

## MEMBER REGULATION



INVESTMENT DEALERS  
ASSOCIATION OF CANADA

# notice



ASSOCIATION CANADIENNE DES  
COURTIERS EN VALEURS MOBILIÈRES

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**MR0340**

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ATTENTION:  
Ultimate Designated Persons  
Chief Financial Officers  
Panel Auditors

**Distribute internally to:**

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### Coding of Managed and Wrap Accounts for Shareholder Communications

Since last August, many issuers have been taking advantage of provisions in National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer and have been mailing proxy-related materials directly to non-objecting beneficial owners of securities (NOBOs).

An issue that has developed relates to the administration of wrap and managed accounts. The Transfer Agents, who act on behalf of issuers in distribution of proxy-related materials to NOBOs, receive files via ADP Investor Communications, which do not contain the necessary coding to enable the Agents to readily identify such accounts. Since most, if not all, of these accounts do not have voting authority, the distribution of such materials including voting instruction forms is inappropriate.

An informal survey by one of the Agents revealed that many securities dealers code both wrap and managed accounts as objecting beneficial owners of securities (OBOs), which should remove the accounts from any file delivered to an Agent or to an issuer and thus eliminate this issue. There have been some instances, however, where wrap and managed accounts have been coded as NOBOs and as a result, proxy-related materials have been distributed along with voting instruction forms. Naturally some confusion has resulted.

As a major portion of proxy season begins in about 4 weeks, it is important to remind Members that appropriate coding of these types of accounts or others where receipt of proxy-related materials and voting instruction forms is not desired should be maintained. A reasonable solution is to simply ensure that these accounts are coded as OBOs regardless of whether the account is going to get information or not. This will prevent the delivery of data relative to these accounts to an Agent or to an issuer.

The Association has been asked to distribute this by The Securities Transfer Association of Canada. Questions should be referred to Bob Mackenzie at Computershare Trust Company of Canada. He can be reached at [Robert.mackenzie@computershare.com](mailto:Robert.mackenzie@computershare.com).

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