

## Policy Initiatives Update Report (as at January 16, 2023)\*

\* This report describes ongoing policy initiatives and does not include priority initiatives resulting from the SRO consolidation.

<b>L E G E N D</b>	<b>Orange</b> coding means the initiative has been published in its final form and is currently <b>in the implementation phase</b> . This may require <b>immediate</b> attention from Dealer Members.
	<b>Yellow</b> coding means the initiative may require attention from Dealer Members within the <b>next 3 months</b> .
	<b>Blue</b> coding means the initiative may require attention from Dealer Members within the <b>next 3 to 6 months</b> .
	<b>Green</b> coding means the initiative may require attention from Dealer Members within the <b>next 6 to 12 months</b> .

### 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 Implementation Notice or Notice of Approval with an effective date, all next step dates are staff's best estimate.

### Legend for "Rules"

- [Investment Dealer and Partially Consolidated Rules](#) – **IDPC**
- [Mutual Fund Dealer Rules](#) – **MFDR**
- [Universal Market Integrity Rules](#) – **UMIR**

We will update this chart on a quarterly basis.

### Table of Contents

UMIR - Rule - Listed Derivatives Trading	2
UMIR – Rule - Codification of certain UMIR exemptions	2
IDPC - Rule & Form 1 - Amendments on the futures segregation and portability customer protection regime	2
IDPC - Rule - Floating Index Margin Methodology	2
IDPC - Rule - Partial Swap Offsets	2
IDPC & MFDR - Guidance - Communications with the Public Guidance Note Update	2
IDPC - Rule & Guidance - Proposed Amendments and Guidance regarding Delegation Requirements	3
IDPC - Rule - Proficiency Requirements	3
IDPC - Rule - Derivatives Rule Reform	3
IDPC - Rule - Proposed margin requirements for structured products	3
IDPC - Rule - Trade Settlement Cycle Transition to T+1	3
IDPC - Rule - Institutional Credit and Custody Risk	4
UMIR & IDPC - Rule - Reporting, Internal Investigation and Client Complaint Requirements	4
Initiatives from the previous Update Report that have been closed and are not included in this Update Report	4

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Listed Derivatives Trading	UMIR	Notice of Approval published on September 15, 2021 in Rules Notice <a href="#">22-0140</a> .	Amendments to accommodate the trading of listed derivatives.	Amendments effective December 14, 2022.
Codification of certain UMIR exemptions	UMIR	Notice of Approval published on December 1, 2022 in Rules Notice <a href="#">22-0185</a> .	Amendments to codify commonly granted exemptions to allow trading of a listed security: <ul style="list-style-type: none"> <li>off-marketplace when the security is subject to a statutory resale restriction, and</li> <li>outside of Canada during a regulatory halt under certain conditions.</li> </ul>	Amendments effective March 1, 2023.
Proposed Amendments to the IROC Rules and Form 1 relating to the futures segregation and portability customer protection regime	IDPC	Notice of Approval published on December 15, 2022 in Rules Notice <a href="#">22-0191</a> .	Amendments to: <ul style="list-style-type: none"> <li>provide consistency with CDCC segregation and portability model</li> <li>reduce commingling of futures business and other business lines not subject to segregation and portability regime.</li> </ul>	Amendments effective March 1, 2023 and December 31, 2024.
Floating Index Margin Methodology	IDPC	Proposed amendments published for comment on April 28, 2022 in Rules Notice <a href="#">22-0063</a> . Comment period closed June 27, 2022.	Amendments to reduce procyclicality in the formula.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Winter, 2023.
Partial Swap Offsets	IDPC	Proposed amendments published for comment on August 4, 2022 in Rules Notice <a href="#">22-0122</a> . Comment period closed on October 3, 2022.	Proposed amendments to permit reduced margin for swap position partial offsets held in inventory.	Estimated publication of Notice of Approval or re-publication of Request for Comments – Winter, 2023.
Communications with the Public Guidance Note Update	IDPC & MFDR	Guidance note update under development.	Update to clarify our expectations when: <ul style="list-style-type: none"> <li>using social media for communicating with clients and the public, including endorsing or sharing third party content, or engaging with social media influencers</li> <li>promotional content, including “gamification” and other behavioural techniques with game-related elements, amounts to a recommendation which triggers suitability determination and other requirements.</li> </ul>	Estimated publication of Request for Comments – Spring 2023.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Proposed Amendments and Guidance regarding Delegation Requirements	IDPC	Proposed amendments and guidance under development.	Amendments and guidance to: <ul style="list-style-type: none"> <li>clarify how we expect Dealer Members and individuals required to perform a specific function to delegate, outsource and automate tasks and activities,</li> <li>codify delegation, outsourcing and automation best practices, and</li> <li>further specify which tasks and activities cannot be delegated.</li> </ul>	Estimated publication of Request for Comments – Spring, 2023.
Proficiency Requirements	IDPC	Proposed amendments under development.	Amendments to clarify proficiency requirements applicable to Approved Persons.	Estimated publication of Request for Comments – Spring, 2023.
Derivatives Rule Reform	IDPC	Proposed amendments and draft guidance initially published for comment on November 21, 2019 in Rules Notice <a href="#">19-0200</a> .  Proposed amendments republished for comment on April 14, 2022 in Rules Notice <a href="#">22-0055</a> . Comment period closed on June 13, 2022.	Amendments to modernize Dealer Member rule requirements for derivatives and to materially harmonize with proposed CSA OTC derivatives business conduct and registration requirements.	Estimated re-publication of Request for Comments – Summer, 2023.
Proposed margin requirements for structured products (principal-protected notes and principal-at-risk notes)	IDPC	Proposed amendments published for comment on February 25, 2021 in Rules Notice <a href="#">21-0032</a> .  Comment period closed April 12, 2021.	Introduces amendments to: <ul style="list-style-type: none"> <li>require a margin rate of 70% 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 re-publication of Request for Comments – Summer, 2023.
Trade Settlement Cycle Transition to T+1	IDPC	Proposed amendments under development.	Amendments to support industry’s move to T+1 settlement scheduled for 2024.	Estimated publication of Request for Comments – Summer 2023.

INITIATIVE	RULES	STATUS	DESCRIPTION	NEXT STEPS
Institutional Credit and Custody Risk	IDPC	Proposed amendments under development.	Amendments to update institutional counterparty and custodian definitions including re-evaluating margin requirements on institutional accounts.	Estimated publication of Request for Comments – Winter, 2023-2024.
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 – Winter, 2023-2024.
<b>Initiatives from the previous Update Report that have been closed and are not included in this Update Report</b>				