IIROC: OEO Firms Should no Longer Follow Section 2 of Notice 18-00075

August 24, 2018

In the wake of CSA releasing its Staff Notice 81-330 *Status Report on Consultation on Embedded Commissions and Next Steps*, IIROC has suspended section 2 of Notice 18-00075. The notice sets out IIROC's expectation of how order execution only ("OEO") firms address conflicts of interest arising from the offering of funds that pay a trailing commission described as a payment for advice and services. In a release dated August 14, 2018, IIROC noted that it anticipates publishing proposed amendments to its requirements concerning embedded commissions and therefore until the requirements have been finalized, a suspension of section 2 is appropriate. It also noted that OEO firms are still required to follow IIROC's rules concerning conflicts of interest considering the best interest of their clients.

By

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