



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

CIRO Notice

Rules Notice

Notice of Approval/Implementation

By-Law No. 1

MFD Rules

Rule Connection:

By-Law No. 1

MFD Rules

23-0075

June 1, 2023

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Housekeeping Amendments Regarding Change of Name of New SRO to Canadian Investment Regulatory Organization

Background

On March 30, 2023, the Board of Directors of New Self-Regulatory Organization of Canada (“New SRO”) authorized and approved the change of name of New SRO from New Self-Regulatory Organization of Canada to Canadian Investment Regulatory Organization (“CIRO”) and the filing of articles of amendment to the Corporation’s articles of amalgamation to reflect the new name (the “Name Change”). In concert with the approval of the Name Change the Board approved amendments to By-Law No. 1 of New SRO and to the Mutual Fund Dealer Rules (“MFD Rules”) to reflect the Name Change.

Following Board approval, on April 24, 2023 New SRO held a special meeting of members where members approved, by an affirmative vote of at least two-thirds of the votes cast by members entitled to vote at the meeting, a special resolution authorizing New SRO to amend its certificate and articles of amalgamation to effect the Name Change and approving the required amendments to By-Law No. 1.

Following member approval, the recognizing regulators of New SRO in each province and territory of Canada (the “Recognizing Regulators”) initiated the process to seek approval or non-objection to vary the Recognition

Order for New SRO in each respective jurisdiction, to reflect the Name Change (the “Varied Recognition Orders”). Following this, housekeeping amendments to By-Law No. 1 and the MFD Rules were filed by New SRO with the Recognizing Regulators (the “Housekeeping Amendments”). The Housekeeping Amendments update the definition of the term “Corporation” in both By-Law No. 1 and the MFD Rules and are necessary to conform to applicable securities legislation, statutory or legal requirements, or other New SRO rules or by-laws. Specifically, the amendments are required to conform the name of the organization to the name set out in each of the Varied Recognition Orders.

On May 31, the Housekeeping Amendments were deemed approved/non objected to by the Recognizing Regulators and come into effect on June 1, 2023.

1. The Amendments

1.1 Housekeeping Amendment to By-Law No. 1

The definition of “Corporation” in section 1.1 of By-Law No. 1 is amended to “Canadian Investment Regulatory Organization,” in order to align with the change in the legal name of the organization and the name set out in the Varied Recognition Orders of the Recognizing Regulators.

A blackline and clean copy of the text of the Housekeeping Amendment to By-Law No. 1 are set out at **Appendix A** and **Appendix B** respectively.

1.2 Housekeeping Amendment to MFD Rules

The definition of “Corporation” in the definition section of Rule 1A of the MFD Rules is amended to incorporate the same meaning as set out in amended By-Law No. 1 in order to align with the change in the legal name of the organization and the name set out in the Varied Recognition Orders of the Recognizing Regulators. The amendment also brings the MFD Rule definition of “Corporation” into conformance with the definition of “Corporation” under the Investment Dealer and Partially Consolidated Rules.

A blackline and clean copy of the text of the Housekeeping Amendments to the MFD Rules are set out at **Appendix C** and **Appendix D** respectively.

2. Classification of the Amendments

We have classified the amendments as housekeeping under section 2(b)(iii) of the *Joint Rule Review Protocol* because they are necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards, or to other New SRO Rules. Specifically, the amendments are required to conform to the name of the organization set in its amended articles of amalgamation and in each of the Varied Recognition Orders of the Recognizing Regulators published on June 1, 2023.

3. Approval and Implementation

On March 30, 2023, New SRO’s Board of Directors approved the Housekeeping Amendments for implementation on June 1, 2023, pending approval of New SRO members and the Recognizing Regulators.

On April 24, 2023, New SRO members approved a special resolution authorizing New SRO to amend its certificate and articles of amalgamation to effect the Name Change and approving the amendments to By-Law No. 1 to reflect the Name Change, by an affirmative vote of at least two-thirds of the votes cast by members entitled to vote at special meeting of members that was called for that purpose.

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On May 31, the Housekeeping Amendments were deemed approved/non objected to by the Recognizing Regulators and come into effect on June 1, 2023.

4. Membership Disclosure Requirements

Membership disclosure policies¹ which currently require members to disclose membership in either IIROC or the MFDA, as the case may be, remain unchanged as of the June 1, 2023, implementation date for the Name Change. Members will be required to disclose membership using the new name and logo beginning **December 31, 2024**, and membership disclosure policies will be updated accordingly.

Under the current IIROC Membership Disclosure Policy, IIROC Decals must be clearly visible to clients at each business location to which the public has access. Updated decals with the Canadian Investment Regulatory Organization name and logo will be made available to Dealer Members at no cost. A communication will be sent to Dealer Members when the decals are ready for ordering. IIROC Dealers may display the new decal prior to December 31, 2024, at their own option. Mutual fund dealer members, who are not currently required to display a decal under the legacy MFDA membership disclosure policy, may also request and display decals when they become available, at their own option.

5. Amendments to orders and memorandum of understanding by Recognizing Regulators following approval of the Name Change

The Recognizing Regulators amended the following orders and memorandum of understanding (MOU) to reflect the Name Change:

1. [Recognition Order of New SRO](#) that took effect on January 1, 2023,
2. [MOU among the Recognizing Regulators](#) regarding oversight of New SRO that took effect on January 1, 2023, and
3. Orders designating/recognizing IIROC as the information processor for unlisted debt securities that took effect on August 31, 2020.

The updated orders and MOU reflecting the new name CIRO come into effect on June 1, 2023 and are published on the applicable websites of the provincial and territorial securities regulators.

6. Appendices

Appendix A – Housekeeping Amendments By-Law No. 1 (blacklined)

Appendix B – Housekeeping Amendments to By-Law No. 1 (clean)

Appendix C – Housekeeping Amendments to MFD Rules (blacklined)

Appendix D – Housekeeping Amendments to MFD Rules (clean)

¹ <https://www.iroc.ca/media/12056/download?inline> and <https://mfda.ca/mfda-policy-no-10-disclosure-of-mfda-membership/>

APPENDIX "A" - BY-LAW NO. 1 (BLACKLINE)

“**Chair**” means the Independent Director elected by the Board to act as its chair.

“**control**” has the meaning ascribed to it in section 1.4 of National Instrument 45-106 *Prospectus Exemptions*.

“**Corporation**” means ~~New Self-Canadian Investment Regulatory Organization of Canada~~.

“**Dealer Member**” means a Member that is registered as an investment dealer or a mutual fund dealer in accordance with securities legislation.

“**Director**” means a member of the Board.

“**District**” means a geographic area in Canada designated as a district of the Corporation pursuant to Section 11.1.

“**District Hearing Committee**” means each of the hearing committees created in accordance with Article 11.

“**executive officer**” has the meaning ascribed to it in section 1.1 of National Instrument 52-110 *Audit Committees*.

“**Form**” means a form prescribed or provided for by the By-Laws or the Rules.

“**IIROC**” means the Investment Industry Regulatory Organization of Canada, a predecessor corporation to the Corporation.

“**immediate family member**” has the meaning ascribed to it in section 1.1 of National Instrument 52-110 *Audit Committees*.

“**Indemnified Party**” means each Protected Party and any other person who has undertaken or is about to undertake any liability on behalf of the Corporation, or any entity controlled by it, which the Corporation determines to indemnify in respect of such liability and their respective heirs, executors, administrators, and estates and effects, respectively.

“**Independent Director**” means a Director who is Independent within the meaning of Section 1.3.

“**Industry Agreement**” means an agreement made between the Corporation and an IPF, as the same may be amended or replaced from time to time.

“**Information Processor Recognition Orders**” means the recognition order obtained from the Autorité des marchés financiers and the designation orders and undertakings governing the Corporation’s designation as information processor for government and corporate debt securities.

“**IPF**” means the Canadian Investor Protection Fund or the MFDA Investor Protection Corporation or any of their successors.

APPENDIX "B" - BY-LAW NO. 1 (CLEAN)

“**Chair**” means the Independent Director elected by the Board to act as its chair.

“**control**” has the meaning ascribed to it in section 1.4 of National Instrument 45-106 *Prospectus Exemptions*.

“**Corporation**” means Canadian Investment Regulatory Organization.

“**Dealer Member**” means a Member that is registered as an investment dealer or a mutual fund dealer in accordance with securities legislation.

“**Director**” means a member of the Board.

“**District**” means a geographic area in Canada designated as a district of the Corporation pursuant to Section 11.1.

“**District Hearing Committee**” means each of the hearing committees created in accordance with Article 11.

“**executive officer**” has the meaning ascribed to it in section 1.1 of National Instrument 52-110 *Audit Committees*.

“**Form**” means a form prescribed or provided for by the By-Laws or the Rules.

“**IIROC**” means the Investment Industry Regulatory Organization of Canada, a predecessor corporation to the Corporation.

“**immediate family member**” has the meaning ascribed to it in section 1.1 of National Instrument 52-110 *Audit Committees*.

“**Indemnified Party**” means each Protected Party and any other person who has undertaken or is about to undertake any liability on behalf of the Corporation, or any entity controlled by it, which the Corporation determines to indemnify in respect of such liability and their respective heirs, executors, administrators, and estates and effects, respectively.

“**Independent Director**” means a Director who is Independent within the meaning of Section 1.3.

“**Industry Agreement**” means an agreement made between the Corporation and an IPF, as the same may be amended or replaced from time to time.

“**Information Processor Recognition Orders**” means the recognition order obtained from the Autorité des marchés financiers and the designation orders and undertakings governing the Corporation’s designation as information processor for government and corporate debt securities.

“**IPF**” means the Canadian Investor Protection Fund or the MFDA Investor Protection Corporation or any of their successors.

APPENDIX "C" - MFD Rule 1A (BLACKLINE)

- (a) voting securities of the first-mentioned corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the Board of Directors of the first-mentioned corporation,

but where the Board of Directors orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the By-laws, Rules and Forms with respect to that Member;

“Corporation” has the same meaning as set out in General By-law No. 1, section 1.1 means [~~Name of New SRO~~];

“Form 1” means the Form 1 prescribed for Members;

“hearing committee” means a hearing committee of a District appointed in accordance with Rule 7.1;

"Hearing Panel" means a hearing panel appointed pursuant to Rule 7.2;

“individual” means a natural person;

“industry member” means a current or former director, officer, partner or employee of a Member, or an individual who is otherwise suitable and qualified for appointment to a hearing committee.

"introducing dealer" means a Member that introduces customer accounts to a carrying dealer in accordance with Rule 1.1.6;

“Investment Dealer Member” means a Dealer Member that is registered as an investment dealer or an investment dealer that it also registered as a mutual fund dealer in accordance with securities legislation;

“Investment Dealer Member Rules” means the Corporation’s Investment Dealer and Partially Consolidated Rules and Universal Market Integrity Rules;

“Member” means a Dealer Member that is registered as a mutual fund dealer in accordance with securities legislation and is not also registered as an investment dealer;

“monitor” means a person or company appointed to oversee and report on a Member’s activities and to act in furtherance of powers granted by a Hearing Panel;

"mutual fund dealer" means a person registered or licensed by a securities commission to deal in mutual fund or investment fund securities, other than a securities dealer;

APPENDIX "D" - MFD Rule 1A (CLEAN)

- (a) voting securities of the first-mentioned corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the Board of Directors of the first-mentioned corporation,

but where the Board of Directors orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the By-laws, Rules and Forms with respect to that Member;

"Corporation" has the same meaning as set out in General By-law No. 1, section 1.1;

"Form 1" means the Form 1 prescribed for Members;

"hearing committee" means a hearing committee of a District appointed in accordance with Rule 7.1;

"Hearing Panel" means a hearing panel appointed pursuant to Rule 7.2;

"individual" means a natural person;

"industry member" means a current or former director, officer, partner or employee of a Member, or an individual who is otherwise suitable and qualified for appointment to a hearing committee.

"introducing dealer" means a Member that introduces customer accounts to a carrying dealer in accordance with Rule 1.1.6;

"Investment Dealer Member" means a Dealer Member that is registered as an investment dealer or an investment dealer that it also registered as a mutual fund dealer in accordance with securities legislation;

"Investment Dealer Member Rules" means the Corporation's Investment Dealer and Partially Consolidated Rules and Universal Market Integrity Rules;

"Member" means a Dealer Member that is registered as a mutual fund dealer in accordance with securities legislation and is not also registered as an investment dealer;

"monitor" means a person or company appointed to oversee and report on a Member's activities and to act in furtherance of powers granted by a Hearing Panel;

"mutual fund dealer" means a person registered or licensed by a securities commission to deal in mutual fund or investment fund securities, other than a securities dealer;

"nominee name" means, in respect of an account or client property, other than client cash held in a trust account of a Member, an account established by a Member for a client in