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By-laws and Regulations Amendment to Policy No. 6 Part I.A(6) Proficiency Requirements for Portfolio Managers and Futures Contracts Portfolio Managers

The Board of Directors of the Association has approved the attached amendment to Policy No. 6 Part I.A(6) to be effective immediately.

Policy 6, Part I sets out proficiency and experience requirements to obtain approval by the Association in various registration categories. Sections A.6(1) and A.6(2) respectively set out the requirements for approval as a portfolio manager and futures contract portfolio manager.

The current experience requirement is that an applicant have assets with minimum aggregate values under administration at the time of application and for at least one year prior to the time of application. This means that an otherwise fully qualified portfolio manager who is not employed at the time of application does not meet the requirements and must apply for an exemption from the provision.

As this creates an unnecessary obstacle to approved persons who are fully qualified the rule has been amended to remove the words "at the time of application" and extending the period during which the applicant can have the requisite assets. The Policy now requires that the period during which the applicant has had the requisite assets must be for a period of not less than one year ending within the three years prior to the date of application.

Procedures for exemptions are still available where the individual is involved in equivalent professional activities.

A copy of the amendment is attached.

Kenneth A. Nason
Association Secretary

POLICY NO. 6

PART 1 - PROFICIENCY REQUIREMENTS

6. Portfolio Managers

6.1 The proficiency requirements for a portfolio manager under Regulation 1300.9A are the following:

- (a) Successful completion of
 - (i) the Portfolio Management Techniques Course and
 - A. the Professional Financial Planning Course prior to August 31, 2002, or
 - B. the Investment Management Techniques Course, or
 - (ii) the Chartered Financial Analyst designation administered by the Association for Investment Management and Research;
- (b) Experience
 - (i) of at least three years as an associate portfolio manager,
 - (ii) of at least three years as a registered representative and two years of experience as an associate portfolio manager,
 - (iii) of at least three years as a research analyst for a Member firm of a self-regulatory organization and two years as an associate portfolio manager, or
 - (iv) of at least five years, managing a portfolio of \$5,000,000 or more, on a discretionary basis, while employed by a government-regulated institution; and
- (c) For a period of not less than one year ending within the three years prior to the date of application, has had assets having an aggregate value of not less than \$5,000,000 under his or her direct administration on a discretionary basis.

6.2 The proficiency requirements for a futures contracts portfolio manager under Regulation 1300.9B are the following:

- (a) Experience
 - (i) of at least three years as an associate portfolio manager, or
 - (ii) of at least two years as an associate portfolio manager and at least three years in a category of registration described in Regulation 1300.9B(b); and
- (b) For a period of not less than one year ending within the three years prior to the date of such application, has had assets comprised of commodity futures having an aggregate value of not less than \$5,000,000 under his or her direct administration on a discretionary basis, provided that the aggregate value of such assets shall be computed based upon the value of the underlying commodities.