



# CIRO · OCRI

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

## Policy Initiatives Update Report (as at October 15, 2024)

L E G E N D	<b>Orange</b> 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.
	<b>Yellow</b> coding means the initiative may require attention from Dealer Members within the next 3 months.
	<b>Blue</b> coding means the initiative may require attention from Dealer Members within the next 3 to 6 months.
	<b>Green</b> 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 proposing or implementing over the next 12 months. 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 Approval/Implementation Bulletin with an effective date, all next step dates are staff's best estimate.

### Legend for "Rules"

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

We will update this chart on a quarterly basis.

### Table of Contents

IDPCR & UMIR - Rule - Trade Settlement Cycle Transition to T+1	2
IDPCR - Rule - Derivatives Rule Reform	2
IDPCR - Rule - Clarifying Amendments to Registration and Proficiency Requirements	2
IDPCR & MFDR - Rule - Enhanced cost reporting	2
DCR - Rule - Rule Consolidation Project – Phase 4	2
UMIR - Rule - ETFs and Intentional Crosses	2
UMIR - Rule & Guidance - Short Selling and Failed Trades	2
IDPCR & UMIR - Rule - Mandatory Close-out Provision	3
UMIR - Rule - Trading increments for interlisted securities - Harmonization with SEC tick sizes	3
UMIR - Rule - Contingent Derivative Orders	3
IDPCR & MFDR - Rule - Account Transfers	3
IDPCR & UMIR - Rule - Reporting, Internal Investigation and Client Complaint Requirements	3
DCR - Rule - Rule Consolidation Project – Phase 5	4
IDPCR - Rule - Proposed Proficiency Model	4
IDPCR - Rule - Fully paid securities lending and financing arrangements	4
IDPCR & MFDR - Integrated Fee Model	5
DCR - Rule - Rule Consolidation Project – Phase 1	5
DCR - Rule - Rule Consolidation Project – Phase 2	5
DCR - Rule - Rule Consolidation Project – Phase 3	5
Initiatives from the previous Update Report that have been closed and are excluded from this report	6

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Trade Settlement Cycle Transition to T+1	IDPCR & UMIR	Approval published on October 26, 2023 in Rules Bulletin <a href="#">23-0150</a> .	Amendments to support industry's move to T+1 settlement scheduled for 2024.	Amendments effective May 27, 2024.
Derivatives Rule Reform	IDPCR	Approval published on January 18, 2024 in Rules Bulletin <a href="#">24-0014</a> .	Amendments to modernize Dealer Member rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Amendments effective September 28, 2024.
Clarifying Amendments to Registration and Proficiency Requirements	IDPCR	Approval published on June 27, 2024 in Rules Bulletin <a href="#">24-0199</a> .	Amendments to clarify proficiency requirements applicable to Approved Persons.	Amendments effective September 28, 2024.
Enhanced cost reporting	IDPCR & MFDR	Proposed amendments published for comment on October 10, 2024 in Rules Bulletin <a href="#">24-0288</a> . Comment period closes on January 8, 2025.	Develop proposed rule requirements to harmonize with Canadian Securities Administrators' amendments relating to enhanced cost disclosure reporting requirements for investment fund embedded fees.	To be determined based on public comments received.
Rule Consolidation Project – Phase 4	DCR	Proposed amendments to be published for comment on October 17, 2024.	The objective of Phase 4 of the Rule Consolidation Project is to adopt rules that are mostly unique to the IDPC or MFD Rules and have been assessed as having a material impact on stakeholders. The Phase 4 Proposed DC Rules involves the adoption of rules relating to: <ul style="list-style-type: none"> <li>• approval and proficiency for individuals,</li> <li>• managing significant areas of risk, and</li> <li>• business conduct.</li> </ul>	Estimated publication of Request for Comment Bulletin – October 17, 2024.
ETFs and intentional crosses	UMIR	Proposed amendments published for comment on July 18, 2024 in Rules Bulletin <a href="#">24-0213</a> . Comment period closes on October 18, 2024.	Develop proposed amendments respecting ETFs trading at NAV and intentional crosses.	To be determined based on public comments received.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Short Selling and Failed Trades	UMIR	Proposed amendments and guidance published for comment on January 11, 2024 in Rules Bulletin <a href="#">24-0003</a> and <a href="#">24-0004</a> . Comment period closed on April 12, 2024.	Proposed amendments respecting the reasonable expectation to settle a short sale and new guidance on UMIR requirements related to short selling and failed trades.	Estimated publication of Approval – November 2024.
Mandatory Close-out Provision	IDPCR & UMIR	Under development	Developing rule proposal that would introduce a mandatory close-out requirement and impose the requirement to have a reasonable expectation to settle on investment dealers that are not Participants.	Estimated publication of Request for Comments – December 2024.
Trading increments for interlisted securities – Harmonization with SEC tick sizes	UMIR	Under development.	Developing rule proposal to harmonize trading increments for interlisted securities with the tick size changes for tick-constrained securities finalized by the United States Securities and Exchange Commission.	Estimated publication of Request for Comments – January 2025.
Contingent Derivative Orders	UMIR	Under development	Developing rule proposal to facilitate the execution of an order that is contingent on the execution of one or more trades in a related derivative.	Estimated publication of Request for Comments – January 2025.
Account Transfers	IDPCR & 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.	Proposed rule amendments to be finalized and discussed with advisory committees once Account Transfer Working Group recommendations have been finalized – Winter 2024-25.
Reporting, Internal Investigation and Client Complaint Requirements	UMIR & IDPCR	Proposed amendments published for comment on January 13, 2022 in Rules Bulletin <a href="#">22-0009</a> . Comment period closed April 14, 2022.	Amendments to: <ul style="list-style-type: none"> <li>introduce a principles-based reporting requirement which focuses on harm to clients and the capital markets</li> <li>make our reporting requirements clearer and more consistent with regulatory expectations</li> <li>better align our reporting requirements and complaint requirements.</li> </ul>	Proposed amendments will be withdrawn and incorporated into the equivalent rule requirements within the Rule Consolidation Project – Winter 2024-25.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Rule Consolidation Project – Phases 5	DCR	Under development.	<p>The objective of Phase 5 of the Rule Consolidation Project is to adopt rules that are common to the IDPC and MFD Rules and have been assessed as having a material impact on stakeholders.</p> <p>The Phase 5 Proposed DC Rules involve the adoption of rules relating to:</p> <ul style="list-style-type: none"> <li>• financial solvency</li> <li>• books and records and client periodic and transaction reporting</li> <li>• client asset use</li> <li>• outsourcing and service arrangements</li> <li>• continuing education</li> <li>• reporting and handling of complaints, internal investigations and other reportable matters</li> </ul>	Estimated publication of Request for Comments – Winter 2024-25.
Proposed Proficiency Model	IDPCR	Proposed amendments published for comment on July 04, 2024 in Rules Bulletin <a href="#">24-0206</a> . Comment period closed on September 17, 2024.	Amendments to enhance proficiency standards and regime for investment dealers.	Estimated republication of Request for Comments or publication of Approval – Spring 2025.
Fully paid securities lending and financing arrangements	IDPCR	Proposed amendments published for comment on February 15, 2024 in Rules Bulletin <a href="#">24-0067</a> . Comment period closed on April 15, 2024.	<p>Amendments to:</p> <ul style="list-style-type: none"> <li>• enhance the rule framework regarding retail fully paid securities lending,</li> <li>• update rules to address lessons learned from Dealer Members offering fully paid lending programs,</li> </ul> <p>address inconsistencies in the existing financing arrangements rules.</p>	Estimated publication of Approval – Spring 2025.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Integrated Fee Model	IDPCR & MFDR	Proposed integrated fee model published for comment on April 25, 2024 in Rules Bulletin <a href="#">24-0154</a> . Comment period closed on June 24, 2024.	To bring a consistent and harmonized approach to cost recovery that can be applied to all Dealer Members under an integrated Fee Model as required by CIRO's Recognition Orders. There are 3 parts to the changes proposed: <ul style="list-style-type: none"> <li>• Annual Dealer Member Fees,</li> <li>• Membership Application Fees and Fees for Dealer Member Business Changes, and</li> <li>• the Qualified Market Maker Discount.</li> </ul>	Working with the CSA to review comments received and on track for a timely launch for fiscal 2026.
Rule Consolidation Project – Phases 1	DCR	Proposed amendments published for comment on October 20, 2023 in Rules Bulletin <a href="#">23-0147</a> . Comment period closed December 19, 2023.	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 re-publication of Request for Comments together with all phases as one final rulebook – Winter 2025-26.
Rule Consolidation Project – Phase 2	DCR	Proposed amendments published for comment on January 11, 2024 in Rules Bulletin <a href="#">24-0007</a> . Comment period closed March 11, 2024.	The objective of Phase 2 of the Rule Consolidation Project is to adopt rules that are unique to the IDPC Rules or MFD Rules. The Phase 2 DC Rules involve the adoption of rules relating to: <ul style="list-style-type: none"> <li>• margin requirements,</li> <li>• debt markets and Inter-Dealer Bond Brokers (IDBBs), and trading.</li> </ul>	Estimated re-publication of Request for Comments together with all phases as one final rulebook – Winter 2025-26.
Rule Consolidation Project – Phase 3	DCR	Proposed amendments published for comment on April 18, 2024 in Rules Bulletin <a href="#">24-0145</a> . Comment period closed on July 17, 2024.	The objective of Phase 3 of the Rule Consolidation Project is to adopt rules that are common to the IDPC and MFD Rules and have been assessed as not having a material impact on stakeholders. The Phase 3 DC Rules involve the adoption of rules relating to: <ul style="list-style-type: none"> <li>• membership and member business activity approval matters,</li> <li>• clearing and settlement of trades, and trade delivery standards,</li> <li>• examination, investigation, and enforcement.</li> </ul>	Estimated re-publication of Request for Comments together with all phases as one final rulebook – Winter 2025-26.

Initiatives from the previous Update Report that have been closed and are excluded from this report

--	--