



INVESTMENT DEALERS
ASSOCIATION OF CANADA

bulletin



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

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For distribution to relevant parties within your firm

BULLETIN #3199
October 16, 2003

By-Laws and Regulations Settlement of Short-Term Debt Instruments

On May 9, 2003, the IDA issued Bulletin # 3150. This bulletin outlined changes dealing with the settlement conventions for short-term debt instruments. The objective of the proposed change was to facilitate client trades selling one short-term debt instrument and buying another short-term debt instrument and to facilitate hedging strategies in short-term debt instruments. This was to be accomplished by changing the settlement date for trades in short-term mortgage-backed securities, corporate, municipal and provincial bonds to be the same as that for Canadian Bonds with a remaining term to maturity of three years or less. The change was to be implemented for trades with a trade date of November 3, 2003.

Several Members have indicated that they will be unable to complete required systems changes by that date. In addition, several matters requiring clarification have been raised.

In order to give firms adequate time to complete systems changes and to provide clarification of the matters raised, the implementation of this change has been delayed to Monday, December 1, 2003. The Regulation change will be effective for trades with a trade date of December 1, 2003.

Kenneth A. Nason
Association Secretary