



INVESTMENT DEALERS
ASSOCIATION OF CANADA

bulletin



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

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For distribution to relevant parties within your firm

BULLETIN #3388

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By-Laws and Regulations

Housekeeping Amendment to the General Notes and Definitions to Form 1 – Definition of “Acceptable Securities Locations”

The Board of Directors of the Association has approved a housekeeping amendment to the General Notes and Definitions to Form 1 relating to the definition of “acceptable securities locations.” This amendment is effective immediately and enclosed as Attachment #1.

The objective of the amendment is clarify that a Member firm is not required to enter into a custodial agreement with a bank or trust company that is otherwise classified as an acceptable counterparty regarding securities for which the bank or trust company acts as a transfer agent and provided that these securities are there for re-registration and not for custody. It was felt that the above exemption from the requirement to execute a written custody agreement required clarification, because transfer agents offer other services in addition to securities re-registration, and a Member firm could incorrectly interpret and apply the exemption to those other services.

The amendment will make it more apparent to Member firms the situations that the exemption from the requirement to execute a written custody agreement applies.

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INVESTMENT DEALERS ASSOCIATION OF CANADA
GENERAL NOTES AND DEFINITIONS TO FORM 1 – DEFINITION OF “ACCEPTABLE SECURITIES LOCATIONS”

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendment to the By-laws, Regulations, Forms and Policies of the Association:

1. The General Notes and Definitions to Form 1 part (d) “acceptable securities locations”, line 4 is amended by adding the words “and for which custody services are not being provided,” and now reads as follows:
 - “4. Banks and Trust Companies otherwise classified as Acceptable Counterparties - with respect to securities for which they act as transfer agent and for which custody services are not being provided (in such case, a written custody agreement is not required).”

PASSED AND ENACTED BY THE Board of Directors this 15th day of June 2004, to be effective on a date to be determined by Association staff.