



INVESTMENT DEALERS  
ASSOCIATION OF CANADA

# bulletin



ASSOCIATION CANADIENNE DES  
COURTIERS EN VALEURS MOBILIÈRES

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**BULLETIN #3529**

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## **By-Laws and Regulations Housekeeping Amendments to By-law 2: Eliminating the Reference to District Association Auditors**

The Association's Board of Directors approved amendments to By-law 2, to be effective immediately.

In July 2004, the Association removed most of the references to District Association Auditors and Alternate District Association Auditors (collectively, "DAAs") in the rules, however, two references to DAAs were overlooked and were not removed during the process. The current amendments ensure that all references to DAAs are eliminated from the rules. The amendments also serve to remove the option of relying on the financial review performed by the Bourse de Montréal Inc. (the "Bourse") that was set out in By-law 2.13 to reflect the fact that the Bourse transferred its membership regulation functions to the IDA.

The objective of the amendments is to ensure that there is consistency throughout the rules.

A copy of the amendments is attached.

Kenneth A. Nason  
*Association Secretary*

**INVESTMENT DEALERS ASSOCIATION OF CANADA**  
**AMENDMENTS TO BY-LAW 2 – ELIMINATING THE REFERENCE TO**  
**DISTRICT ASSOCIATION AUDITORS AND OTHER HOUSEKEEPING**  
**AMENDMENTS**

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

1. By-law 2.11 is amended by deleting the following:  
“(a)”
2. By-law 2.12 is repealed and replaced as follows:  
“Notwithstanding the provisions of By-law 2.10, if an applicant for Membership is a related company of a Member which confirms its intention to continue its Membership in the Association, the Vice-President, Financial Compliance may determine, in his or her discretion, what financial information is required.”
3. By-law 2.13 is repealed.
4. By-law 2.14 is repealed and replaced as follows:  
“The Membership approval process as set out in By-law 20 shall apply once:
  - (a) the Secretary has notified Members pursuant to By-law 2.9 and the fifteen day period referred to therein has expired;
  - (b) the applicable District Council receives the Membership application from the Secretary; and
  - (c) a period of six months or such lesser period as the District Council may in any particular case determine has expired.”

PASSED AND ENACTED BY THE Board of Directors this 18th day of January 2006,  
to be effective on a date to be determined by Association staff.

## BLACKLINED CHANGES TO BY-LAW 2

- 2.11 Notwithstanding the provisions of By-law 2.10~~(a)~~, if an applicant qualifies for exemption from payment of the Entrance Fee pursuant to By-law 3, the applicable District Council may waive any of the conditions relating to an application for Membership that it considers appropriate in the circumstances of the particular case.
- 2.12 Notwithstanding the provisions of By-law 2.7~~10~~, if an applicant for Membership is a related company of a Member which confirms its intention to continue its Membership in the Association, the Vice-President, Financial Compliance ~~and the District Association Auditors~~ may determine, in ~~their~~ his or her discretion, what financial information is required.
- ~~2.13. Notwithstanding the provisions of clause (a) of By-law 2.7, if an applicant is an approved participant of the Bourse de Montréal Inc. such applicant may, in lieu of the financial statements referred to in said clause (a), submit to the Association its latest audited Form 1 together with~~
- ~~(i) A copy of the last monthly financial report filed by such applicant with the Bourse de Montréal Inc.; and~~
- ~~(ii) A “comfort” letter from the Bourse de Montréal Inc. relating to the applicant’s standing with the Bourse de Montréal Inc. in compliance, disciplinary and regulatory matters and in a form which is satisfactory to the Association. If such applicant wishes to transfer to the Association’s audit jurisdiction, the applicant shall submit to the Association audited financial statements as of a date not more than 90 days prior to the date of application for transfer.~~
- 2.14~~13~~. The Membership approval process as set out in By-law 20 shall apply once:
- (a) the Secretary has notified Members pursuant to By-law 2.6~~9~~ and the fifteen day period referred to therein has expired;
- (b) the applicable District Council receives the Membership application from the Secretary; and
- ~~(c) the applicable District Council receives the notification from the District Association Auditors pursuant to By-Law 2.8; and~~
- ~~(d)~~ a period of six months or such ~~letter~~ lesser period as the District Council may in any particular case determine has expired.
- 2.15~~14~~. The Secretary shall compute the Annual Fee payable by the application pursuant to By-law 3.2 and provide such computation to the Board of Directors.
- 2.16~~15~~. The applicant shall become a Member if and when:
- (a) The application has been approved by the Board of Directors;
- (b) the applicant has been duly licensed or registered to carry on business as a securities dealer under the applicable law of the province or provinces or territories in which the applicant carries on or proposes to carry on business; and
- (c) the Entrance Fee and Annual Fee have been paid in full.
- 2.17~~16~~. The Secretary shall keep a register of the names and business addresses of all Members and of their respective Annual Fees. The Annual Fees of Members shall not be made public by the Association.

2.1817. The Secretary shall furnish to the securities commissions of all the provinces of Canada a list of Members and from time to time as changes occur in the Membership shall communicate such changes to such commissions.