

Contact:
Maysar Al-Samadi
Vice President, Professional Standards
(416) 943-6902

For distribution to relevant parties within your firm

BULLETIN #3125
March 26, 2003

By-laws and Regulations

Regulation 400 - Insurance

The Board of Directors of the Association has approved an amendment to Regulation 400.1 – Mail Insurance, effective April 1, 2003.

The current rules require every Member to keep in force mail insurance against loss arising out of the use of mail in the transmittal of money or securities, on the basis of 100 percent coverage. The Association has received a number of comments from Members that they either do not handle securities altogether or never use the mail to transmit securities. They questioned the wisdom of the mail coverage requirement.

The objective of the amendment is to enable the IDA to grant Members an exemption from the mail insurance requirement if the Member delivers a written undertaking to the Vice President of Financial Compliance that the Member will not use the mail for out-going shipments of money or securities, negotiable or non-negotiable, by first-class mail, registered mail, registered air mail, express or air express.

A copy of the amendments to Regulation 400.1 and the Notes and Instructions to Schedule 10 of Form 1 (Joint Regulatory Financial Questionnaire and Report) is attached.

Kenneth A. Nason
Association Secretary

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENT TO REGULATION 400.1 - MAIL INSURANCE REQUIREMENT

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. Regulation 400.1 Mail Insurance is amended by adding the following sentence at the end of the paragraph:

"The Vice President of Financial Compliance may exempt a Member from the requirements of Regulation 400.1 if the Member delivers a written undertaking to the Vice President of Financial Compliance that it will not use the mail for out-going shipments of money or securities, negotiable or non-negotiable, by first-class mail, registered mail, registered air mail, express or air express."

PASSED AND ENACTED BY THE Board of Directors this 16th day of January 2002, to be effective on a date to be determined by Association staff.