



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 #3481

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By-Laws and Regulations

Amendments to IDA Regulation 100.2 Relating to Capital and Margin Requirements for Money Market Mutual Funds

The Board of Directors of the Association has approved amendments to IDA Regulation 100.2 with respect to the capital and margin requirements for money market mutual funds. The amendments are effective immediately. A copy of the amendments is enclosed as Attachment #1.

To correct the overly conservative capital and margin requirements for money market mutual funds and retain consistency with the regulations at the Mutual Fund Dealers Association of Canada (MFDA), the Association amends Regulation 100.2 to permit Member firm account and customer account positions in money market mutual funds, as defined in National Instrument 81-102, to be margined at lower rate than that for the other mutual funds. This lower rate is currently set at 5% of the market value of the money market funds.

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Association Secretary

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**INVESTMENT DEALERS ASSOCIATION OF CANADA
CAPITAL AND MARGIN REQUIREMENTS FOR MONEY MARKET MUTUAL FUNDS
REGULATION 100.2**

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 100.2(f)(ii) is amended by deleting the text “Securities of mutual funds qualified by prospectus for sale in any province of Canada;”
2. Regulation 100.2 is amended by adding new section 100.2(1) as follows:

“(1) **Mutual Funds**

Where securities of mutual funds qualified by prospectus for sale in any province of Canada are carried in a customer or firm account, the margin required shall be:

- (i) 5% of the market value of the fund, where the fund is a money market mutual fund as defined in National Instrument 81-102; or
- (ii) the margin rate determined on the same basis as for listed stocks multiplied by the market value of the fund.”

PASSED AND ENACTED BY THE Board of Directors this 13th day of June 2004, to be effective on a date to be determined by Association staff.