



IIAC Establishes Operations and Technology Committees

Introduction

The *2015 IIAC Survey of Investment Industry CEOs* indicated that the biggest negative factor affecting the performance of our investment dealer Member firms has been the relentless rise in operating costs in recent years. The high cost of technology, to meet regulatory compliance and improve operating efficiencies, has been a major factor. Ninety per cent of firms surveyed said they expect to spend more or about the same on technology in 2016 than they did in 2015.

The increased application of technology, and competitive pressures on costs, have increased the importance of understanding emerging technology trends to benefit business needs (e.g. front and back offices, security, big data) and identifying opportunities for industry project collaboration.

The IIAC is establishing two Operations and Technology Committees and related working groups to assist Member firms meet this challenge.

The Mandate of the Committees

The IIAC Operations and Technology Committees and related working groups will provide a forum for Member firms to discuss emerging technology trends and innovations to assist firms identify technology to manage operations more efficiently and cost-effectively to facilitate compliance and risk mitigation. The Committees and working groups will provide an important industry voice on technology matters in discussions with regulators, exchanges, vendors and other market participants, as well as input and assistance to other IIAC Committees. They will also explore opportunities for technical collaboration between IIAC Member firms.

IIAC Committees

The IIAC has canvassed many Member firms for their interests and views on the Committee structure and relevant issues for discussion. The overall response to establishing IIAC Operations and Technology Committees has been overwhelmingly positive. A consensus has emerged that the industry technology agenda can be best tackled through various designated committees and working groups.

As a start, the IIAC has identified two Committees: The *Equity Infrastructure Committee* and the *Market Data Committee*.

- Equity infrastructure broadly refers to the hardware, software and communications technology used in the delivery and distribution of order information and order execution.
- Market data is broadly defined as the collection of financial information from securities markets covering all asset classes—including pricing and quotations—required for decision support and analysis.

The agenda of the two Committees will be fleshed out in more detail by the Committee participants at the initial meetings.

Addressing the Needs of Small Dealer Firms

The IIAC determined from Member consultations that the technology needs of small dealers are best addressed by establishing a separate, independent Committee. This Small Dealer Operations and Technology Committee will be established early this year.

Final Thoughts

The IIAC would like to hear from you. If you are interested in participating on the *Equity Infrastructure Committee*, the *Market Data Committee* or the *Small Dealer Operations and Technology Committee*, please email both:

Annie Sinigagliese, IIAC staff liaison, at ASinigagliese@iiac.ca; and

Jim Davies, IIAC Advisor on this project, at JDavies@iiac.ca.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'IWR', with a long horizontal line extending to the right below it.

Ian C. W. Russell, FCSI
President and CEO
Investment Industry Association of Canada (IIAC)