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BULLETIN NO. 2493, JULY 22, 1998

By-laws and Regulations

Amendment To Definition Of Acceptable Counterparties - Form 1

The Board of Directors of the Association has approved the attached amendment to the definition of acceptable counterparties as set out in the General Notes and Definitions to Form 1, to be **effective August 1, 1998**. The purpose of this amendment is to allow for the inclusion in the definition, trusts and limited partnerships that meet an minimum size test based on net assets.

Any questions on the above should be addressed to Keith Rose, Vice President, Regulatory Policy at (416) 943-6907.

Lyn M. Gilchrist
Association Secretary

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INVESTMENT DEALERS ASSOCIATION OF CANADA
Acceptable Counterparties

Amend the definition of "acceptable counterparties" in the General Notes and Definitions in Form 1 by replacing definition paragraph (b) with the following:

"(b) **"acceptable counterparties"** means those entities with whom a Member may deal on a value for value basis, with mark to market imposed on outstanding transactions. The entities are as follows:

1. Canadian banks, Quebec savings banks, trust companies and loan companies licensed to do business in Canada or a province thereof. Each of the aforementioned entities must have paid up capital and surplus on the last audited balance sheet (plus such other forms of capital recognized as such in their regulatory regime as well as in this capital formula, e.g. subordinated debt) in excess of \$10 million and less than or equal to \$100 million to qualify, provided acceptable financial information with respect to such entities is available for inspection.
2. Credit and central credit unions and regional caisses populaires with paid up capital and surplus or net worth (excluding appraisal credits but including general reserves) on the last audited balance sheet in excess of \$10 million and less than or equal to \$100 million, provided acceptable financial information with respect to such entities is available for inspection.
3. Insurance companies licensed to do business in Canada or a province thereof with paid up capital and surplus or net worth on the last audited balance sheet in excess of \$10 million and less than or equal to \$100 million, provided acceptable financial information with respect to such companies is available for inspection.
4. Canadian provincial capital cities and all other Canadian cities and municipalities, or their equivalents, with populations of 50,000 and over.
5. Mutual Funds subject to a satisfactory regulatory regime with total net assets in the fund in excess of \$10 million.
6. Corporations (other than Regulated Entities) with a minimum net worth of \$75 million on the last audited balance sheet, provided acceptable financial information with respect to such corporation is available for inspection.
7. Trusts and Limited Partnerships with minimum total net assets on the last audited balance sheet excess of \$100 million, provided acceptable financial information with respect to such trust or limited partnership is available for inspection.
8. Pension Funds subject to a satisfactory regulatory regime with total net assets on the last audited balance sheet in excess of \$10 million, provided that in determining net assets the liability of a fund for future pension payments shall not be included.
9. Foreign banks and trust companies subject to a satisfactory regulatory regime with paid up capital and surplus on the last audited balance sheet in excess of \$15 million and less than or equal to \$150 million, provided acceptable financial information with respect to such entities is available for inspection.

10. Foreign insurance companies subject to a satisfactory regulatory regime with paid up capital and surplus or net worth on the last audited balance sheet in excess of \$15 million, provided acceptable financial information with respect to such companies is available for inspection.
11. Federal governments of foreign countries which do not qualify as a Basle Accord country."