

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.2 IDA Policy No. 11 - Housekeeping Amendment to Research Restrictions and Disclosure Requirements

INVESTMENT DEALERS ASSOCIATION OF CANADA –

HOUSEKEEPING AMENDMENT TO POLICY NO. 11 – RESEARCH RESTRICTIONS AND DISCLOSURE REQUIREMENTS

I OVERVIEW

A Current Rules

Policy No. 11 became effective on February 1, 2004 and is largely based on the report of the *Securities Industry Committee on Analyst Standard*, as well as rules regarding analysts in the United States. The Policy contains 20 Requirements and 9 Guidelines that Members must comply with where practicable. The Policy is intended to maintain the integrity of the market place, by establishing requirements that reduce the potential for conflicts of interest and allow for the highest standards of ethical behavior.

Requirement 17 of Policy No. 11 – Analyst Standards – requires Members to obtain an annual certification from the head of the research department and the chief executive officer that the Members analysts are familiar with and have complied with the Association for Investment Management and Research (AIMR) Code of Ethics and Standards of Professional Conduct, whether or not they are members of AIMR.

B The Issue

In May 2004, AIMR changed their name to the Chartered Financial Analyst Institute (CFA Institute).

C Objective

The objective of the rule change is to update the reference to reflect the name change described above.

D Assessment of Effect and Whether Proposed Rules are in the Best Interests of the Capital Markets

The proposed rule change will have no affect on the purpose of Policy No. 11 or the means or costs of compliance. The Board has determined that the housekeeping amendment is not detrimental to the best interests of the capital markets.

II DETAILED ANALYSIS

The inclusion of a detailed analysis was not considered necessary for this housekeeping rule amendment.

III COMMENTARY

A Filing in Other Jurisdictions

This proposed amendment will be filed for approval in Alberta, British Columbia, Manitoba, Ontario and Quebec will be filed for information in Nova Scotia and Saskatchewan.

B Effectiveness

The proposed change will bring the language used Policy No. 11 up to date by using the new name of the Institute.

C Process

The amendment was precipitated by the change in name of the Association for Investment Management and Research (AIMR) to the Chartered Financial Analyst Institute (CFA Institute).

IV SOURCES

References:

- Policy No. 11
- CFA Institute

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that these proposed rule amendments need not be published for comment.

Questions may be referred to:

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INVESTMENT DEALERS ASSOCIATION OF CANADA –

HOUSEKEEPING AMENDMENT TO POLICY NO. 11

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby amends the By-laws, Regulations, Forms and Policies of the Association by amending Policy No. 11, Requirement 17 as follows:

The words “AIMR Code of Ethics and Standards of Professional Conduct whether they are members of AIMR or not” are replaced with “CFA Institute Code of Ethics and Standards of Professional Conduct whether they are members of the CFA Institute or not.”

PASSED AND ENACTED by the Board of Directors, this 20th day of October 2004, to be effective on a date to be determined by Association staff.