

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**  
**RULES 7200 - DEBT MARKETS AND 7300 - INTER-DEALER BOND BROKERS**  
**PROPOSED AMENDMENTS**

1. As part of a project to rewrite IIROC Rules in plain language, the following current rules are repealed and replaced.

| Repealed current rule                                                                                                                                                                               | Proposed plain language rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                                                                                                                                                                                                     | <b>7100. – 7199. – Reserved.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Rule 2800, Purpose<br/>Rule 2800B, Purpose</p> <p>Rule 2800,<br/>Application and Item 4.2; Rule 2800B, Item 4.2(d)</p> <p>Rule 2800, Items 2.1, 2.3, and 3.2; Rule 2800B, Part 2, and Part 3</p> | <p style="text-align: center;"><b>RULE 7200<br/>DEBT MARKETS</b></p> <p><b>7201. Introduction</b></p> <p>(1) This Rule establishes trading and settlement practices that are designed to promote fair and efficient debt markets. This rule makes no distinction between institutional and retail markets.</p> <p><b>PART A - GENERAL</b></p> <p><b>7202. General Requirements</b></p> <p>(1) A Dealer Member must ensure that its trading in the debt markets does not contravene any applicable law, regulation, direction, or requirement, whether or not such requirement is binding or has the force of law, including without limitation the directions or requirements of the Bank of Canada or the Department of Finance (Canada).</p> <p>(2) A Dealer Member must not condone or knowingly facilitate conduct by its affiliates, customers, or counterparties that contravenes this rule.</p> <p><b>7203. Policies and procedures</b></p> <p>(1) A Dealer Member must maintain and enforce written policies, compliance procedures and internal controls that are designed to ensure compliance with applicable securities law and Corporation requirements.</p> <p>(2) A Dealer Member must include the following items in its policies and procedures for the debt markets:</p> <p>(i) restrictions of, and controls over, trading in non-client accounts;</p> |

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|                                                            | <ul style="list-style-type: none"> <li>(ii) a prohibition on the use of inside information;</li> <li>(iii) a prohibition of front-running;</li> <li>(iv) standards for fair allocation of new issues among clients;</li> <li>(v) written policies or guidelines issued to its registered representatives on its mark-ups or commissions on debt or fixed income securities sold to the Dealer Member's retail clients;</li> <li>(vi) reasonable monitoring procedures to detect mark-ups or commissions that exceed the maximums specified by the Dealer Member, and to ensure any deviation is justified; and</li> <li>(vii) standards for prompt and accurate disclosure to clients and counterparties if any conflict of interest arises.</li> </ul> <p>(3) Senior management of the appropriate business group of the Dealer Member must approve the policies, procedures and internal controls.</p> |
| <p>Rule 2800, Items 2.2 and 4.4 and Rule 2800B, Part 3</p> | <p><b>PART B - DEBT MARKET TRADING</b></p> <p><b>7204. Trading personnel</b></p> <ul style="list-style-type: none"> <li>(1) A Dealer Member must ensure that all personnel trading in the debt markets are: <ul style="list-style-type: none"> <li>(i) properly qualified and trained; and</li> <li>(ii) aware of applicable laws and Corporation requirements relating to debt market trading.</li> </ul> </li> <li>(2) A Dealer Member must ensure that its personnel use clear and unambiguous language in their trading activities.</li> <li>(3) A Dealer Member's personnel must be familiar with the appropriate trading terminology and conventions.</li> <li>(4) Senior management of the appropriate business group of the Dealer Member must supervise its trading activities.</li> </ul>                                                                                                      |
| <p>Rule 2800, Item 2.4</p>                                 | <p><b>7205. Confidentiality</b></p> <ul style="list-style-type: none"> <li>(1) Except with the express permission of the party concerned or as required by applicable law, a Dealer Member: <ul style="list-style-type: none"> <li>(i) must ensure that its dealings with clients and counterparties are confidential;</li> <li>(ii) must not disclose or discuss, or request that others disclose or discuss, any client's or counterparty's</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                                                     | <p>participation in the debt market or the terms of any trading or anticipated trading; and</p> <p>(iii) must ensure on a pre-trade basis that its own trading activities and planning strategies are kept confidential for market integrity purposes.</p> <p>(2) A Dealer Member's policies and procedures must:</p> <p>(i) restrict access to information to the personnel that require it for their jobs;</p> <p>(ii) confine trading by designated personnel to restricted-access office areas; and</p> <p>(iii) use secure forms of communications and technology.</p> <p>(3) A Dealer Member must comply with requests for information from the Bank of Canada.</p> |
| <p>Rule 2800, Item 2.5</p>                          | <p><b>7206. Resources and systems</b></p> <p>(1) A Dealer Member must have sufficient capital, liquidity support, and personnel to support its trading activities.</p> <p>(2) A Dealer Member must have comprehensive operating systems, including all aspects of risk management, transaction valuation, technology, and financial reporting to ensure full support for trading.</p>                                                                                                                                                                                                                                                                                     |
| <p>Rule 2800, Item 3.2</p>                          | <p><b>7207. Conflicts of interest</b></p> <p>(1) A Dealer Member must ensure that its dealings in debt markets are fair and transparent.</p> <p>(2) A Dealer Member must fulfill its duties to clients before its own interests or those of its personnel.</p> <p>(3) A Dealer Member, when executing a debt market transaction for a customer or an issuer in the event of a distribution, must make reasonable efforts to obtain a price that is fair and reasonable in relation to prevailing market conditions.</p>                                                                                                                                                   |
| <p>Rule 2800, Item 4.1<br/>Rule 2800B, Item 4.1</p> | <p><b>7208. Duty to deal fairly</b></p> <p>(1) A Dealer Member must observe high standards of ethics and conduct in transacting business to maintain investor confidence in the debt markets.</p> <p>(2) A Dealer Member must prohibit any business conduct or practice that is unbecoming or detrimental to the public interest.</p>                                                                                                                                                                                                                                                                                                                                     |

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| <p>Rule 2800, Item 4.3(a) and Rule 2800B, Item 4.2(a)</p> | <p>(3) A Dealer Member must act fairly, honestly, and in good faith when marketing, entering into, carrying out, and administering trades in the debt market.</p> <p><b>7209. Manipulative and deceptive practices in the debt markets</b></p> <p>(1) In its trading activities in the debt markets, a Dealer Member must not, directly or indirectly, engage or participate in any act, method or practice it knows or ought reasonably to know is manipulative or deceptive.</p> <p>(2) Without limiting the conduct prohibited by this Rule, the following are manipulative or deceptive practices:</p> <ul style="list-style-type: none"> <li>(i) carrying out trades intended to artificially increase trading volumes;</li> <li>(ii) carrying out trades intended to artificially change trading prices;</li> <li>(iii) participating in or tacitly consenting to spreading rumours or information about issuers that are known, or ought reasonably to be known, to be false or misleading;</li> <li>(iv) disseminating any information that falsely states or implies governmental approval of any institution or trading; or</li> <li>(v) conspiring or colluding with another market participant to manipulate information or deal unfairly.</li> </ul> |
| <p>Rule 2800, Item 4.3(b) and Rule 2800B, Item 4.2(b)</p> | <p><b>7210. Taking unfair advantage</b></p> <p>(1) A Dealer Member and its executives, partners, directors, employees, and agents must not engage in trading practices that take unfair advantage of clients or counterparties by:</p> <ul style="list-style-type: none"> <li>(i) acting on knowledge of a new issue or client order to unfairly profit from the expected market movement or distorted market levels;</li> <li>(ii) carrying out proprietary trades ahead of client orders on the same side of the market without first disclosing to the client the intention to do so and obtaining the client's approval;</li> <li>(iii) profiting unfairly by using proprietary information that if released could reasonably be expected to affect market prices;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <p>Rule 2800, Item 4.3(c) and Rule 2800B, Item 4.2(c)</p> | <ul style="list-style-type: none"> <li>(iv) using material non-public information;</li> <li>(v) abusing market procedures or conventions to obtain an unfair advantage over, or unfairly prejudice, its counterparties or clients; or</li> <li>(vi) completing a trade when the price is clearly outside of the prevailing market and proposed or agreed to as a result of an evident error.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Rule 2800, Item 4.3(e) and (f)</p>                     | <p><b>7211. Derivatives Trading</b></p> <ul style="list-style-type: none"> <li>(1) The prohibitions in sections 7209 and 7210 apply to trading in derivatives of debt market instruments.</li> </ul> <p><b>7212. Prohibited practices</b></p> <ul style="list-style-type: none"> <li>(1) A Dealer Member's executives, partners, directors, employees, and agents must not accept any material consideration, including remuneration, gratuity or benefit, from any person other than the Dealer Member for any activities conducted on behalf of a client.</li> <li>(2) A Dealer Member and its executives, partners, directors, employees, and agents must not offer any consideration, including remuneration, gratuity, or benefit, to any executive, director, employee, shareholder or agent of a client or any associate of any of them.</li> <li>(3) Consideration that is non-monetary, of minimal value and infrequent such that it will not cause a reasonable person to question whether it created a conflict of interest is not consideration under this section.</li> </ul> |
| <p>Rule 2800, Items 5.2 and 5.3</p>                       | <p><b>7213. Surveillance and reporting</b></p> <ul style="list-style-type: none"> <li>(1) A Dealer Member must monitor the trading and conduct of its employees and agents in the debt markets.</li> <li>(2) A Dealer Member must promptly report to the Corporation or other authority having jurisdiction, including the Bank of Canada: <ul style="list-style-type: none"> <li>(i) any breaches of Corporation requirements, or</li> <li>(ii) suspicious or irregular market conduct.</li> </ul> </li> <li>(3) A Dealer Member and its related companies must file a net position report if the Corporation or the Bank of Canada (for Government of Canada securities) requests it. On request, a Dealer Member must also provide information to identify large holdings that would permit a participant to have undue influence over the debt</li> </ul>                                                                                                                                                                                                                              |

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| Rules 800.5, 800.6, 800.7, and 800.16 | <p><b>PART C - TRADING AND DELIVERY OF DEBT SECURITIES</b></p> <p><b>7214. Dealing with fixed interest obligation securities</b></p> <ol style="list-style-type: none"> <li>(1) A Dealer Member must deal with fixed interest obligation securities on an accrued interest basis until maturity or the debtor defaults or announces a default, whichever is first.</li> <li>(2) If a Dealer Member sells a fixed interest obligation security before a default or default announcement but has not delivered that security before the date of the announcement or default, the Dealer Member must deal with that security on an accrued interest basis and in accordance with the terms of the original transaction.</li> <li>(3) After a debtor defaults or announces a default on a fixed interest obligation security, a Dealer Member must deal in that security on a flat basis until all interest arrears have been paid and one interest payment has been made when due.</li> <li>(4) On occasion, a Dealer Member may deal with fixed interest obligation securities differently than set out in subsection 7214(1) if common practice and expediency require it in that case. The Dealer Member must notify all Dealer Members that it intends to deal in this security differently than required under subsection 7214(1).</li> <li>(5) Subsection 7214(1) above does not apply to sale and repurchase agreements of fixed interest obligation securities.</li> </ol> |
| Rule 800.8                            | <p><b>7215. Bonds with interest payable out of income</b></p> <ol style="list-style-type: none"> <li>(1) A Dealer Member must deal in bonds that have interest payable out of income (if, as and when earned) on a flat basis.</li> <li>(2) A Dealer Member must continue to trade income bonds that have been called for redemption on a flat basis even after the call date is published.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Rule 800.9                            | <p><b>7216. Bonds whose issuers have been reorganized</b></p> <ol style="list-style-type: none"> <li>(1) A Dealer Member dealing in a bond of an issuer that was reorganized (or had a capital adjustment) so that holders were given a stock or scrip as a bonus or other payment, must trade those securities ex-stock or ex-scrip unless</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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| <p>Rules 800.19,<br/>800.20, 800.22, and<br/>800.25</p> | <p>otherwise stated when the trade is made.</p> <p>(2) A Dealer Member must trade these bonds flat until all arrears have been paid and one interest payment has been made when due, unless the Corporation specifies differently.</p> <p><b>7217. Trading debt securities, as principal or agent</b></p> <p>(1) In this section, an “odd lot” is an amount less than a trading unit for a security.</p> <p>(2) A Dealer Member calling a market must trade a security in trading units if called on to trade, unless the Dealer Member qualified the market at the beginning.</p> <p>(3) A Dealer Member asking the size of a market must be prepared to buy or sell a trading unit at the quoted price if immediately asked to do so by the Dealer Member calling the market.</p> <p>(4) A Dealer Member calling a market may trade an odd lot at the quoted market price or may adjust the price for the odd lot.</p> <p>(5) If a trade involves the sale or purchase of more than one maturity, a Dealer Member must treat each maturity as a separate transaction. A Dealer Member may not make a transaction contingent on the execution of another transaction.</p> |
| <p>Rules 800.24 and<br/>800.26</p>                      | <p><b>7218. Delivery - General</b></p> <p>(1) All trades are for regular delivery unless the transaction stipulates otherwise.</p> <p>(2) Securities may be dealt in both as actual bonds, debentures or other forms of securities and as certificates of deposit.</p> <p>(3) If the securities are interchangeable for delivery, then delivery can be either in actual security or certificate of deposit.</p> <p>(4) If securities are not interchangeable for delivery, then delivery must be in the form of actual securities unless it is stipulated at the time of the transaction that they are certificates of deposit in which case they would be delivered as such.</p> <p><b>PART D - ADMINISTRATION</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| <p>Rules 800.10 and 800.30D</p> | <p><b>7219. Dealer Member registering securities in client's name</b></p> <ul style="list-style-type: none"> <li>(1) A Dealer Member may only register a security in a client's, or a client's nominee's, name after the Dealer Member has received payment for that security.</li> <li>(2) A Dealer Member must not absorb bank or other charges that a client or its nominee incurs in registering a security. After payment is received, a Dealer Member may absorb the fees to transfer the security on a client's instructions.</li> <li>(3) Subsection 7219(1) above does not apply to a new issue on the takedown date.</li> <li>(4) Despite subsection 7219(1) above, a Dealer Member may register an eligible security in the name of, or in the name of a nominee of, a self-administered registered retirement savings plan registered under the Income Tax Act (Canada) before payment is received if, before the securities are registered, a Dealer Member obtains an unconditional guarantee from the trust company administering the plan.</li> </ul> <p><b>7220. – 7299. – Reserved.</b></p> |
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| Repealed current rule                                             | Proposed plain language rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>New</p> <p>Rule 2100.1 (a), (c), (d), (e)</p> <p>Rule 36.1</p> | <p style="text-align: center;"><b>RULE 7300</b><br/><b>INTER-DEALER BOND BROKERS</b></p> <p><b>7301. Introduction</b></p> <p>(1) This Rule describes Corporation requirements for IDBBs used by Dealer Members. Its purposes are to ensure the financial viability of IDBBs and make the debt market more efficient.</p> <p><b>7302. Definitions</b></p> <p>In This Rule:</p> <p>(1) <b>“Domestic Debt Securities”</b> means Canadian dollar denominated debt securities issued or primarily traded in Canadian markets, are issued by the Government of Canada, a province, a municipality, a crown corporation, or a private sector corporation, and includes securities being traded on a "when issued" basis. Eurodollar debt securities are not domestic debt securities</p> <p>(2) <b>“IDBB”</b> means an inter-dealer bond broker, being an organization (whether or not incorporated) that provides information, trading and communications services for domestic debt securities trading among IDBB customers.</p> <p>(3) <b>“IDBB customer”</b> means an organization permitted by an IDBB to use its services to trade domestic debt securities.</p> <p>(4) <b>“IDBB trader”</b> means an individual supervised or controlled by an IDBB customer, either through an employee or other similar relationship, who is authorized by the IDBB customer to use the IDBB to buy or sell domestic debt securities for that IDBB customer.</p> <p><b>PART A - GENERAL REQUIREMENTS</b></p> <p><b>7303. Dealer Members must trade through a Corporation-approved IDBB</b></p> <p>(1) A Dealer Member that trades domestic debt securities through the facilities of an IDBB must do so through a Corporation-approved IDBB. Trades must comply with</p> |

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| <p>Rules 36.2 and 36.3</p>                                          | <p>the IDBB's operating procedures and Corporation requirements.</p> <p><b>PART B - REQUIREMENTS FOR IDBB APPROVAL AND CONTINUED APPROVAL</b></p> <p><b>7304. Eligibility of IDBBs for Corporation approval</b></p> <ul style="list-style-type: none"> <li>(1) An applicant for Corporation approval as an IDBB must: <ul style="list-style-type: none"> <li>(i) be registered or licensed in each province or territory where it requires registration or licensing,</li> <li>(ii) comply with securities legislation and requirements of any securities commission having jurisdiction over the applicant, and</li> <li>(iii) comply with the standards and conditions of approval described in section 7305.</li> </ul> </li> <li>(2) An applicant for approval as an IDBB must submit its application to the Corporation together with any information required by the Corporation requirements.</li> </ul>                                                                                                                                                                                                                                                                            |
| <p>Rules 2100.3 through 2100.6 and Rules 2100.9 through 2100.15</p> | <p><b>7305. Corporation requirements for IDBB approval and continued approval</b></p> <ul style="list-style-type: none"> <li>(1) An IDBB must meet the requirements in this section to be approved by the Corporation and to retain its approval.</li> <li>(2) An IDBB must have and maintain at least \$500,000 of shareholders' equity, or have a parent corporation with at least \$500,000 of shareholders' equity irrevocably guarantee that amount.</li> <li>(3) An IDBB must: <ul style="list-style-type: none"> <li>(i) provide evidence to the Corporation that all of its IDBB customers are and will continue to be: <ul style="list-style-type: none"> <li>(a) Dealer Members,</li> <li>(b) Canadian chartered banks or other organizations described in clause 7305(4)(iii) below, or</li> <li>(c) any other Corporation-approved financial institution.</li> </ul> </li> <li>(ii) require each new IDBB customer, other than a Dealer Member or Canadian chartered bank, to provide it with recent financial statements or other evidence of financial condition and a favourable reference letter from a participant in a Corporation-approved IDBB;</li> </ul> </li> </ul> |

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|  | <p>(iii) provide evidence to the Corporation that all of the IDBB traders for its IDBB customers will be located in Canada.</p> <p>(4) Clause 7305(3)(iii) does not apply to an IDBB trader trading for an IDBB customer that:</p> <p>(i) is a chartered bank that Schedule I of the Bank Act lists or its affiliate (other than an affiliate, or its subsidiary, whose business is mainly securities),</p> <p>(ii) is a chartered bank that Schedule II of the Bank Act lists or its subsidiary of such a bank whose primary business is not securities (this exception does not apply to IDBB traders of other affiliates of chartered banks), or</p> <p>(iii) (a) is a Dealer Member or branch Dealer Member,</p> <p>(b) is a Dealer Member's affiliate that has entered into an agreement as subsection 7305(7) describes and that either is regulated by the Financial Industry Regulatory Authority (FINRA) or is a member of a Corporation-designated SRO in the United States or elsewhere, or</p> <p>(c) has entered into an agreement as subsection 7305(7) describes and:</p> <p>(I) is not a Dealer Member's affiliate,</p> <p>(II) is regulated by FINRA or is a member of a Corporation-designated SRO in the United States or elsewhere, and</p> <p>(III) gives the Corporation a satisfactory legal opinion stating that the IDBB customer does not contravene the registration requirements of applicable securities legislation.</p> <p>(5) The IDBB must only deal in domestic debt securities as agent on behalf of its IDBB customers and must not act as principal, either directly or indirectly.</p> <p>(6) The IDBB must be a member of a Corporation-recognized organization that provides market transparency for domestic debt securities trading through Corporation-approved IDBBs. These Corporation-recognized organizations provide an electronic-record-based digital</p> |
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|  | <p>feed of real-time market price, volume and other information to interested persons. [LINK: GN 7300-1]</p> <p>(7) IDBB customers outside Canada must sign an agreement under clauses 7305(4)(iii)(b) and (c). This agreement must include the following provisions:</p> <ul style="list-style-type: none"> <li>(i) The parties to the agreement must include the Corporation, the IDBB customer outside Canada and, if applicable, the IDBB customer's affiliated Dealer Member.</li> <li>(ii) An IDBB customer outside Canada must state that it is carrying out its trading: <ul style="list-style-type: none"> <li>(a) in a jurisdiction in which it either is regulated by FINRA or is a member of a Corporation-designated SRO in the United States or elsewhere; or</li> <li>(b) from a jurisdiction in which the Corporation is satisfied that one of the SROs specified in clause 7305(7)(ii)(a) has jurisdiction over its trading activities.</li> </ul> </li> <li>(iii) An IDBB customer outside of Canada must agree to give a Dealer Member its domestic debt securities trading activity information so that the Dealer Member can regularly report its aggregated trading to the Corporation under the Corporation requirements;</li> <li>(iv) If the Corporation requests this information for a specific inquiry about domestic debt securities trading, the IDBB customer outside Canada must agree to give it, subject to appropriate confidentiality provisions, additional information, and</li> <li>(v) The agreement must adapt the above requirements to the circumstances of the IDBB customer.</li> </ul> <p>(8) (i) An IDBB must publish a commission schedule showing commissions charged for a trade.</p> <p>(ii) An IDBB must not charge a commission greater than those listed in its commission schedule.</p> <p>(iii) A change to an IDBB's commission schedule may be effective from the date the IDBB gives written notice to all its IDBB customers.</p> <p>(9) (i) An IDBB must have a current operating procedures</p> |
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|  | <p>manual and appropriate enforcement or compliance procedures to ensure its provisions are observed.</p> <p>(ii) The IDBB's operating procedures manual must:</p> <p>(a) have a code of ethics that includes the following:</p> <p>(I) the IDBB will keep confidential all information received from or about its IDBB customers or their activities, unless that information must be disclosed for regulatory or compliance reasons;</p> <p>(II) all IDBB customers will receive fair treatment; and</p> <p>(III) the IDBB will not give to an IDBB customer's employee any gift or other incentive to do business unless it is non-monetary, of minimal value and infrequent such that it will not cause a reasonable person to question whether it created a conflict of interest;</p> <p>and</p> <p>(b) describe the minimum capital requirements for its IDBB customers and the procedure to establish the requirements.</p> <p>(iii) An approved IDBB must provide a copy of its operating procedures manual to each IDBB customer.</p> <p>(iv) The IDBB must give its IDBB customers two weeks prior written notice of any amendment to its operating procedures manual, unless the Corporation approves a shorter notice period.</p> <p>(10) An IDBB must give each of its IDBB customers a daily report that describes the net amount of outstanding deliveries that the IDBB customer had with every other IDBB customer at the previous day's close of business in each of the following categories:</p> <p>(i) domestic debt securities, with 10 years or less to maturity, issued or guaranteed by the Government of Canada or by a Canadian province or municipality,</p> <p>(ii) domestic debt securities with more than 10 years to</p> |
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|  | <p>maturity, issued or guaranteed by the Government of Canada or a Canadian province or municipality,</p> <ul style="list-style-type: none"> <li>(iii) domestic debt securities issued by a corporation,</li> <li>(iv) other debt securities, including domestic debt securities not in another category, and</li> <li>(v) the total amount outstanding in each category.</li> </ul> <p>(11) An IDBB must file with the Corporation:</p> <ul style="list-style-type: none"> <li>(i) within 140 days of its financial year end, summary balance sheet information and an auditor's report, prepared in accordance with generally accepted accounting principles; and</li> <li>(ii) within 60 days of the interim-period date, interim semi-annual balance sheet information prepared in accordance with generally accepted accounting principles.</li> </ul> <p>(12) An IDBB must have its auditor confirm to the Corporation, at least annually, that the IDBB has met the Corporation requirements for continued approval under this Rule. At a minimum, the confirmation must state the following:</p> <p style="padding-left: 40px;">"In the course of our audit, nothing came to our attention that caused us to believe that the company held a position in securities for its own account or dealt with any person that is not eligible to be an IDBB customer of the company under Rule 7300."</p> <p>(13) The parties to an IDBB customer agreement must agree that any disagreement between IDBB customers, or between an IDBB customer and the IDBB, about who is responsible for a financial loss of less than \$100,000 must go to arbitration under the Arbitrations Act (Ontario). The parties must agree that the following provisions govern any arbitration:</p> <ul style="list-style-type: none"> <li>(i) Three arbitrators must resolve the disagreement. The arbitrators must be selected as follows: <ul style="list-style-type: none"> <li>(a) one arbitrator must be the Chair of the Corporation Fixed Income Committee or, if the Chair is involved in the disagreement, the Chair's designate;</li> <li>(b) the parties to the disagreement must unanimously agree on the selection of one</li> </ul> </li> </ul> |
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| <p>Rule 2100.8</p> | <p>arbitrator from among all Corporation-approved IDBBs and their IDBB customers; and</p> <p>(c) the parties must unanimously agree on the selection of one arbitrator who is unconnected to either an IDBB customer or an IDBB. If the parties cannot unanimously agree, then a party may apply to have a judge select one or both arbitrators.</p> <p>(ii) Subject to co-operation from the parties, the arbitrators must make their decision within two weeks of being notified in writing of their appointment. However, the parties may agree on a later notification date.</p> <p>(iii) The parties may not appeal the arbitrators' award under the Arbitrations Act.</p> <p><b>PART C - CHANGES TO CORPORATION REQUIREMENTS FOR IDBBS</b></p> <p><b>7306. Committee review</b></p> <p>(1) The Corporation must consult a committee comprised of representatives of persons that this Rule applies to, including Dealer Members, IDBB customers outside of Canada, and approved IDBBs before the Corporation amends this Rule 7300 or changes its interpretation of this Rule.</p> <p><b>7307. – 7999. – Reserved.</b></p> |
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