



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*

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## **By-Laws and Regulations**

### **Margin and Capital Requirements for Capital Trust Securities – Regulation 100.12(a) – Securities eligible for reduced margin**

The Board of Directors of the Association has approved amendments to Regulation 100.12(a) relating to the capital and margin requirements for capital trust securities. These amendments are effective immediately and are enclosed as Attachment #1.

The main objective of the amendments is to establish specific capital and margin requirements for these securities whose original issuance generated Tier 1 capital for a financial institution, to better reflect their market risk. Their market risk has been determined to be no greater than the market risk associated with holding preferred shares issued by their related financial institution and therefore, should be margined accordingly.

In conclusion, the amendments will allow capital trust securities to be eligible for reduced margin.

Kenneth A. Nason  
*Association Secretary*

**INVESTMENT DEALERS ASSOCIATION OF CANADA  
CAPITAL TRUST SECURITIES**

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 100.12(a) is amended by adding subparagraph (v) with the following words:  
“(v) securities whose original issuance generated Tier 1 capital for a financial institution any of whose securities qualify under item (i) and the financial institution is under the regulatory oversight of the Office of the Superintendent of Financial Institutions of Canada.”

PASSED AND ENACTED BY THE Board of Directors this 9th day of October 2003, to be effective on a date to be determined by Association staff.