



MEMBER REGULATION

notice



ATTENTION:
Ultimate Designated Persons
Chief Financial Officers
Panel Auditors

Please distribute internally to:
Credit
Institutional
Internal Audit
Legal & Compliance
Operations
Regulatory Accounting
Senior Management

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MR0493

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Acceptable Institutions and Acceptable Counterparties Listing

2007 AI/AC Listing

The purpose of the attached 2007 Domestic and Foreign Acceptable Institutions (AI) and Acceptable Counterparties (AC) list is to assist all Member firms in the coding of customer accounts that qualify as an AI or AC as defined in the General Notes and Definitions to the Joint Regulatory Financial Questionnaire and Report (Form #1).

The AI/AC list is published by the IDA as of August 29, 2007 and will not be updated until it is republished next year. The “List of Recognized Exchanges and Associations” and the “List of Basle Accord Countries” will be updated on a regular basis. The attached AI/AC is generated in alphabetical order of entity name. Members must take immediate action to review this list, and related downgrades from the prior year to ensure proper account coding for margin computations, custody arrangements and financial reporting as of October 1, 2007.

This AI/AC listing is not intended to be exhaustive. Member firms are required to substantiate the net worth of any account classified as an AI or AC but not included in the attached list by providing the latest audited financial statement of the entity as evidence to support the AI/AC classification to IDA examiners and the member’s auditors upon inspection of the AI/AC classification.

Member firms are advised that it is their responsibility to monitor the ongoing credit risk assessment and account categorization of its customers. Any known material changes in the financial circumstances of any entity listed in the attachment to this Notice must be considered by the Member firm for applicable change in account coding for purposes of regulatory financial reporting.

AI/AC Database on Knotia

As part of the continued development of the IDA Rule Book and related regulatory resources on Knotia, the AI/AC database is now a web based application and is available to the public on-line at <http://aiac.ida.ca/>.

The following are the advantages of members accessing the AI/AC internet database application.

- Quick on-line searches of an entities' current record of net worth and AI/AC categorization
- 5 year record history of published AI/AC listings
- 9 different types of reports that can be viewed printed or **exported to excel**.

They include:

- AI/AC by Name
- AI/AC by Category
- Counterparties upgraded to AI
- Counterparties downgraded to AC List
- Counterparties added to AI/AC List
- Counterparties Removed from AI/AC List
- List of Recognized Exchanges and Associations
- List of "Basle Accord Countries"
- Reference Sources