



CIRO · OCRI

Canadian Investment
Regulatory
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des investissements

Policy Initiatives Update Report (as at October 10, 2023)

L E G E N D	Orange coding means the initiative has been published in its final form and is currently in the implementation phase. This may require immediate attention from Dealer Members.
	Yellow coding means the initiative may require attention from Dealer Members within the next 3 months.
	Blue coding means the initiative may require attention from Dealer Members within the next 3 to 6 months.
	Green coding means the initiative may require attention from Dealer Members within the next 6 to 12 months.

Introduction

This document describes the policy initiatives that we anticipate implementing over the next 12 months and/or that we have published for comment. For each initiative, we've provided our estimate of when Dealer Members may be required to take appropriate action. This information will help Dealer Members to plan for and/or respond to policy initiatives on a timely and efficient basis.

Except for initiatives where we have published an Implementation Notice or Notice of Approval with an effective date, all next step dates are staff's best estimate.

Legend for "Rules"

- **Dealer and Consolidated Rules – DC**
- **Investment Dealer and Partially Consolidated Rules – IDPC**
- **Mutual Fund Dealer Rules – MFDR**
- **Universal Market Integrity Rules – UMIR**

We will update this chart on a quarterly basis.

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INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Partial Swap Offsets	IDPC	Notice of Approval published on April 13, 2023 in Rules Notice 23-0049 .	Amendments to permit reduced margin for swap position partial offsets held in inventory.	Amendments effective May 15, 2023.
Floating Index Margin Methodology	IDPC	Notice of Approval published on May 18, 2023 in Rules Notice 23-0072 .	Amendments to reduce procyclicality in the formula.	Amendments effective August 8, 2023.
Rule Consolidation Project – Phase 1	DC	Under development.	The objective of Phase 1 of the Rule Consolidation Project is to establish a framework for the development of consolidated rules that will apply to all CIRO Dealer Members.	Estimated publication of Request for Comment Bulletin – October 2023.
Housekeeping Amendments to Mutual Fund Dealer Form 1	MFDR	Under development.	Housekeeping amendments to Part II – Report on compliance for insurance and segregation of cash and securities to ensure compliance with current auditing standards.	Estimated publication of Approval Bulletin – October 2023.
Trade Settlement Cycle Transition to T+1	IDPC & UMIR	Proposed amendments published for comment on April 20, 2023 in Rules Notice 23-0054 . Comment period closed June 19, 2023.	Amendments to support industry’s move to T+1 settlement scheduled for 2024.	Estimated publication of Approval Bulletin – October 2023.
Rule Consolidation Project – Phase 2	DC	Under development.	The objective of Phase 2 of the Rule Consolidation Project is to adopt rules that are unique to the IDPC or MFD Rules. The Phase 2 DC Rules involve the adoption of rule relating to: <ul style="list-style-type: none"> margin requirements, debt markets and Inter-Dealer Bond Brokers (IDBBs), and trading. 	Estimated publication of Request for Comment Bulletin – Winter, 2023-2024.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Derivatives Rule Reform	IDPC	Proposed amendments republished for comment on July 13, 2023 in Rules Bulletin 23-0092 . Comment period closed on August 14, 2023.	Amendments to modernize Dealer Member rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Estimated publication of Approval Bulletin – Winter, 2023-2024.
Margin requirements for structured products (principal-protected notes and principal-at-risk notes)	IDPC	Proposed amendments republished for comment on July 20, 2023 in Rules Bulletin 23-0095 . Comment period closed September 18, 2023. Proposed amendments initially published for comment on February 25, 2021 in Rules Notice 21-0032 . Comment period closed April 12, 2021.	Amendments to: <ul style="list-style-type: none"> • establish specific margin rates for structured products that meet eligibility criteria • allow an alternative component-based margin methodology for structured products with a guarantee component. 	Estimated publication of Approval Bulletin – Winter, 2023-2024.
Proficiency Requirements	IDPC	Proposed amendments published for comment on August 31, 2023 in Rules Bulletin 23-0096 . Comment period closed on October 2, 2023.	Amendments to clarify proficiency requirements applicable to Approved Persons.	Estimated publication of Approval Bulletin – Winter, 2023-2024.
Reporting, Internal Investigation and Client Complaint Requirements	UMIR & IDPC	Proposed amendments published for comment on January 13, 2022 in Rules Notice 22-0009 . Comment period closed April 14, 2022.	Amendments to: <ul style="list-style-type: none"> • introduce a principles-based reporting requirement which focuses on harm to clients and the capital markets • make our reporting requirements clearer and more consistent with regulatory expectations • better align our reporting requirements and complaint requirements. 	Estimated re-publication of Request for Comments – Spring, 2024.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Account Transfers	IDPC & MFDR	Under development.	Develop a proposed harmonized rule requirement to facilitate more timely transfers of an expanded group of account assets amongst investment dealers and mutual fund dealers.	Estimated publication of Request for Comment Bulletin – Spring, 2024.
Initiatives from the previous Update Report that have been closed and are not included in this Update Report				
Communications with the Public Guidance Note Update		Project closed. CIRO is working on a member education initiative to discuss our views on recent developments in dealer communications that may raise investor protection or public interest concerns.		
Institutional Credit and Custody Risk		Project closed. Institutional credit and custody risk will be reviewed as part of the Rule Consolidation Project.		