

## MEMBER REGULATION



INVESTMENT  
DEALERS  
ASSOCIATION  
OF CANADA



ASSOCIATION  
CANADIENNE DES  
COURTIERS EN  
VALEURS MOBILIÈRES

# notice

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**MR0162**

September 19, 2002

ATTENTION:  
Ultimate Designated Persons  
Chief Financial Officers  
Panel Auditors

### Distribute internally to:

- Corporate Finance
- Credit
- Institutional
- Internal Audit
- Legal & Compliance
- Operations
- Registration
- Regulatory Accounting
- Research
- Retail
- Senior Management
- Trading desk
- Training

## Policy 8 – Information Regarding Reporting

Policy 8 was approved by the relevant Securities Commissions on September 18, 2002.

This Member Regulation Notice supplements Policy 8 and should be read in conjunction with Policy 8. An Information Notice regarding Policy 8 and ComSet has also been prepared which outlines “Frequently Asked Questions” by Members and provides information regarding the use of ComSet.

### I. TIME PERIOD FOR REPORTING OF POLICY 8 MATTERS

The reporting time periods for Policy 8 matters are as follows:

#### *I. B.1(a) – Changes to the information contained in the Uniform Application for Registration/Approval*

Reportable within time period prescribed by the Uniform Application for Registration/Approval (or any form replacing the Uniform Application for Registration/Approval).

#### *I.B.1(b) - Criminal Offences*

Reportable within five business days of the Member, or any current or former registrant being charged with, convicted of, pleading guilty or no contest to any criminal offence, in any jurisdiction, inside or outside of Canada, while in the employ of the Member, or concerning matters that occurred while in the employ of the Member.

#### *I.B.1(c)(i) – Proceeding/Disciplinary Actions Re Contravention of any Legislation/Law Concerning Securities or Exchange Contracts*

Reportable within five business days of the Member, or any current or former registrant being named as a defendant or respondent in, becoming the subject of, any proceeding or disciplinary action alleging contravention of any legislation or law concerning securities or exchange contracts, of any jurisdiction, inside or outside of Canada, while in the employ of the Member, or concerning matters that occurred while in the employ of the Member.

TORONTO Suite 1600, 121 King Street West, Toronto, Ontario M5H 3T9 Telephone: (416) 364-6133 Fax: (416) 364-0753  
CALGARY Suite 2300, 355 Fourth Avenue S.W., Calgary, Alberta T2P 0J1 Telephone: (403) 262-6393 Fax: (403) 265-4603  
HALIFAX Suite 1620, TD Centre, 1791 Barrington Street, Halifax, Nova Scotia B3J 3K9 Telephone: (902) 423-8800 Fax: (902) 423-0629  
MONTRÉAL Suite 2802, 1 Place Ville Marie, Montréal, Québec, H3B 4R4 Téléphone: (514) 878-2854 Télécopieur: (514) 878-3860  
VANCOUVER Suite 1325, P.O. Box 11614, 650 West Georgia Street, Vancouver, B.C. V6B 4N9 Telephone: (604) 683-6222 Fax: (604) 683-3491

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***I.B.1.(c)(ii) - Proceeding/Disciplinary Actions Alleging Contravention Of The By-laws, Regulations, Rules, Rulings or Policies of Any Regulatory or Self-Regulatory Organization, Professional Licensing or Registration Body***

Reportable within five business days of being named as a defendant or respondent in, or becoming the subject of, any proceeding or disciplinary action alleging contravention of the by-laws, regulations, rules, rulings or policies of any regulatory or self-regulatory organization, professional licensing or registration body in any jurisdiction, inside or outside of Canada, while in the employ of the Member, or concerning matters that occurred while in the employ of the Member.

***I.B.1.(c)(iii) – Denial of Registration or a License By Any Regulatory or Self-Regulatory Organization, Professional Licensing or Registration Body***

Reportable within five business days of being denied registration or a license by any regulatory or self-regulatory organization, professional licensing or registration body, in any jurisdiction, inside or outside of Canada, while in the employ of the Member.

***I.B.1.(d) – Customer complaints***

Reportable within twenty business days of receipt of a written customer complaint, except service complaints, against the Member or any current or former registrant.

***I.B.1.(e) – Securities-related Civil Claims and Arbitration Notices***

Reportable within five business days of the filing of securities-related civil claims and arbitration notices against the Member, or against any current or former registrant, in any jurisdiction inside or outside Canada, while in the employ of the Member, or concerning matters that occurred while in the employ of the Member.

***I.B.1.(f) – Resolutions Of Matters Reportable Pursuant to I.B.1(b),(c),(d) and (e) Policy 8***

Reportable within five business days of resolution of any matters reportable pursuant to I.B.1(b),(c),(d) and (e) of this Policy, including, judgements, awards, private settlements and arbitrations, in any jurisdiction, inside or outside of Canada.

***I.B.1.(g) – Internal Disciplinary Actions***

Reportable within five business days of any internal disciplinary action being taken by the Member Firm against a registrant pursuant to I.B.1.(g)(i)-(v).

***I.B.1.(h) - Internal Investigation***

Reportable within five business days of commencement of an internal investigation, pursuant to Part II of this Policy, and within five business days of completion of such internal investigation.

**II. IDA DEPARTMENT TO WHOM REPORTING MUST BE MADE**

**The following Policy 8 reportable matters must be reported through the IDA Registrations Department:**

- I. B.1(a) – Changes to the information contained in the Uniform Application for Registration/Approval

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**The following Policy 8 reportable matters must be reported through ComSet:**

- I.B.1(b) - Criminal Offences;
- I.B.1(c)(i) – Proceeding/Disciplinary Actions Re Contravention of any Legislation/Law Concerning Securities or Exchange Contracts;
- I.B.1(c)(ii) - Proceeding/Disciplinary Actions Alleging Contravention Of The By-laws, Regulations, Rules, Rulings or Policies of Any Regulatory or Self-Regulatory Organization, Professional Licensing or Registration Body;
- I.B.1(c)(iii) – Denial of Registration or a License By Any Regulatory or Self-Regulatory Organization, Professional Licensing or Registration Body
- I.B.1(d) – Customer complaints;
- I.B.1(e) – Securities-related Civil Claims and Arbitration Notices;
- I.B.1(f) – Resolutions Of Matters Reportable Pursuant to I.B.1(b),(c),(d) and (e) Policy 8;
- I.B.1(g) – Internal Disciplinary Actions; and
- I.B.1(h) - Internal Investigations.

**The following process must be followed where Policy 8 reportable matters to be reported through ComSet overlap with changes to the Uniform Application For Registration/Approval:**

Where there is any overlap between Policy 8 reportable items I.B.1(b) to I.B.1(h), the reportable items must be reported both through ComSet and to the Registrations Department, as per the current practice, and as prescribed by the Uniform Application for Registration/Approval (or any form replacing the Uniform Application for Registration/Approval).

**III. TIMING OF IMPLEMENTATION OF POLICY 8 AND COMSET**

Policy 8 has been approved by the Securities Commissions on September 18, 2002.

ComSet will go live on October 15, 2002. All Members are required to comply with Policy 8 and ComSet as of October 15, 2002. Historical information need not be reported through ComSet. Matters arising prior to October 15 but for which the information is received subsequent to October 15, 2002 must be reported through ComSet. For example, where a customer complaint is made or a civil claim filed after October 15, 2002 it will be reportable although it may have arisen out of facts occurring prior to October 15, 2002.