



# bulletin



**BULLETIN No. 2464, APRIL 27, 1998**

## **Revised Strip Bond Information Statement**

In previous Bulletins distributed this month the IDA has informed member firms that the OSC announced a new Rule for strip bonds to replace Policy 1.6. Under the new Rule, member firms are required to deliver to their clients the revised strip bond information statement, amended to include information prescribed by the new Rule, before member firm clients enter into an agreement of purchase or sale of a strip bond. The new OSC Rule is effective 1 May 1998. For details in respect of the Ontario Rule related to strip bonds, see Bulletin No. 2458, dated 6 April 1998.

The Quebec Securities Commission has mandated similar revisions to the strip bond information statement and the procedures for delivering the statement to member firm clients, pursuant to QSC Decision 94-C-018. The amended QSC Decision is effective 1 May 1998. See Bulletin No. 2463.

Six other provincial securities jurisdictions, Newfoundland, Nova Scotia, Manitoba, Saskatchewan, Alberta and British Columbia, have in place policies related to the disclosure of strip bonds. These provinces have accepted the strip bond information statement, revised as dated April 1998, for use under their respective strip bond policies. These jurisdictions, however, have not amended the existing procedures for delivery of the strip bond information statement to clients. The strip bond policies in each of these provincial jurisdictions require that the strip bond information statement be provided to first-time buyers of strip bonds prior to or concurrent with the confirmation of the strip bond trade.

The revised strip bond information statement under the strip bond policies in three of these provincial jurisdictions, Newfoundland, Manitoba and Alberta, is effective 1 May 1998. The British Columbia and Nova Scotia Securities Commissions have decreed that the revised strip bond information statement is effective 1 July 1998, although member firms can use the revised statement beginning 1 May 1998. The revised strip bond information statement is accepted in Saskatchewan under Local Policy Statement 1.2 and was effective 16 April 1998.

Member firms should contact Ian CW Russell, Senior Vice-President, Capital Markets (416-865-3036) if they have any questions or comments on the foregoing material.

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*President and Chief Executive Officer*