



bulletin



Contact:
Jennifer Elliott
Legal and Policy Counsel
(416) 943-6994

For distribution to relevant parties within your firm

BULLETIN # 2511
September 17, 1998

By-Laws and Regulations

Amendment Regarding Powers of District Council - Bankruptcy of Registered Representatives

The Board of Directors has approved amendment to By-law 20.5A, Powers of District Council. The attached amendment clarifies the power of District Councils to impose conditions on a registered representative who has filed for bankruptcy or has become insolvent. District Councils may impose conditions on registrants at the time of registration and may also impose conditions on registrants who are already approved where there is a material change in the registrants circumstances, this amendment clearly sets out bankruptcy as a circumstance which may result in the imposition of a condition on or suspension of registration.

The amendment is effective immediately.

Lyn M. Gilchrist
Association Secretary

INVESTMENT DEALERS ASSOCIATION OF CANADA
BANKRUPTCY/INSOLVENCY OF REGISTERED REPRESENTATIVES

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 By-law 20.5A is repealed and replaced as follows:

- "(1) The applicable District Council shall have the power to impose such conditions on any existing approval granted by the Association pursuant to the By-laws and Regulations as the District Council, in its discretion, deems appropriate.
- (2) For further clarity, where a person approved for registration under the By-laws and Regulations makes a general assignment for the benefit of creditors or is declared bankrupt or makes an authorized assignment or a proposal to creditors under the Bankruptcy and Insolvency Act or a winding-up order is made with respect to the person or a receiver or other officer with similar powers is appointed in respect of all or any part of the undertaking and property of the person, the District Council may impose such conditions on the person's continuing approval as, in its discretion, it deems appropriate.
- (3) The imposition of conditions pursuant to this By-law 20.5A, shall be in accordance with the procedural requirements set out in Bylaws 20.6 through 20.9.

PASSED AND ENACTED BY THE Board of Directors this 14th day of January 1998, to be effective on a date to be determined by Association staff.