



Canadian Foundation *for*
Advancement *of* Investor Rights

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RE: Request for Comment - Requirement to Disclose Membership in IIROC as Dealer Member

FAIR Canada is pleased to offer comments on the Investment Industry Regulatory Organization of Canada's ("IIROC") request for comment regarding the proposed requirement to disclose membership in IIROC as a dealer member, as set out in the proposed amendments to Dealer Member Rule 700 ("Rule 700") as well as a proposed new IIROC membership disclosure policy (the "Disclosure Policy") (collectively the "Proposals").

FAIR Canada is a national, non-profit organization dedicated to putting investors first. As a voice of Canadian investors, FAIR Canada is committed to advocating for stronger investor protections in securities regulation. Visit www.faircanada.ca for more information.

FAIR Canada Comments and Recommendations – Executive Summary:

1. FAIR Canada supports efforts to promote and raise awareness of IIROC, its regulatory function, and to help investors assess the regulatory status of member firms and/or individual registrants.
2. FAIR Canada supports IIROC's introduction of an obligation for Dealer Members to disclose membership in IIROC through the Disclosure Policy.
3. FAIR Canada strongly supports the "Regulated by" text in the IIROC Official Logo.
4. FAIR Canada suggests that IIROC further promote awareness of its AdvisorReport to the investing public to encourage Canadian investors to verify the background of IIROC-regulated individuals from whom they may wish to seek advice or other investment services.

1. Public Awareness

- 1.1. FAIR Canada supports efforts to promote and raise awareness of IIROC, its regulatory function, and to help investors assess the regulatory status of member firms and/or individual registrants.
- 1.2. In particular, it is important for investors to know about the additional regulatory requirements and oversight IIROC provides and the fact that IIROC member firms are backed by a compensation fund, namely the Canadian Investor Protection Fund (“CIPF”). This is particularly important given the lack of a comprehensive national compensation scheme for investors in Canada.
- 1.3. Additionally, the information provided by IIROC’s AdvisorReport is of great assistance to investors in undertaking a background check on advisors.

2. IIROC Membership Disclosure Policy

- 2.1. FAIR Canada supports IIROC’s introduction of an obligation for Dealer Members to disclose membership in IIROC through the Disclosure Policy. Requiring Dealer Members to disclose their membership in IIROC at their business locations, online, and on each trade confirmation and account statement sent to a client will increase investors’ awareness of and familiarity with IIROC.
- 2.2. FAIR Canada also supports the requirement under the Disclosure Policy to distribute the current version of the IIROC Official Brochure (the “Brochure”) to (1) new clients at time of account opening; and (2) existing clients, upon request. However, we would suggest that to further the objectives of the Proposals, the Brochure should be sent to all existing clients upon the adoption of the Proposals. Alternatively, we would recommend that Dealer Members be required to make existing clients aware that the Brochure is available upon request.

3. IIROC Official Logo

- 3.1. FAIR Canada strongly supports the “Regulated by” text in the IIROC Official Logo. We believe that these words improve clarity to investors as to the function of IIROC and may encourage or prompt clients to better inform themselves about the regulation of the Dealer Member with whom they deal.

4. AdvisorReport

- 4.1. FAIR Canada also suggests that IIROC further promote awareness of its AdvisorReport to the investing public to encourage Canadian investors to verify the background of IIROC-regulated individuals from whom they may wish to seek advice or other investment services.

We thank you for the opportunity to provide our comments and views in this submission. We welcome its public posting and would be pleased to discuss this letter with you at your convenience. Feel free to contact Ermanno Pascutto at 416-214-3443/ ermanno.pascutto@faircanada.ca or Ilana Singer at 416-214-3491/ ilana.singer@faircanada.ca.

Sincerely,



Canadian Foundation for Advancement of Investor Rights