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For distribution to relevant parties within your firm

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By-Laws and Regulations Amendment to Regulation 200, Minimum Records

The Association has approved the attached amendment to Regulation 200. Members must comply with the Regulation on or before July 1, 2003.

The current Regulation requires that a monthly statement be sent to all customers where an entry has been made in their account during the month. This would therefore include regular dividend and interest payments.

The IDA requirement is much more stringent than the requirements under the Rules and Regulations of the Securities Commissions, which only require the sending of monthly statements to those customers who have effected a transaction, and does not require a monthly statement be sent for regular dividend and interest payments. As a result, the IDA Regulation has been amended to not require the preparation and sending of monthly statements resulting from the recording of relatively immaterial entries in a customer's account.

There is a requirement under the Rules and Regulations of the Alberta, British Columbia and Saskatchewan Securities Acts, that a Member must send a monthly statement for all customers in whose account there was an exchange contract. The IDA Regulation has been amended to include the term "exchange contract."

A copy of the amendment is attached.

Kenneth A. Nason
Association Secretary

REGULATION 200
MINIMUM RECORDS

200.1

In addition, statements must be sent to customers on at least the following basis: monthly for all customers in whose account there was an unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract at the month end; monthly for all customers who have affected a transaction, or the Member has modified the balance of securities or cash in the customer's account, unless the entries refer to dividends or interest; quarterly for all customers having any debit or credit balance or securities held (including securities held in safekeeping or in segregation) at the end of the quarter. Such monthly statements shall set forth at least in the case of customers with any unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract,