IIROC & MFDA Release Enforcement Reports

September 22, 2019

Both IIROC and MFDA released their annual enforcement reports at the beginning of summer, which can be found here (IIROC) and here (MFDA).

IIROC

IIROC highlighted its success in obtaining greater legal authority in five more provinces and three territories, for a total of eight provinces. This significantly expands IIROC (and the MFDA's) ability to collect and enforce fines through the courts and compel evidence and witnesses from non-registrants.

It also noted that its focus continued to be on seniors, with an emphasis on suitability. Seniors cases represented the greatest portion of cases (one third of all cases reviewed and a quarter of all prosecutions).

It highlighted numerous completed cases, with a particular emphasis on conflicts of interest and suitability.

MFDA

The MFDA report focused on its "significant increase in enforcement activity" for 2018 by highlighting that it commenced 136 proceedings in 2018 (the highest amount of proceedings to date). It also noted that it concluded several hearings resulting in 19 permanent prohibitions, 41 suspensions against Approved Persons and levied $6,080,031 in fines and $592,000 in costs.

The most common type of allegations in 2018 was pre-signed forms (74 proceedings), followed by policies and procedures (45) and active signature falsification (27).

It also emphasized its new sanction guidelines which came into effect in November 2018 which are intended to promote consistency, fairness and transparency.

As part of its key enforcement activity going forward, it highlighted sales incentive practices, reasonable supervisory investigations, concentration and KYC uniformity and branch reviews.

By

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Expertise

Securities Disputes

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