

# NEWS RELEASE

*For immediate release*

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## **National Survey: Investors Support Proposed IIROC Enforcement Alternatives**

*Canadians favour flexible, proportionate approach to discipline*

**November 8, 2018 (Toronto, Ontario)** – A majority of Canadian investors surveyed for the Investment Industry Regulatory Organization of Canada (IIROC) support the regulator’s proposals to provide alternative approaches to enforcement that would encourage early settlement of disciplinary cases and divert minor rule violations away from lengthy hearings.

[The survey](#) of 1,011 investors across Canada was part of IIROC’s public consultation to gather input from a variety of stakeholders on its proposals, which were published earlier this year. The survey conducted for IIROC by The Strategic Counsel found:

- 76 per cent support an early settlement program to encourage resolution of disciplinary cases before they reach an IIROC disciplinary hearing panel;
- 63 per cent support more flexibility in dealing with minor violations, such as inadvertent or unintentional actions that result in little or no harm to investors;
- Strong agreement (70-85 per cent) that serious violations, such as those that cause significant harm to investors or demonstrate a history of disciplinary issues, should result in a formal hearing before an IIROC panel.

One part of [the proposals](#) that investors wanted the regulator to consider changing was the proposed fine levels for minor rule violations – \$2,500 for individuals and \$5,000 for firms. Most investors surveyed found these amounts were too low.

As well, more than half believed that IIROC should publish the names of firms or individuals in all cases of rule breaches, including minor violations. Overall, the investors surveyed believed that implementing the changes would be important to improving IIROC’s effectiveness in enforcement. Many also indicated that the changes would increase their confidence in investing, the Canadian investment industry and markets, as well as their regulation.

“It’s important that Canadian investors have a voice and the ability to provide their input on our regulatory proposals,” said Elsa Renzella, Senior Vice-President, Registration and Enforcement. “We will carefully consider this input, along with the comments received, in refining our alternative discipline proposals.”

IIROC created its online Investor Panel last year to provide investors with a mechanism to provide input to its policy development process and other issues important to the public interest regulator. The Strategic Counsel conducts surveys of the online pool of 10,000 investors, ensuring a representative sample and independent analysis of their responses.

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IIROC is the national self-regulatory organization that oversees all investment dealers and their trading activity in Canada’s debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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