



## MEMBER REGULATION



# notice

ATTENTION:  
Ultimate Designated Persons  
Chief Financial Officers  
Panel Auditors

Please distribute internally to:  
Senior Management  
Legal & Compliance  
Operations  
Retail  
Registration  
Trading desk

*Contact:*

Maysar Al-Samadi  
Vice-President, Professional Standards  
(416) 943-6902  
[malsamadi@ida.ca](mailto:malsamadi@ida.ca)

**MR0460**

March 21, 2007

### **Optional Business Continuity Planning Procedures for Introducers**

Following consultation with IDA Members, the Association has agreed with the major IDA carrying Members that should introduced clients be unable to contact their introducer, the clients should be permitted to contact the carrier's staff for limited purposes and for a limited time, directly following a Significant Business Disruption (SBD), to facilitate access to their assets. We consider this procedure as a second line of defence for introduced clients in dealing with a SBD. Introducing Member firms must continue to comply with By-law 17.16 which requires all Members to have adequate business continuity plans in place to enable prompt client access to their assets.

The agreed Business Continuity Planning procedures will be subject to the following:

1. These emergency procedures must be documented and added as an addendum to the introducing broker agreements until the agreements are renewed where such provisions become part of the introducing agreements.
2. The carrier can only execute liquidation orders in addition to facilitating client requests for delivery or transfer of assets.
3. The carrier must ensure that such orders are executed by fully licensed registrants. The CSA has indicated that this may include the registration category of "investment representatives".
4. Should they chose to opt for such an arrangement, IDA introducers must notify their clients who to contact at the carrier should they not be able to reach the introducer's staff following a SBD. Introducers must make their clients aware of the limitations placed on trading (directly) through the carrier.

5. The carrier would activate these emergency procedures following notification to the carrier of the SBD by the introducer, the IDA, or when the disruption becomes generally known.
6. Any loss arising out of these procedures will be the liability of the introducer and the introducer will indemnify the carrier for any associated losses.
7. If in doubt, the carrier can refuse to accept orders from an introduced client.
8. These procedures are optional for carriers as well as introducers.

If a carrier decides to provide an introducer with operations space (desks and communication facilities) following a SBD, there would be no need to invoke these emergency procedures.