



INVESTMENT
DEALERS
ASSOCIATION
OF CANADA

bulletin



ASSOCIATION
CANADIENNE
DES COURTIERS
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For distribution to relevant parties within your firm

BULLETIN # 2999

May 23, 2002

By-Laws and Regulations

By-law 7.1(5) and (6) Proficiency requirements for Industry and Non-Industry Shareholders

The Board of Directors of the Association has approved amendments to By-law 7.1 (5) and (6), to be effective immediately, and shall not be applied retroactively.

By-law 7.1 addresses the proficiency requirements with respect to industry partners, directors and officers. The current By-law requires that not less than 40 per cent of the members of the board of directors or the partners of the Member satisfy the proficiency requirements outlined in Part I of Policy No. 6.

By-law 7.1(2) states that if the remaining members of the board of directors are actively engaged in the business of the Member they are also required to have satisfied the applicable proficiency requirements unless an exception is granted.

By-law 7 does not address the proficiency requirements for individuals who are not partners or directors but are actively engaged in the business of the Member and non-industry partners and directors. For both these categories of individuals, proficiency requirements will only be triggered if they beneficially own 10 per cent or more of the voting securities of the Member.

A copy of the amendment is attached.

Kenneth A. Nason
Association Secretary

**INVESTMENT DEALERS ASSOCIATION OF CANADA
PROFICIENCY REQUIREMENTS FOR INDUSTRY AND NON-INDUSTRY
SHAREHOLDERS**

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 7.1 is amended by adding the following:

“(5) Any person that is a non-industry partner or director in respect of a Member and who beneficially owns 10 per cent or more of the voting securities of the Member must comply with the qualifications described in paragraph (1)(d) for partners, directors and officers.

(6) Any person other than a partner or director who is actively engaged in the business of a Member and who beneficially owns 10 per cent or more of the voting securities of the Member must comply with the qualifications described in paragraph (1)(d) for partners, directors and officers.”

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