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*Contact:*  
Deborah L. Wise  
Legal and Policy Counsel  
416-943-6994

*For distribution to relevant parties within your firm*

**BULLETIN # 2904**  
November 13, 2001

## **By-Laws and Regulations**

### **By-Law 29.7A Trade Names**

The Board of Directors of the Association has approved the attached proposed By-law 29.7A , to be effective immediately.

Currently, the Association has no clear by-laws or regulations addressing the use of trade names.

The proposed by-law permits the use of trade names other than the Member's legal names provided that those names are owned by the Member, an approved person of the Member or an affiliated corporation of either of them. The Association must be notified of the use of such name.

In addition, a trade name may be used by only one Member at a time, unless Members are related or affiliated or Members are involved in an introducing broker/carrying broker arrangement. This provision allows Members to comply with the requirements with respect to By-law 35 which permit and in some cases, require, the name of both the introducing broker and carrying broker to be shown on documentation and correspondence with a client. The provision also ensures that where for example, a discount division of a Member exists, it is permitted to display its identifiably separate trade name on documentation as required pursuant to recent changes to the suitability regime under Regulation 1300.

A Member's legal name must be included in any contracts, account statements or confirmations.

Where an approved person is using a trade name that is not owned by the Member, the Member must consent to such use.

Trades names of an approved person may accompany, but not replace legal names and both must be displayed on materials in equal prominence.

The by-law also requires Members and approved persons to not use deceptive or misleading trade names and the Association, in its discretion, may prohibit the use of any trade name that it determines is objectionable.

A copy of the amendment is attached.

Kenneth A. Nason  
*Association Secretary*

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**INVESTMENT DEALERS ASSOCIATION OF CANADA**  
**TRADE NAMES**

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 29 is amended by adding the following:

“29.7A.

- (1) **Ownership of Trade Name**

Subject to subsection (7) all business carried on by a Member or by any person on its behalf shall be in the name of the Member or a business or trade or style name owned by the Member, an approved person in respect of the Member or an affiliated corporation of either of them.

- (2) **Approval of Trade Name**

No approved person shall conduct any business in accordance with subsection (1) in a business or trade or style name that is not owned by the Member or its affiliated corporation unless the Member has given its prior written consent.

- (3) **Notification of Trade Name**

Prior to the use of any business or trade or style name other than the Member’s legal name, the Member shall notify the Association.

- (4) **Transfer of Trade Name**

Prior to the transfer of a business or trade or style name to another Member, the Member shall notify the Association.

- (5) **Single Use of Trade Name**

Except where Members are related or affiliated, no Member or approved person shall use any business or trade or style name that is used by any other Member unless the relationship with such other Member is that of an introducing broker/carrying broker arrangement, pursuant to By-law 35.

- (6) **Legal Name**

The Member’s full legal name shall be included in all contracts, account statements and confirmations.

- (7) **Trade Name of Approved Person to Accompany Legal Name**

A business or trade or style name used by an approved person may accompany, but not replace, the full legal name of the Member on materials that are used to communicate with the public. The Member's legal name must be at least equal in size to the business or trade or style name used by the approved person.

For greater certainty, "materials" that are used to communicate with the public include, but are not limited to, the following:

- (a) letterhead;
    - (b) business cards;

- (c) invoices;
- (d) trade confirmations;
- (e) monthly statements;
- (f) websites;
- (g) research reports; and
- (h) advertisements.

**(8) Misleading Trade Name**

No Member or approved person shall use any business or trade or style name that is deceptive, misleading or likely to deceive or mislead the public.

**(9) Prohibition on Use of Trade Name**

The Association may prohibit a Member or approved person from using any business or trade or style name in a manner that is contrary to the provisions of this By-law or is objectionable or contrary to the public interest.”

PASSED AND ENACTED BY THE Board of Directors this 11<sup>th</sup> day of April 2001, to be effective on a date to be determined by Association staff.