

Summary table of the Proposed Amendments alongside the CSA's TCR Enhancements

Amendments to CIRO Rules			NI 31 103 CSA's TCR Enhancements	Scope and Impact of CIRO Rule Amendment
Matter	IDPC Rule	MFD Rule		
<i>Amendments to concepts and definitions</i>				
'market value' definition	Subsection 1201(2)	NA	NA	Amend the 'market value' definition in the IDPC Rules, to replace 'cost' with 'position cost'. This change is consequential to replacing the defined term 'cost' with 'position cost' in CIRO Rules, and no impact is anticipated as a result.
'institutional client' definition and carve - outs	NA	Rule 1 A - New definition New subsection 5.3.5(3)	NA	Bring into the MFD Rules: <ul style="list-style-type: none"> the 'institutional client' concept, defined by reference to the definition of the same concept in the IDPC Rule subsection 1201(2); and the optionality for Mutual Fund Dealers to opt out from sending the following information to institutional clients, in alignment with the option currently given to Investment Dealers: <ul style="list-style-type: none"> Report on charges and other compensation [MFD Rule, section 5.3.3], and Performance report [MFD Rule, section 5.3.4]. Positive to neutral impact is anticipated as a result.
'direct investment fund charge' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	Section 1.1 New definition	Add into CIRO Rules the concept of 'direct investment fund charges' and the corresponding definition. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.

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'fund expenses per security for the day' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	New section 14.1.2(1) and 14.1.2(2) New section 14.17.1(2)	Add into CIRO Rules the concept of 'fund expenses per security for the day' and the underlying calculation methodology. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
'fund expense ratio' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	Section 1.1 New definition	Add into CIRO Rules the concept of 'fund expense ratio' and the corresponding definition. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
'management expense ratio' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	Section 1.1 New definition	Add into CIRO Rules the concept of 'management expense ratio' and the corresponding definition. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
'newly established investment fund' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	Section 1.1 New definition	Add into CIRO Rules the concept of 'newly established investment fund' and the corresponding definition. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
'outside holdings' definition	Subsection 3802(1)	NA	NA	Amend the 'outside holding' definition in IDPC Rule subsection 3802(1), by bringing here the defining criteria for such a concept currently in IDPC Rule subsection 3809(1). This change streamlines drafting and adds rule clarity. No impact is anticipated as a result of this non-material amendment.

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'cost' definition	Subsection 3802(1)	Subsection 5.3(1)	NA	Replace in CIRO Rules the reference to the defined term 'cost' with 'position cost', so as to better distinguish "position cost" from other uses of the generic term "costs" e.g. total costs. No impact is anticipated as a result of this non-material amendment. Consequential changes to other provisions in CIRO Rules are made to reflect this change.
'total amount of fund expenses' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	New section 14.17(6)	Add into CIRO Rules the concept of 'total amount of fund expenses' and the underlying calculation methodology. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
'trading expense ratio' definition	Subsection 3802(1) New definition	Subsection 5.3(1) New definition	Section 1.1 New definition	Add into CIRO Rules the concept of 'trading expense ratio' and the corresponding definition. This definition is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Amendments to periodic client reports				
Client account statements	Section 3808	Clause 5.3.2(c)	NA	Amend CIRO Rules provisions to replace references to the defined term 'cost' with 'position cost'. This change is consequential to replacing the defined term 'cost' with 'position cost' in CIRO Rules, and no impact is anticipated as a result.

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Report on client positions held outside of the Dealer Member	Subsection 3809(1) and 3809(2)	NA	NA	<p>Amend IDPC Rule subsection 3809(1) and 3809(2) to:</p> <ul style="list-style-type: none"> • delete the defining criteria for 'outside holdings', as a result of moving such language into the 'outside holding' definition [IDPC Rule subsection 3802(1)]; and • replace any references to the defined term 'cost' with 'position cost'. <p>These are consequential amendments, and no impact is anticipated as a result.</p>
Amendments to the annual fee/charge report				
Fee/charge report – reporting trigger	Subsection 3811(1)	NA	NA	<p>Amend IDPC Rule subsection 3811(1) to align with the scope of the CSA's TCR Enhancements. Under these enhancements, Dealer Members must report embedded investment fund fees, including for <i>outside holdings</i>, even when such fees are not paid to the Dealer Member or any of its registered individuals. No equivalent amendment is needed to the MFD Rules, due to the generic drafting of the reporting trigger.</p> <p>No net new impact is anticipated as a result of the CIRO Rule amendment.</p>
Reporting the total amount of fund expenses	New subclause 3811(2)(x)(a)	New subclause 5.3.3(1)(h)(i)	New section 14.17(1)(i)	<p>Add into CIRO Rules the requirement for Dealer Members to report the total amount of applicable investment fund expenses.</p> <p>This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.</p>
Reporting the total direct investment fund charges	New subclause 3811(2)(x)(b)	New subclause 5.3.3(1)(h)(ii)	New section 14.17(1)(j)	<p>Add into CIRO Rules the requirement for Dealer Members to report the total amount of applicable direct investment fund charges, in alignment with CSA's TCR Enhancements.</p> <p>This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.</p>

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Reporting the aggregate total of investment fund expenses and direct charges	New subclause 3811(2)(x)(c)	New subclause 5.3.3(1)(h)(iii)	New section 14.17(1)(k)	Add into CIRO Rules the requirement for Dealer Members to report the aggregate total amount of applicable investment fund expenses and direct charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Reporting the aggregate total of applicable fees	New subclause 3811(2)(x)(d)	New subclause 5.3.3(1)(h)(iv)	New section 14.17(1)(l)	Add into CIRO Rules the requirement for Dealer Members to report the aggregate total amount of applicable Dealer Member charges and investment fund charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Reporting the fund expense ratio	New subclause 3811(2)(x)(e)	New subclause 5.3.3(1)(h)(v)	New section 14.17(1)(m)	Add into CIRO Rules the requirement for Dealer Members to report the applicable investment fund expense ratio. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification when using approximations and assumptions	New paragraph 3811(2)(x)(f)(I)	New paragraph 5.3.3(1)(h)(vi)(A)	New section 14.17(1)(r)	Add into CIRO Rules the requirement for Dealer Members to disclose the use of approximations and assumptions for the reported investment funds information. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Explanation of direct investment fund charges	New paragraph 3811(2)(x)(f)(II)	New paragraph 5.3.3(1)(h)(vi)(B)	New section 14.17(1)(q)	Add into CIRO Rules the requirement for Dealer Members provide explanation on the type of reported direct investment fund charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.

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Notification on the total amount of fund expenses	New paragraph 3811(2)(x)(f)(III)	New paragraph 5.3.3(1)(h)(vi)(C)	New section 14.17(1)(n)(i)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding reported investment fund expenses. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification on the fund expense ratio	New paragraph 3811(2)(x)(f)(IV)	New paragraph 5.3.3(1)(h)(vi)(D)	New section 14.17(1)(n)(ii)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding the reported investment fund expense ratio. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification on deferred sales charges	New paragraph 3811(2)(x)(f)(V)	New paragraph 5.3.3(1)(h)(vi)(E)	New section 14.17(1)(p)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding reported deferred sales charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification on foreign investment fund charges	New paragraph 3811(2)(x)(f)(VI)	New paragraph 5.3.3(1)(h)(vi)(F)	New section 14.17(1)(t)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding reported information on foreign investment fund charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification on investment fund charges excluded from reporting	New paragraph 3811(2)(x)(f)(VII)	New paragraph 5.3.3(1)(h)(vi)(G)	New section 14.17(1)(s)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding investment fund charges excluded from the report (e.g. exempt market investment funds, labour sponsored investment funds or structured products). This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.

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Notification on undisclosed third party fees/charges	New clause 3811(2)(xi)	New clause 5.3.3(1)(i)	New section 14.17(1)(u)	Add into CIRO Rules the requirement for Dealer Members to provide an explanatory notification regarding undisclosed third-party fees and charges. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Notification regarding client awareness of fees/charges	New clause 3811(2)(xii)	New clause 5.3.3(1)(j)	New section 14.17(1)(o)	Add into CIRO Rules the requirement for Dealer Members to include a notification that draws client's attention to investment fees and charges and encourages clients to speak to their advisor. This requirement is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Newly established investment funds exemption	New subsection 3811(3)	New subsection 5.3.3(2)	New section 14.17(7)	Add into CIRO Rules the exemption for Dealer Members to report prescribed fees/charges information with regards to newly established investment funds and the accompanying required notification. This exemption is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
LSIF / prospectus exempt funds exemptions	New subsection 3811(4)	New subsection 5.3.3(3)	New section 14.17(9)	Add into CIRO Rules exemptions for Dealer Members to report fees/charges for labour sponsored investment funds and prospectus exempt investment funds. These exemptions are aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.
Dealer Member right to report approximations	New subsection 3811(5)	New subsection 5.3.3(4)	New section 14.17(8)	Add into CIRO Rules the permission for Dealer Members to report approximations of the required investment funds fee/charge information. This provision is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.

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Dealer Member responsibility regarding the reportable information	New subsection 3811(6)	New subsection 5.3.3(5)	New section 14.17.1	<p>Add into CIRO Rules a provision setting out the Dealer Member responsibility with regards to determining and reporting investment fund fees and charges.</p> <p>This provision is aligned with the CSA's TCR Enhancements, and no net new impact is anticipated as a result.</p>
<i>Other Amendments</i>				
Option of earlier date	Section 3835	NA	NA	<p>Amend CIRO Rules provision to replace references to the defined term 'cost' with 'position cost'.</p> <p>This change is consequential to replacing the defined term 'cost' with 'position cost' in CIRO Rules, and no impact is anticipated as a result.</p>
Client reporting responsibility in shared service arrangements	New section 3846	New section 5.7	NA	<p>New CIRO Rule provision clarifying the client reporting responsibility in the situation when two or more securities registrants service the same client accounts/positions.</p> <p>This provision codifies existing CIRO policy, including granted exemptions, and Dealer Member practices, therefore no significant impact is anticipated as a result.</p>
Corporation exemptions	New section 3847	New section 5.8	NA	<p>New CIRO Rule provision setting out limited authority for CIRO's authorised staff to exempt Dealer Members from specified client reporting requirements with regards to <i>outside holdings</i> (i.e. client name securities outside of Dealer control) when justified.</p> <p>The impact of this provision is anticipated to be positive as it enhances the procedural efficiency of routine exemptions on the matter.</p>