

MEMBER REGULATION



INVESTMENT DEALERS
ASSOCIATION OF CANADA

notice



ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

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MR0396

April 26, 2006

ATTENTION:

Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

Distribute internally to:

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Proficiency Exemptions / OSC Rule 31-502

As a reminder to IDA members, as of April 1, 2006, the fee payable to the Ontario Securities Commission (“OSC”) for a proficiency exemption under Rule 31-502 of the Ontario Securities Act has been reduced from \$1,500 to \$800. The IDA Fee remains at \$250.

OSC staff have recently asked that all proficiency exemptions requests required under OSC Rule 31-502 be filed via NRD. If the proficiency exemption request is in connection with both OSC Rule 31-502 and IDA Policy 6, member firms who wish to submit an exemption request prior to submitting an application for Approval, may continue to do so using the filing requirements set out in Member Regulation Notice 341. However, pre-application rulings will cover only the exemption under IDA Policy 6.

When the application for registration approval is later submitted via NRD, it must be accompanied by *Apply for an Exemption* submission, duplicating the information provided in the original paper request and include payment of the OSC fee.

In addition, as per Rule 13-503 of the *Commodity Futures Act*, the fee payable to the OSC for proficiency exemptions required under the Commodity Futures Act was raised from \$1,500 to \$3,000 as of April 1, 2006. However, IDA Members requesting proficiency exemptions under the Commodity Futures Act may request a reduction of the fee to \$800 by inserting a statement in the *Apply for Exemption* submission requesting this reduction.

To reiterate the steps for requests from IDA members for exemptions required under OSC Rule 31-502 filed prior to the submission of an application for registration:

1. The member firm may file the exemption submission on paper requesting consideration under Policy 6. The \$250 fee payment to the IDA must be included with this submission for the review to begin. (see also MR0341).
2. The Member will no longer include the OSC fee with its paper request.

3. Once the exemption has been reviewed, the Member will be formally notified of the IDA's decision on the exemption request under Policy 6.
4. If the Member chooses to continue with the application, it must file an application for Registration via NRD accompanied by an Apply for an Exemption Submission. The Member must use the Resubmit Fee Payment function to pay the \$800 fee to the OSC through the Exemption submission.
5. Notification of the approval of the application and the exemption request will be contained in the Approval Notification issued to the firm and to the applicant.