

CLS Compliance Conference

Best Execution and Order Protection

December 6, 2016

Best Execution

Proposed Amendments arose from:

- concerns arising from the results of IIROC's Best Execution Survey
- proposed amendments by CSA regarding disclosure of best execution policies and procedures
- suggestions made at roundtable discussing alternatives to Proposed Dark Rules Anti-Avoidance Provision and the practice of systematic routing of retail orders to U.S. broker-dealers

Best Execution

Proposed changes include:

- consolidation of rules
- establish and review best ex policies and procedures
- training
- public disclosure
- sending of client orders in bulk to a foreign intermediary without considering other liquidity sources is not in compliance with achieving best execution

Best Execution

Proposed Changes to 2015 Proposal:

- new section for non-Executing Dealer Members
- removal of certain OTC transaction requirements and return to guidance
- simplified language

Best Execution

Still to come....

- working with CSA to develop standardized quantitative dealer disclosure
- work to begin later this year