



# CIRI • OCRI

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

## Policy Initiatives Update Report (as at January 16, 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.
	Blue 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 implementing over the next 12 months and/or that we have published for comment. 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.

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INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Floating Index Margin Methodology	IDPCR	Approval published on May 18, 2023 in Rules Bulletin <a href="#">23-0072</a> .	Amendments to reduce procyclicality in the formula.	Amendments effective August 8, 2023.
Housekeeping Amendments to Mutual Fund Dealer Form 1	MFDR	Approval published on October 26, 2023 in Rules Bulletin <a href="#">23-0157</a> .	Housekeeping amendments to Part II – Report on compliance for insurance and segregation of cash and securities to ensure compliance with current auditing standards.	Amendments effective October 26, 2023.
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.
Rule Consolidation Project – Phase 2	DCR	Proposed amendments published for comment on January 11, 2024 in Rules Bulletin <a href="#">24-0007</a> .	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</li> <li>• trading.</li> </ul>	Comment period ends March 11, 2024.
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> .	Proposed amendments respecting the reasonable expectation to settle a short sale and new guidance on UMIR requirements related to short selling and failed trades.	Comment period ends April 12, 2024.
Derivatives Rule Reform	IDPCR	Proposed amendments republished for comment on July 13, 2023 in Rules Bulletin <a href="#">23-0092</a> . Comment period closed on August 14, 2023.	Amendments to modernize Dealer Member rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Estimated publication of Approval Bulletin – January 2024.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Margin requirements for structured products (principal-protected notes and principal-at-risk notes)	IDPC	Proposed amendments republished for comment on July 20, 2023 in Rules Bulletin <a href="#">23-0095</a> . Comment period closed September 18, 2023.	Amendments to: <ul style="list-style-type: none"> <li>establish specific margin rates for structured products that meet eligibility criteria</li> <li>allow an alternative component-based margin methodology for structured products with a guarantee component.</li> </ul>	Estimated publication of Approval Bulletin – February 2024.
Fully paid securities lending and financing arrangements	IDPCR	Under development.	Amendments to: <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> <li>address inconsistencies in the existing financing arrangements rules</li> </ul>	Estimated publication of Request for Comment Bulletin – February 2024.
Auditor's reports and agreed-upon procedures reports	IDPCR and MFDR	Under development.	Housekeeping amendments to MFD Rules and IDPC Rules and the corresponding Form 1 auditor's reports and agreed-upon procedures reports to comply with new auditing standards.	Estimated publication of Approval Bulletin – February 2024.
Proficiency Requirements	IDPCR	Proposed amendments published for comment on August 31, 2023 in Rules Bulletin <a href="#">23-0096</a> . Comment period closed on October 2, 2023.	Amendments to clarify proficiency requirements applicable to Approved Persons.	Estimated publication of Approval Bulletin – Spring, 2024.
Rule Consolidation Project – Phase 3	DCR	Under development.	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 publication of Request for Comment Bulletin – Spring, 2024.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Account Transfers	IDPC & 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.	Estimated publication of Request for Comment Bulletin – Spring, 2024.
Reporting, Internal Investigation and Client Complaint Requirements	UMIR & IDPC	Proposed amendments published for comment on January 13, 2022 in Rules <a href="#">Notice 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>	Estimated re-publication of Request for Comments – Summer, 2024.
Rule Consolidation Project – Phase 1	DC	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 publication of Approval Bulletin – To be determined.
Initiatives from the previous Update Report that have been closed and are excluded from this report				