



INVESTMENT DEALERS ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DES COURTIER EN VALEURS MOBILIÈRES

Compliance

interpretation bulletin

Conformité

bulletin d'interprétation

TO: CHIEF FINANCIAL OFFICERS - IDA MEMBER
FIRMS
PANEL AUDITORS - IDA JURISDICTION FIRMS

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C-75

SEGREGATION OF RRSP SECURITIES

Ontario Securities Commission Policy 4.3 and the Montreal Exchange Article 7465 of Rule 7 have recently been amended so that investment dealers offering self-directed RRSPs (or other self-directed plans such as RRIFs) to their clients are no longer required to segregate client RRSP securities separately from other client segregated securities. This means that firms are no longer required to have a separate RRSP segregation vault or box location at Securities Depositories and may keep RRSP securities in the firm's regular segregation location. We emphasize that this is not a 'one-box' concept, client RRSP securities still must be segregated as set out in IDA Regulation 2000. The change means that firms no longer need to have a separate segregation location solely for RRSP securities.

We point out that the CIPF has recently completed a review of all arrangements between dealers who offer self-directed RRSPs and their trustees. The 'separate segregation' requirement is included in almost all such agreements. Therefore, each firm's trustee agreement will have to be amended prior to the firm implementing a single segregation location for accounting and reporting purposes.

If you have any questions on the above, please contact Gregory Clarke at (416) 364-6133.

PLEASE DISTRIBUTE TO ALL INTERESTED PARTIES IN YOUR FIRM