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By-Laws and Regulations

Settlement of Short-Term Debt Instruments

On October 13, 1999, the IDA issued Bulletin # 2636. This bulletin outlined changes dealing with the settlement conventions for short-term debt instruments. The objective of the proposed change was to facilitate client trades selling one short-term debt instrument and buying another short-term debt instrument and to facilitate hedging strategies in short-term debt instruments. This was to be accomplished by changing the settlement date for trades in short-term mortgage-backed securities, corporate, municipal and provincial bonds to be the same as that for Canadian Bonds with a remaining term to maturity of three years or less. The change was to be implemented on April 3, 2000.

During preparation for implementation of this change, several Members noted that the change as outlined would create problems for settlement of extendable and retractable bonds. We will be preparing appropriate modifications to the by-law for approval by the IDA Board. **Consequently, the implementation of this change has been delayed indefinitely.**

Timothy P. Ryan
Association Counsel & Secretary