

## **New SRO Interim Rules**

### **Investment Dealer and Partially Consolidated Rules**

The following are the revisions made to the Investment Dealer and Partially Consolidated Rules, primarily to address public comments received on CSA Staff Notice and Request for Comment 25-305:

#### **Rule 1100, Interpretation**

- Subsection 1103(1) - Correction of typographical error
- Subsection 1104(1) - Correction of typographical error
- Subsections 1105(1) through 1105(5) - Inclusion of transitional rule provisions within Corporation Investment Dealer and Partially Consolidated Rules

#### **Rule 1200, Definitions**

- Subsection 1201(2), Definition of "carrying broker" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Corporation requirements" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Dealer Member" – Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "introducing broker" - Language revision to incorporate new definition for "Mutual Fund Dealer Member"
- Subsection 1201(2), Definition of "Mutual Fund Dealer Member" - Inclusion of new definition for "Mutual Fund Dealer Member" to be used in the application of the Investment Dealer and Partially Consolidated Rules
- Subsection 1201(2), Definition of "Regulated Persons" - Language revision to incorporate new definition for "Mutual Fund Dealer Member"

#### **Rule 2200, Dealer Member Organization**

- Rule 2200 – Language revisions have been made to the following subsections to include the option that the existing membership disclosure requirements may remain unchanged for a period after New SRO and New IPF commence operations:
  - Subsection 2216(9)
  - Subsection 2284(1)
  - Subsection 2285(1)

#### **Rule 2300, Principal and Agent Relationships**

- Subsection 2303(4) - Minor language revision
- Clause 2304(7)(viii) - Adoption of revisions announced in IIROC Rules Notice 22-0061

#### **Rule 2400, Acceptable Back Office Arrangements**

- Subsection 2401(2) - Conforming revisions to introduction section to reflect changes in scope of Parts A and B

- Rule 2400, Part A - Revisions to the following subsections have been made to limit scope of Part A to arrangements between two investment dealers:
  - Subsection 2403(1)
  - Subsection 2404(1)
  - Subsection 2405(1)
  - Subsection 2406(1)
  - Subsection 2407(1)
  - Subsection 2410(1)
  - Subsection 2410(14)
  - Subsection 2415(1)
  - Subsection 2415(14)
  - Subsection 2420(1)
  - Subsection 2420(14)
  - Subsection 2425(1)
  - Subsection 2425(14)
- Rule 2400, Part B - Revisions to the following subsections have been made to limit scope of arrangements between investment dealers and mutual fund dealers and to adopt more principles-based rule requirements for such arrangements:
  - Subsection 2430(1)
  - Subsection 2431(1)
- Subsection 2435(1) - Revisions to have been made to refer to arrangements between two investment dealers
- Subsection 2480(1) - Conforming revisions have been made to reflect revisions in the scope of Parts A and B

#### **Rule 2500, Dealer Member Directors and Executives, and Approval of Individuals**

- Clause 2551(1)(iii) - Language has been included in this clause that indicates that approval of an individual employed by a dual-registered firm as a Registered Representative mutual funds only is automatic once their registration is approved
- Subsection 2551(8) - Inclusion of exception that permits a mutual funds only licensed individual acting as agent on behalf of a dual-registered firm to direct commission under certain circumstances
- Subsections 2554(1) and 2554(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061

#### **Rule 2600, Proficiency Requirements and Exemptions from Proficiencies**

- Clause 2602(3)(vii) - Removal of Conduct and Practices Handbook Course requirement for mutual funds only licensed individuals employed by a dual-registered firm
- Clause 2602(3)(x) - Correction of incorrect cross reference
- Clause 2602(3)(xi) - Correction of incorrect cross reference
- Subsection 2603(1) - Correction of course references
- Subsection 2603(2) - Correction of course references
- Subsection 2603(3) and 2603(4) - Inclusion of proficiency requirements to trade in alternative mutual funds

- Subsection 2631(1) - Revision of the proficiency transitional provisions to reflect removal of Conduct and Practices Handbook Course requirement for mutual funds only licensed individuals employed by a dual-registered firm

#### **Rule 2800, The National Registration Database**

- Subsection 2801(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2803(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2804(2) - Correction of name of rules cross referenced within the mandatory submission text
- Subsections 2807(1) through 2807(4) - Adoption of revisions announced in IIROC Rules Notice 22-0061
- Subsection 2808(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061

#### **Rule 3100, Dealings with Clients**

- Subsection 3115(2) - Adoption of revisions announced in IIROC Rules Notice 22-0061

#### **Rule 3200, Know-Your-Client and Client Accounts**

- Subsection 3212(4) - Inclusion of provision to permit use of affiliate firm client account documents for transferred in accounts under certain conditions

#### **Rule 3600, Communications with the Public**

- Subsection 3623(1) - Adoption of revisions announced in IIROC Rules Notice 22-0061

#### **Rule 4200, General Dealer Member Financial Standards – Disclosure, Internal Controls, Calculations of Pries and Professional Opinions**

- Clause 4275(1)(viii) - Minor language revision

#### **Rule 4900, Other Internal Control Requirements – Derivatives Risk Management**

- Subsection 4912(4) - Correction of typographical error

#### **Rule 5400, Margin Requirements for Other Investment Products**

- Subsection 5430(1) - Adoption of revisions announced in IIROC Rules Notice 22-0101

#### **Rule 7100, Debt Markets**

- Subsection 7104(1) - Correction of typographical error

#### **Rule 7200, Transaction Reporting for Debt Securities**

- Subsection 7202(1), Definition of "riskless principal trade" - Correction of typographical error