

IIROC NOTICE

Rules Notice Notice of Approval/Implementation

Dealer Member Rules

Please distribute internally to:

Internal Audit
Legal and Compliance
Regulatory Accounting
Senior Management
Training

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19-0035
March 5, 2019

Housekeeping amendment to Schedule 7A of Form 1

On January 30, 2019, the Board of Directors (the **Board**) of the Investment Industry Regulatory Organization of Canada (IIROC) approved the housekeeping amendment to Schedule 7A (Cash and securities borrowing and lending arrangements concentration charge) of Form 1 (the **Housekeeping Amendment**). The main purpose of the Housekeeping Amendment is to correct a typographical mistake.

Summary of the nature and purpose of the amendment

The change to Schedule 7A of Form 1 is as follows, we:

- replaced “[Sum of Lines 1 to 6]” with “[Sum of Lines 1 to 8]” in line 9 because this change was inadvertently omitted when we added lines 7 and 8 to Schedule 7A as set out in IIROC Notice [15-0206](#) (Margin requirements for certain cash and security borrowing and lending arrangements - Amendments to Schedules 1, 7 and 7A of Dealer Member Form 1).



The typographical mistake did not affect Dealer Members' Form 1 filings because the Securities Industry Regulatory Financial Filings system (SIRFF), which is used by Dealer Members to file their Form 1 with IIROC, was correctly programmed to include lines 7 and 8 in the line 9 sum calculation.

We have classified our amendment to Schedule 7A of Form 1 as "housekeeping" because:

- it corrects a typographical mistake
- there is no material impact on investors, issuers, Dealer Members or the capital markets in an province or territory of Canada.

Implementation

The Housekeeping Amendment is effective immediately.

Appendices

Appendix A - Blackline comparison of the housekeeping amendment to current Schedule 7A of Form 1

Appendix B - Clean copy of the housekeeping amendment to Schedule 7A of Form 1.

HOUSEKEEPING AMENDMENT TO SCHEDULE 7A OF FORM 1

BLACKLINE COMPARISON OF THE HOUSEKEEPING AMENDMENT TO CURRENT SCHEDULE 7A OF FORM 1

FORM 1, PART II – SCHEDULE 7A

DATE: _____

(Dealer Member Name)

CASH AND SECURITIES BORROWING AND LENDING ARRANGEMENTS CONCENTRATION CHARGE

C\$'000

<p>1. Sch. 1, Line 2 Market value deficiency amount relating to loans receivable from acceptable counterparties, net of legal offsets and margin already provided</p> <p>2. Sch. 1, Line 3 Market value deficiency amount relating to loans receivable from regulated entities, net of legal offsets and margin already provided</p> <p>3. Sch. 1, Line 6 Market value deficiency amount relating to securities borrowed from acceptable counterparties, net of legal offsets and margin already provided</p> <p>4. Sch. 1, Line 7 Market value deficiency amount relating to securities borrowed from regulated entities, net of legal offsets and margin already provided</p> <p>5. Sch. 7, Line 3 Market value deficiency amount relating to loans payable to acceptable counterparties, net of legal offsets and margin already provided</p> <p>6. Sch. 7, Line 4 Market value deficiency amount relating to loans payable to regulated entities, net of legal offsets and margin already provided</p> <p>7. Sch. 7, Line 7 Market value deficiency amount relating to securities lent to acceptable counterparties, net of legal offsets and margin already provided</p> <p>8. Sch. 7, Line 8 Market value deficiency amount relating to securities lent to regulated entities, net of legal offsets and margin already provided</p> <p>9. TOTAL MARKET VALUE DEFICIENCY EXPOSURE WITH ACCEPTABLE COUNTERPARTIES AND REGULATED ENTITIES, NET OF LEGAL OFFSETS AND MARGIN ALREADY PROVIDED [Sum of Lines 1 to 8]</p> <p>10. CONCENTRATION THRESHOLD – 100% OF NET ALLOWABLE ASSETS</p> <p>11. CONCENTRATION CHARGE [Excess of Line 9 over Line 10, otherwise NIL]</p>	<p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>=====</p> <p>-----</p> <p>-----</p> <p>=====</p>
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B-21

HOUSEKEEPING AMENDMENT TO SCHEDULE 7A OF FORM 1

CLEAN COPY OF THE HOUSEKEEPING AMENDMENT TO SCHEDULE 7A OF FORM 1

FORM 1, PART II – SCHEDULE 7A

DATE: _____

(Dealer Member Name)

CASH AND SECURITIES BORROWING AND LENDING ARRANGEMENTS CONCENTRATION CHARGE

C\$'000

<p>1. Sch. 1, Line 2 Market value deficiency amount relating to loans receivable from <i>acceptable counterparties</i>, net of legal offsets and margin already provided</p> <p>2. Sch. 1, Line 3 Market value deficiency amount relating to loans receivable from <i>regulated entities</i>, net of legal offsets and margin already provided</p> <p>3. Sch. 1, Line 6 Market value deficiency amount relating to securities borrowed from <i>acceptable counterparties</i>, net of legal offsets and margin already provided</p> <p>4. Sch. 1, Line 7 Market value deficiency amount relating to securities borrowed from <i>regulated entities</i>, net of legal offsets and margin already provided</p> <p>5. Sch. 7, Line 3 Market value deficiency amount relating to loans payable to <i>acceptable counterparties</i>, net of legal offsets and margin already provided</p> <p>6. Sch. 7, Line 4 Market value deficiency amount relating to loans payable to <i>regulated entities</i>, net of legal offsets and margin already provided</p> <p>7. Sch. 7, Line 7 Market value deficiency amount relating to securities lent to <i>acceptable counterparties</i>, net of legal offsets and margin already provided</p> <p>8. Sch. 7, Line 8 Market value deficiency amount relating to securities lent to <i>regulated entities</i>, net of legal offsets and margin already provided</p> <p>9. TOTAL MARKET VALUE DEFICIENCY EXPOSURE WITH ACCEPTABLE COUNTERPARTIES AND REGULATED ENTITIES, NET OF LEGAL OFFSETS AND MARGIN ALREADY PROVIDED [Sum of Lines 1 to 8]</p> <p>10. CONCENTRATION THRESHOLD – 100% OF NET ALLOWABLE ASSETS</p> <p>11. CONCENTRATION CHARGE [Excess of Line 9 over Line 10, otherwise NIL]</p>	<p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>=====</p> <p>-----</p> <p>-----</p>
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B-21