

MEMBER REGULATION



INVESTMENT DEALERS
ASSOCIATION OF CANADA

notice



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

Contact:

L. Anderson: (416) 943-6917 - landerson@ida.ca

MR0246

October 15, 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

Availability of CFO Category and Other NRD Changes

On October 6, 2003, the Association and the Canadian Securities Administrators released version 1.2B of the National Registration Database. The latest release implements various changes and corrects some minor problems with the system. Those changes that will most affect Members have been outlined below.

Chief Financial Officer Category

As described in Bulletin 3193 dated 15/Sep/03, amendments to By-laws 1 and 7 require each Member to appoint a Chief Financial Officer (CFO). NRD now has the category available and the new requirement is now effective. Members have until **November 30, 2003** to submit through NRD an application for approval of a CFO. Each Member must have one and only one CFO.

CFO is now an approval category whereas previously it may have been an officer title at some Member firms. Therefore:

- Anyone previously approved as a partner, director or officer having the title Chief Financial Officer will nonetheless have to make an NRD submission for addition of the CFO category to his or her approval categories;
- While the approved CFO must be a partner, director or officer of the Member, there is no requirement for him or her to have or use the title Chief Financial Officer. For example, a person can be approved as a Member's CFO while having the title Treasurer or Vice President, Finance.

Fees in Non-Delegated Jurisdictions

Submissions filed in provinces other than Alberta, British Columbia and Ontario will no longer generate the automatic payment of IDA registration fees through the electronic fee transfer (EFT) process. This change was made to avoid fees being incorrectly collected for submissions made by non-resident individuals in non-delegated jurisdictions. Since the system cannot distinguish between resident versus non-resident submissions for fee calculation purposes these fees were eliminated from the EFT process entirely.

Members will now be required to use the *resubmit fee* payment function on NRD to submit fees for submissions made in these jurisdictions where IDA fees are in fact applicable.

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

Working Locations of Quebec Residents

NRD does not contain any branch or sub-branch information for Quebec locations and as a result, individuals who work from Quebec locations are required to record their sponsoring firm's Head Office as their location of employment under *Item 9 – Employment Location* for NRD submissions.

When Head Office is indicated as an individual's employment location the system will now determine whether the individual resides in Quebec by checking the applicant's residential address. If Quebec is indicated as the individual's province of residence the system will present a section labeled *Contact Information for Location of Employment* under Item 9 to record the actual working location of the individual.

Note that for those records converted to NRD the system cannot validate whether an individual resides in Quebec until the *Submission for Individuals Included in the Data Transfer* has been completed.

List of Regulators under Item 8 - Proficiency

The list of Regulators found under *Item 8 – Proficiency*, which may grant an exemption, has been changed to include the following:

- Alberta Stock Exchange
- CDNX
- IDA – Quebec
- Market Regulation Services Inc.
- The Toronto Futures Exchange
- The Toronto Stock Exchange
- Vancouver Stock Exchange
- Winnipeg Commodity Exchange
- Winnipeg Stock Exchange

Further information regarding NRD release 1.2B will be posted to www.nrd-info.ca.