



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

September 15, 2000

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

And to:

Claude St. Pierre, Secrétaire
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 22nd Tower
Montreal, Québec H4Z 1G3

Dear Sirs and Madams:

Re: CSA Staff Notice 31-401 – Registration Forms Relating to National Registration Database

Please find attached consolidated comments from various IDA member firms:

Dealer Firms Application

- If individual applications are required to be filed with this form, what is the relevancy of disclosing information regarding the firm as well as the firm's registrants? This information will already be provided in the individual's forms. It will be extra work for the firms to supply this information and extra work for the regulators to review it.

Authorized Firm Representative

- Criteria for designation - Does this have to be an Officer, Branch Manager?

Business Structure – Q.13

- This question should include “country” as corporation may be Federally incorporated

Schedule A

- Chief Legal Officer – Is this information required currently?

Schedule D - Section IV, Control Issues – Part 2

- Effective Date/Termination Date – What is this referring to?

Schedule E Section II, Q.3

- Should include Bureau des services financiers (“BSF”)

Individuals Application

- There is no section in the form that asks for disclosure regarding currently outstanding investigations with the regulators. This should be added to ensure full disclosure.
- The Schedules are not in the same order as the questions they relate to.
- These Schedules are confusing and should have more detailed instructions to guide the applicant through them.

2 (c) & (d) Height/Weight

- Does not indicate if metric or Imperial.

2(g)

- What is relevancy of having photographs on file at the Member firm?
- The wording of the form seems to indicate that holding the photograph at the firm is optional – is this the intent?

3(b)

- Must all applicants answer this question or just those that are not Canadian citizens? It is unclear.

4 – Residential Information

- What is the relevancy of going back ten years for someone's residential history? Can this time period not be shortened? This information, as far as I know, is never confirmed so what purpose does it serve?
- From/To Dates – The current information required is month and year. The form should reflect this.

7 . Employment

- Is it necessary to provide the details specified in (b)(c)(d)?

9. Present position in the firm

- Present position prior to approval or position for which they are applying?

10. Spousal Information

- 1-U-2000 requires only nature of employment not name of spouses employer and position held – not name of spouse's employer. Does not seem relevant unless securities related.
- Should common law spouse be declared? If so, should there be reference to it?

11. Proficiency requirements:

- Under other - not enough room is available - a drop-down window allow more room for further details (i.e. US Series examinations)

- CFA - Is it necessary to show 1st yr/2nd year and completion since only completion qualifies for any exemptions
- Numerous courses missing – Branch Managers Course, Professional Financial Planning course, Investment Management Techniques course etc.

12. Proof of passing courses held at the firm:

- The form indicates that this is an option and not a requirement.

16 Securities Regulators and Self Regulatory Organizations

- Should include Bureau des services financiers (“BSF”)

18. Type of Registration

- What is the definition of “advising” in regard to this question? It indicates you can be a trading/advising officer or a non-trading/advising officer.
- ACE Trader and VCT Trader no longer exist (now CDNX).
- Assistant Branch Manager is missing
- Add Financial Planner as category.

19 Type of Securities

- What type of registration would be required to trade “Forward Contracts” (i.e. securities)?
- What type of registration would be required to trade “Real Estate Securities”?
- This information should be outlined or clarified as it is bound to cause a lot of confusion for individuals completing this form.
- Would this category include Mutual funds?

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- What is the relevancy of this question? Any partner/director/officer information would already have to be disclosed in question 20.

23 Criminal Disclosure

- The advice listed in this information states “If you are in doubt as to previous dealings you have had with law enforcement agencies ...obtain the advice of an authorized officer of your sponsor”. In my opinion most officers of the firm are not going to have any more information about criminal proceedings, pardons, etc. than the applicant and to suggest otherwise is misleading.
- Offences as minors come up on RCMP check in many cases, should this be disclosed? It is currently our policy to do so.

32(a)

- Form 1-U-2000 eliminated the last part (which was, or is, based in whole or in part on fraud, theft, deceit, misrepresentation or similar conduct) and simply asks if any claim has been made successfully or is pending for any reason.

34/35 - 6

- Does not request copy of discharge/dismissal etc. I assume this would still need to be retained by member firm.

37 Judgement or Garnishment

- No reference is made to judgement or garnishment against any partnership or corporation

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- Indicates that all P/D/Os must complete Schedule A in regard to shareholders. The majority of P/D/Os do not hold shares (or enough shares to be significant) to require the completion of this form. This question should be changed to reflect that only applicant's who hold a significant amount of shares (i.e. over 10%) must complete this schedule.

Schedule B

- The numbering is out on this schedule, three different sections are all referred to as section “4”.
- This form indicates the applicant should indicate which *province* s/he was licensed in, but than lists Commissions instead of provinces. This should be changed, as the applicant is

required to list information regarding securities registration, but also insurance, real estate, etc. for which the Commissions don't provide licensing.

- In the second, section 4, this form indicates you are exempt from providing additional information if it is a “non-investment related activity which is exclusively charitable, civic ... and is recognized as tax exempt”. Clarification is needed here in regard to what this means. Does it mean is the firm itself tax exempt? Or the monies you may receive for service? Is this information readily available to an individual that holds such a position?
- Q.1 - Include BSF, TSE, CDNX, IDA, MFDA
- Other jurisdictions - Specify month/year
- Q.3 - Include BSF

Schedule C

- In part 3(b) the form asks if the charge was a felony or misdemeanour. It then asks for this same information in part 3(c).
- What is meant by “Event Status Date”?
- Shouldn't the details required for this type of situation be requested in one section, as opposed to been broken down into three sections? What is the relevancy of breaking it down, as opposed to providing one exact list of what's required?
- In section 5, the form asks for relevant dates. This information is already requested in section 3 *and* 4.

Schedule D

- If the person answers “other” on this form there is no room for them to provide particulars.

Schedule E

- In section 5, this form ask for “Principal Product Type” and “Other Product Types”, which will not always be relevant depending on the circumstances.

Schedule F

- Again this form ask for “Principal Product Type” and “Other Product Types”, which will not always be relevant depending on the circumstances.

Schedule G

- There is a typo when this schedule refers to question 43(b), instead of 34(b).
- Distinction should be made between what questions are applicable for a personal bankruptcy and what questions are applicable for a business bankruptcy.
- As a copy of the discharge is always required, the schedule should indicate this.
- Section IV, requires less information than is currently required by both the IDA and OSC for other business activities. Does this mean the current requirements in regard to this issue will be amended at the time this new form is available? If not, this form needs to be amended to reflect these requirements.

Schedule H

- In section 5, this form ask for “Principal Product Type” and “Other Product Types”, which will not always be relevant depending on the circumstances.

Registration Form – Adviser

- Is a separate form necessary? The registration form for an individual lists Securities Adviser as a category of registration. Is there duplication?

Q.6

- Should Include the Include Bureau des services financiers

Schedule A, Q.1

- Chief Legal Officer – Is this information required currently?

Schedule E - Section II, Q.3

- Should include the Bureau des services financiers

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

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