging in such activities.</i></p>	<p>fund dealers, to the extent of activities they are permitted to carry out, and minimize, industry confusion.</p>				
<p><b>Regulatory financial report (DC Form 1)</b></p>					
<p><i>Adopt consolidated Form 1 for investment dealers and mutual fund dealers with modifications to address differences in business models.</i></p>	<p>Reduce regulatory arbitrage by applying harmonized standards for risk exposures while considering differences in business models and activities.</p>	<p><i>Neutral</i> – No impact anticipated for clients.</p>	<p><i>Minor negative</i> – Investment dealers may need to update policies and procedures or systems to address revised statements and schedules.</p>	<p><i>Negative</i> – Mutual fund dealers may need to update policies and procedures or systems to address additional statements and schedules.</p>	<p><i>Positive</i> – CIRO staff is expected to benefit from reduced administrative burden and more efficient monitoring of Dealer Members’ financial solvency.</p>
<p><i>Adopt net-allowable asset capital formula approach for both investment dealers and mutual fund dealers.</i></p>	<p>Reduce regulatory arbitrage and reduce financial solvency risk by applying harmonized standards for determining risk adjusted capital.</p>	<p><i>Positive</i> – Clients of mutual fund dealers benefit from better investor protection resulting from reduced financial solvency risk.</p>	<p><i>Neutral</i> – No change for investment dealers.</p>	<p><i>Negative</i> – A subset of mutual fund dealers with long-term liabilities may have significant capital impacts. A phased implementation approach is proposed.</p>	<p><i>Positive</i> – CIRO staff is expected to benefit from more efficient monitoring of Dealer Members’ financial solvency.</p>
<p><i>Adopt early warning excess and early warning reserve calculations with modification to adjust for provider of capital charges related to other allowable assets.</i></p>	<p>Reduce regulatory arbitrage and reduce financial solvency risk by applying harmonized standards for determining risk adjusted capital.</p>	<p><i>Neutral</i> – No impact anticipated for clients.</p>	<p><i>Minor positive</i> – Investment dealers will benefit from early warning excess calculation that does not double count provider of capital charges.</p>	<p><i>Minor negative</i> – Mutual fund dealers will need to adjust policies and procedures to calculate and monitor early warning excess using a revised formula. Level 4 mutual fund dealers will also be required to monitor and calculate early warning reserve.</p>	<p><i>Positive</i> – CIRO staff is expected to benefit from more efficient monitoring of Dealer Members’ financial solvency.</p>

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Adopt harmonized approach to counterparty classification.</i>	Ensure consistent and level playing field for Dealer Members engaging with same counterparties.	<i>Positive</i> – Clients of mutual fund dealers that qualify under certain counterparty classifications may be treated as institutional clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Mutual fund dealers will need to adjust policies and procedures for updated counterparty classifications and assess qualification of existing counterparties.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for counterparty classification.
<i>Adopt harmonized approach to reporting non-transactional receivables.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for reporting non-transactional receivables.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Mutual fund dealers with non-transactional receivables from certain counterparties may no longer qualify as allowable assets, resulting in potential capital implications. We anticipate this impact to be minimal.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for reporting non-transactional receivables.
<i>Adopt harmonized approach to institutional counterparty margin requirements including equity deficiency margining for acceptable counterparties and regulated entities.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring counterparty risk.	<i>Positive</i> – Clients of mutual fund dealers that qualify as institutional clients may benefit from reduced margin obligations.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Mutual fund dealers may need to update policies, procedures and systems to monitor counterparty exposures. Mutual fund dealers with exposures to acceptable counterparties and regulated entities may have margin implications that reduce capital.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for counterparty margin.
<i>Adopt harmonized approach to margin treatment of client debit balances in certain non-margin accounts.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring of credit risk in non-margin accounts.	<i>Positive</i> – Clients of mutual fund dealers may benefit from more flexibility in settling debit balances.	<i>Neutral</i> – We do not anticipate any impact on investment dealers as the amendments provide clarity on existing requirements.	<i>Positive</i> – Mutual fund dealers with client debit balances benefit from flexibility in margin treatment and potentially reduced impact to capital.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for treatment of client debit balances.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Adopt reporting requirements for balances with acceptable institutions, acceptable counterparties and regulated entities.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for reporting of counterparty balances.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Mutual fund dealers may need to update policies, procedures and systems to comply with counterparty reporting requirements.	<i>Positive</i> – CIRO staff is expected to benefit from consistent reporting of counterparty balances.
<i>Adopt harmonized approach to custody risk including definition of acceptable securities location and margin implications for non-acceptable securities location.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring of custody risk.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor positive</i> – Mutual fund dealers will benefit with potential margin relief for certain custody requirements and more expansive list of acceptable securities locations, but may be negatively impacted if they hold assets at financial institutions that do not meet minimum net worth requirements.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for assessing Dealer Member custody risk.
<i>Adopt harmonized approach to security concentration risk.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring of securities concentration risk.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No impact for investment dealers.	<i>Minor negative</i> – Mutual fund dealers that invest in securities may need to update policies, procedures and systems to monitor and calculate concentration exposures. Mutual fund dealers that choose to offer margin to clients will need to monitor both client and inventory concentration exposures.	<i>Positive</i> – CIRO staff is expected to benefit from more efficient monitoring of Dealer Members' concentration risk.
<i>Introduce “diversified investment product” definition and alternative concentration exposure</i>	Ensure consistency and a level playing field between investment dealers and mutual fund	<i>Neutral</i> – No impact anticipated for clients.	<i>Minor positive</i> – Investment dealers will benefit from flexibility in managing exposures to ETFs and mutual funds.	<i>Minor positive</i> – Mutual fund dealers will benefit from flexibility in managing exposures to ETFs and mutual funds.	<i>Positive</i> – CIRO staff is expected to benefit from more efficient monitoring

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>calculation for these products.</i>	dealers for measuring of securities concentration risk.				of Dealer Members' concentration risk.
<i>Adopt harmonized approach to foreign currency risk.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring of foreign exchange risk.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Mutual fund dealers with foreign currency assets may need to update policies, procedures and systems to monitor and calculate foreign currency exposures.	<i>Positive</i> – CIRO staff is expected to benefit from having a single set of standards for Dealer Members' foreign currency risk.
<i>Adopt harmonized approach to provider of capital exposures.</i>	Ensure consistency and a level playing field between investment dealers and mutual fund dealers for measuring of provider of capital exposures.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Negative</i> – Mutual fund dealers may need to update policies, procedures and systems to monitor and calculate provider of capital exposures. A subset of mutual fund dealers with cash deposits at an affiliated financial institution may have a significant impact. A phased implementation approach is proposed.	<i>Positive</i> – CIRO staff is expected to benefit from having a clear set of standards for capital concentration of Dealer Members.
<i>Adopt blended statements and schedules for reporting financial statements and capital.</i>	Ensure consistency in regulatory financial statements and inclusion of financial information relevant to both dealer types.	<i>Neutral</i> – No impact anticipated for clients.	<i>Minor negative</i> – Investment dealers will need to familiarize themselves with the blended statements/ schedules and the reporting lines that are applicable.	<i>Minor negative</i> – Mutual fund dealers will need to familiarize themselves with the blended statements/ schedules and the reporting lines that are applicable.	<i>Positive</i> – CIRO staff is expected to benefit from standard regulatory financial statements for assessing the financial position of Dealer Members.
<i>Adopt IDPC schedules where no MFD schedule existed and apply schedule</i>	Ensure a level playing field by maintaining existing schedules	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor negative</i> – Mutual fund dealers that engage in reportable activity may	<i>Positive</i> – CIRO staff is expected to benefit from

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>to any Dealer Member engaged in the reportable activity.</i>	relevant to investment dealer business activities and extending reporting requirements to mutual fund dealers that engage in the same activities.			need to update policies, procedures and systems. Mutual fund dealers with significant tax expenses may benefit from reduced capital due to tax recovery schedule.	consistent Dealer Member reporting.
<i>Introduce separate schedules specific to mutual fund dealers and investment dealers where investment dealer requirements are more complex.</i>	Simplify and customize reporting for mutual fund dealers.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor positive</i> – Mutual fund dealers will benefit from reduced administrative burden arising from simplified versions of schedules, where applicable.	<i>Neutral</i> – No impact anticipated for CIRO.
<i>Introduce new schedule for reporting assets under administration.</i>	Enhance information collected under previous MFD Form 1 and improve efficiency of determining regulatory fees and assessments.	<i>Neutral</i> – No impact anticipated for clients.	<i>Minor negative</i> – Investment dealers may need to update systems to report additional information.	<i>Minor negative</i> – Mutual fund dealers may need to update systems to report additional information.	<i>Positive</i> – CIRO staff is expected to benefit from having the additional information for fee calculations and data analysis.
<i>Adopt hybrid approach to audit reports and agreed-upon procedures report.</i>	Ensure audit reports and procedures are appropriate for the business model and dealer type.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral</i> – We do not anticipate any impact to mutual fund dealers.	<i>Neutral</i> – We do not anticipate any impact on CIRO.
<i>Harmonize financial figure reporting convention and monthly financial report requirements for investment dealers and mutual fund dealers.</i>	Ensure Dealer Member’s financial data is consistent and comparable.	<i>Neutral</i> – No impact anticipated for clients.	<i>Neutral</i> – No change for investment dealers.	<i>Minor positive</i> – Mutual fund dealers may benefit from reduced administrative burden.	<i>Positive</i> – CIRO staff is expected to benefit from ability to compare and analyze Dealer Member financial data.

Description of proposed requirement	Related intended benefits	Impact on clients	Impact on investment dealers	Impact on mutual fund dealers	Impact on CIRO
<i>Modify statements to recognize mutual fund dealers structured as not-for-profit.</i>	Ensure consistency in financial reporting for Dealer Members despite different corporate and legal structures.	<i>Neutral</i> – No impact anticipated to clients.	<i>Neutral</i> – No change for investment dealers.	<i>Neutral to minor positive</i> – A subset of mutual fund dealers structured as not-for-profit will benefit from clarity on financial reporting requirements.	<i>Positive</i> – CIRO staff is expected to benefit from consistent financial statement reporting for all dealer types.