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Investment Industry Regulatory Organization of Canada
General Counsel's Office
Suite 2000, 121 King Street West
Toronto, ON M5H 3T9
Email: GCOcomments@iroc.ca

Dear Sirs/Mesdames:

Re: IIROC Arbitration Program Working Group Recommendations

This letter is submitted on behalf of CIBC World Markets Inc. ("CIBC" or "we") in response to the above-referenced recommendations of the Working Group to the IIROC Arbitration Program ("Recommendations").

CIBC applauds IIROC's efforts to effectuate changes to the IIROC Arbitration Program ("Program") and achieve the Program's desired goals of (1) eliminating and preventing administrative inefficiencies, (2) increasing access through adequate resources and reasonable costs, and (3) providing parties with tailored tools to enable an expeditious, fair and affordable process for resolution of their disputes. However, we have concerns about the effect of the Recommendations and would ask that IIROC continue to seek input from all stakeholders in light of the recent merger of IIROC and the Mutual Fund Dealers Association of Canada ("New SRO") and the 2022 *Independent Evaluation of the Ombudsman for Banking Services and Investments.*, and the forthcoming proposals from the Canadian Securities Administrators. To that end, we respectfully provide a few comments on the Recommendations and the Program, in general.

Written Resources for Program Participants

Recommendation Summary:

Create written guidance to assist self-represented and all other Program participants with the arbitration process.

We agree that there should be additional resources made available to investors, however we do not agree that dealers should be required to release all of their files to the claimants. The list of "relevant" documents required from each party, should be stated at the initial stages of the Arbitration based on the claimant's specific claim and the claimant should not be allowed to introduce other allegations later in the arbitration proceedings that would require the firm to produce additional documents to challenge the allegations. If the standard of disclosure in the arbitration process will be similar to that in a civil claim then all evidentiary rules of disclosure that is required in civil litigation should also be observed. In addition, the Program procedures should be clear as to who makes the determination as to the "relevancy" of the documents. This could be decided by a case management arbitrator as suggested in Recommendation #12

Quality of Arbitration

Recommendation Summary:

Provide more quality control and transparency about the arbitration roster.

It has been our experience that the efficiency and the efficacy of the Program depends on the quality of the arbitrators. We agree that for quality control and transparency of the Program that there should be more emphasis on the requirements of an arbitrator similar to arbitrator qualification administered under Financial Industry Regulatory Authority ("FINRA"). There should be disclosure of the qualifications of the arbitrators such as their education, training, list of cases in which they participated, in order that both parties to the process make an informed decision in their selection of arbitrators. This can be achieved if all arbitrators are approved by IIROC based on their qualifications and investment knowledge and experience, as suggested.

If the arbitration is to proceed with a panel of arbitrators then we suggest that the panel should be balanced with legal, industry parties (i.e.. a person that had previous ties to the industry) and an investor advocate individual to avoid the claim of bias that is often levelled by investors against the industry arbitration programs.

Additionally, since not all arbitrators are equally knowledgeable of securities laws, there should be rigorous training of arbitrators on various topics including trading rules, suitability determination, loss calculations, account transfers, advisor duties and responsibilities and such training materials should be made public in order to improve transparency in the selection process.

Parties' Representation

Recommendation Summary:

Permit claimants to represent themselves and, where permitted by law and authorized by the arbitrator, be represented by an agent other than a lawyer.

We do not agree that the claimants should be able to choose any agent as their representative in the arbitration process . It has been our experience that many claimants are too inexperienced and lack the necessary knowledge to be self-represented in an arbitration hearing. This will be particularly problematic if the arbitration awards are increased to the suggested award limit of \$1,000,000.

We believe that in order for the system to be a fair and efficient process, it is necessary that all parties have appropriate representation based on the types of claims involved. For instance, for more complex cases involving derivatives or complex trading strategies, different rules as to the involvement of less knowledgeable agents or arbitrators must apply.

We suggest that the better alternative would be to engage with pro bono legal clinics and/or legal counsel to provide free legal assistance to self- represented claimants through the Program as suggested in Recommendation #8.

Part 3. Recommendations for Further Consultation

While we agree with most of the Recommendations put forward by the Working Group, we believe overall that there should be a more fulsome industry consultation in light of the creation of the New SRO and the upcoming policy initiatives proposed by the CSA.

We would welcome a more transparent process with clear rules and procedures, preferably with a case manager who is knowledgeable in securities law and industry practices. This will assist in accomplishing many of the goals of the Program with respect to efficiency, fairness and access to justice.

Thank you for providing the opportunity to comment on the Recommendations of the Working Group. Should you have any questions about our comments, please feel free to contact us.

Sincerely,

/s/ Joanne Sewell

Joanne Sewell
CIBC Legal Department