

MEMBER REGULATION



notice



Contact:
W. D'Silva - Director, Registration
registration@ida.ca

MR0225

July 14, 2003

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

Guide to Completion of the NRD Notice of Termination

The following Guidelines and standards were determined by the NRD Operational Policies and Procedures Committee which are comprised of CSA and IDA representatives. The Guidelines below will also be made available on the Registration Guide Section of the IDA's web site (www.ida.ca)

A) Responses to all Three Items Required

The following three items are posed when preparing the Notice of Termination (Form 33-109F1) on the NRD or in paper format:

(Item 1) Indicate below whether the individual (i) was dismissed for cause, (ii) was dismissed in good standing, (iii) resigned for cause, (iv) resigned in good standing or (v) is deceased.

(Item 2) Include any details regarding all (i) unresolved client complaints, (ii) internal discipline matters or (iii) restrictions for violation of regulatory requirements that occurred at any time during their employment with the firm.

(Item 3) Also indicate whether the applicant has discharged all financial obligations to clients.

Please ensure that a response is provided for each item to clearly demonstrate there are no other issues surrounding the termination. Notices of Termination in which an item response is absent, or not addressed will be abandoned.

The NRD OPP Committee has recommended changes to the wording of the F1 to clearly specify that a response to item 2 above is required. "N/A" is considered an acceptable response.

B) Interpretation of Item 3

Examples of “Financial Obligations to clients” are:

- Accounts controlled by the individual which are not fully secured, margined or paid.
- Accounts by the individual’s clients that are not fully margined secured or paid, which in the opinion of your firm, are the result of bad business or credit practices on the part of the employee. “Clients” refers to both retail as well as non-retail clients.

C) Retirement

- If the individual retired through his or her own volition, please indicate “**resigned in good standing**”.
- For individuals who were required to retire, please indicate, “**dismissed in good standing**”.

Please also note the following IDA policy:

D) Late Filing Fees

Failure to immediately refile a Notice of Termination that has been abandoned due to a missing or incomplete item response may result in a late filing fee or an accumulation in late filing fees. Members are therefore asked to refile completed submissions within two business days to avoid any unnecessary costs and delays.