

# IIAC Successes 2011

Since its inception in 2006, IIAC has achieved many successes which have helped shape the investment industry, benefiting IIAC members and the investing public. Here is a snapshot of key highlights from 2011:

## Market advancement

- IIAC leveraged independent Canadian market data pricing practice study, which concluded certain marketplaces have taken advantage of their dominance to overprice for market data, to negotiate data price reductions averaging 7.4 per cent.
- IIAC engaged in extensive consultations that contributed to important structural and governance recommendations made by the independent consultant to the Ombudsman for Banking Services and Investments (OBSI) to rebuild confidence in the ombudsman process.
- IIAC convinced Canada Mortgage and Housing Corporation to provide public access to its adjustable rate calculator for mortgage-backed securities via third-party vendors such as Bloomberg to help market participants value and trade these products, contributing to more efficient markets.
- IIAC advocated for improvements to the federal framework for Pooled Registered Pension Plans, a new savings vehicle offered by financial institutions, to strengthen the future retirement income of Canadians, while ensuring group RRSPs and RRSPs remain competitive options.
- IIAC encouraged the Department of Finance to accelerate tax treaty negotiations with Hong Kong to enable Canadian dealers to expand their wealth management business in the Far East and encourage Asian companies to establish subsidiaries in Canada.
- IIAC succeeded in expanding the British Columbia Securities Commission exemption order for disclosure requirements on private placements, facilitating dealer and issuer participation in capital raising through the B.C. private placement market.

## Advocacy

- IIAC obtained a limited and conditional exemption from FINRA's registration of operating personnel for institutional transactions involving foreign securities in foreign markets to facilitate the clearing and settlement of these transactions.
- IIAC advocacy resulted in an extension of 6-24 months for the U.S. Foreign Account Tax Compliance Act (FATCA), providing members with additional time for a more cost-effective and efficient implementation of requirements. In 2011, IIAC was a leading voice in the Canadian financial industry, engaging the U.S. government, IRS, and Treasury in an ongoing dialogue on the proposed FATCA regime and its effect on Canadian FIs and the capital markets.
- IIAC obtained an U.S. Securities and Exchange Commission (SEC) safe harbour permitting Canadian dealers to carry out transactions in fee-based registered retirement accounts with clients with an established broker relationship in Canada.
- IIAC obtained compliance relief from IIROC's Client Relationship Model (CRM) and extended the transition periods for implementation of CRM rules, providing more time for efficient implementation of the requirements.
- IIAC contributed to the withdrawal of problematic Do Not Email regulations, enabling members to continue online communications with clients to increase business, pending more industry consultation to ensure these regulations are consistent with current industry practices.
- IIAC contributed to further development of Canadian Securities Administrators "notice-and-access" and electronic communications rules, to improve the effectiveness of communications and proxy voting systems in Canada, and lower costs for issuers, dealers and shareholders through reduced-paper documents.
- IIAC won an additional one-year exemption from the U.S. Securities and Exchange Commission (SEC) Rule 17-g5, which has far-reaching implications for arrangers of structured finance transactions, providing members with more time to complete cost-effective and efficient implementation of the requirements.
- IIAC successfully argued for Canadian Income Tax Act amendments to continue permitting plan-to-plan swaps between RRSPs and RRIFs (and between TFSA's) of the same client, giving clients flexibility, and to provide additional transitional relief for swaps of non-qualified and prohibited investments.
- IIAC maintained active dialogue with the Canadian government and the U.S. Department of the Treasury on U.S. tax reporting issues, achieving guidance clarifying filing requirements and penalty relief for U.S. and dual citizens residing outside the U.S.



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## Profile and reputation

- IIAC celebrated fifth anniversary as an association for the Canadian securities industry in April 2011.
- IIAC reinforced the value of a trusted advisor to investors and contributed positively to the profile and reputation of IIAC members and the investment industry, through an investor-education-focused launch of the “Investing Today” section in the National Post.
- IIAC raised awareness of the importance of the relationship between investors and their advisors through weekly “Advisor/Client” profiles in the “Investing Today” series in the National Post.
- IIAC proactively raised awareness of topical issues through op-eds in trade and general media, including Investment Executive and the National Post, and through speeches at events such as the OSC Dialogue.
- IIAC increased the investment industry’s profile through media coverage and industry awareness of the third annual IIAC Future Leader Scholarship Award Competition, designed to recognize the outstanding achievements of an employee from an IIAC member firm.
- IIAC increased its brand awareness with the investing public through the launch of a user-friendly public website.
- IIAC launched a new members-only website for IIAC member firms and their employees.
- IIAC executed successful industry events, including the IIAC annual conference, SIFMA / IIAC Canada-U.S. Summit, two IIAC Small Dealers Committee conferences, Industry AM seminars and the Investment Outlook Luncheon Series, providing knowledge transfer and networking opportunities to IIAC members and the investment industry.

## Member support

- IIAC obtained an amendment to the IIROC Notice dealing with the identification of reporting insiders that reinstated the previous position of requiring members to identify all insiders.
- IIAC created templates to help members comply with the referral provisions in National Instrument 31-103, registration reform.
- IIAC coordinated development of templates and guidance to assist members comply with Do Not Call regulations.
- IIAC persuaded the Montreal Bourse regulatory division to delay the effective date of the Large Open Position Reporting (LOPR) requirements by nine months, providing members with needed time for effective implementation of systems and operational changes.
- IIAC persuaded IIROC to prepare formal guidance on the use of social media to provide members with a clearer explanation of the SRO’s expectations.
- IIAC obtained one-year conditional administrative relief from the CRA for new non-resident tax reporting rules to permit more efficient and simultaneous implementation of account owner verification and system requirements for Canadian and U.S. tax requirements.
- IIAC facilitated seminars and meetings with the U.S. Department of Treasury and the IRS to provide additional guidance on FATCA, Cost Basis Reporting requirements, and Qualified Securities Lender Certifications.
- IIAC developed an industry standard template for U.S. Cost Basis Reporting Transfer Statements.
- IIAC worked with other sectors of the financial community to develop a FATCA FAQ document for clients of member firms.
- Helped keep Canadian dealer access to U.S. NASDAQ ACT clearing service, which facilitates cost-effective cross-border securities transactions.