

OSC Investor Advisory Panel  
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### **IIROC Rules Notice: Request for Comment**

#### **Re-Publication of Proposed Amendments of Requirement to Disclose Membership in IIROC as a Dealer Member**

The Investor Advisory Panel is pleased to comment on IIROC's re-published amendments requiring dealer members to disclose their membership in IIROC. The IIROC rules currently allow for the optional use of the IIROC name and logo on Dealer Member materials, including letterheads and advertisements, provided that they are used in a manner that complies with Dealer Member Rule 700.

The proposed amendments require Dealer Members to disclose their IIROC memberships and are intended to:

1. promote and raise public awareness of IIROC's regulatory oversight of IIROC-regulated firms and approved investment advisors;
2. educate investors on the benefits and protections of dealing with IIROC-regulated firms and investment advisors; and
3. assist investors to assess the regulatory status of firms and advisors.

#### **General comments:**

As the Panel has stated in the past, IIROC must raise its profile among a retail investing public that is largely unaware of the organization, its role, and how it can help them. While IIROC has in the past attempted to build its brand among the retail investing public by

distributing bookmarks in libraries, the Panel has long urged the organization to cast a wider net. These amendments, in our view, are a critical first step.

**Specific comments:**

*IIROC logo and AdvisorReport*

We support the requirement that IIROC-regulated firms self-identify by placing the IIROC logo on all client account statements. This is an important investor protection initiative that will be particularly helpful as the client relationship disclosures are fully implemented. The Panel is pleased with the new proposal that clients be encouraged to link to AdvisorReport. This requirement will generate awareness of this tool and will encourage individuals to check the records of the advisors they work with.

*Brochure touch points*

We also request clarification on how often the IIROC brochure is to be distributed going forward. Dealer Members are currently required to distribute the brochure on three occasions: at account opening, when a complaint is made, and when a client goes to OBSI. The amendments, as the document is worded, appear to indicate the brochure will be distributed only once. The Panel believes the IIROC brochure should continue to be made available at all three touch points with investors, especially during the complaint process.

*Timing and perceived costs*

Industry costs to implement are minimal and should not have been cited as a factor in IIROC's decision not to proceed with the version of this proposal first introduced some four years ago. IIROC can and should, as envisaged in the draft proposal of 2011, provide firms with the designed logo to be placed at the bottom of account statements next to the CIPF logo, thus sparing firms the already minimal design costs.

Firms should be given no more than the typical grace period (six months) to use up paper inventories for account statements. Any additional delay, given that this proposal has been in consultation limbo for the past four years, is unacceptable in light of the implementation of the also long-delayed client relationship disclosure requirements.