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For distribution to relevant parties within your firm

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By-laws and Regulations

Revised Proficiency Requirements for Options Traders and Futures Traders

Please be advised that effective immediately the proficiency requirements for approval as an options trader or a futures trader have been revised.

The Canadian Securities Institute has revised its educational program from the previous one-examination requirement to a two-step licensing process requiring both options and futures applicants to complete the Derivatives Fundamentals Course (the "DFC") in addition to a separate licensing course for each of options and futures.

Consequently, options traders are now required to pass the DFC and the Options Licensing Course (the "OLC"), which replaces the Canadian Options Course. Futures traders are now required to pass the DFC and the Futures Licensing Course, (the "FLC"), which replaces the Canadian Futures Examination. The OLC and the FLC concentrate on the regulatory requirements of trading derivatives, whereas the DFC will provide in-depth product and market information. It is the Association's view that this two-tiered course system will provide both a broader course aimed at students who want a solid background in derivatives and more specific requirements for those wishing to trade derivatives.

The necessary amendments to the Association's regulations will become effective once approved by the Board of Directors and the securities commissions.

The revised courses outlined in this Bulletin have been developed by the staff of the CSI in consultation with the SROs and have been considered and approved by the National Retail Sales Committee.

Lyn M. Gilchrist
Association Secretary