



INVESTMENT DEALERS
ASSOCIATION OF CANADA

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bulletin



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For distribution to relevant parties within your firm

BULLETIN #3522
March 13, 2006

By-Laws and Regulations

Amendments to IDA Form 1, Notes and Instructions to Statement A – Foreign Currency Cash Balances Held in RRSP Accounts

The Board of Directors of the Association has approved amendments to IDA Form 1, Notes and Instructions to Statement A – Foreign Currency Cash Balances Held in Registered Retirement Savings Plan (RRSP) Accounts. The amendments are effective for the Monthly Financial Report and the Joint Regulatory Financial Questionnaire and Report dated March 31, 2006, a copy of which is enclosed as Attachment #1.

Under the previous requirements, the foreign currency cash balances held in RRSP accounts kept by a trustee that qualifies as an acceptable institution were treated as non-allowable assets. These balances in general were not insured by either the Canadian Deposit Insurance Corporation (CDIC) or the Quebec Deposit Insurance Corporation (QDIC) and thus were not eligible for the allowable asset classification. This treatment was inconsistent compared with that of assets held in the other types of accounts for the dealers by acceptable institutions where no such insurance coverage was required. With the elimination of the RRSP foreign content limit and expected increase in the flow of foreign currency funds into RRSP accounts, it was necessary to make the amendments to correct the inconsistent and inappropriate treatment of these funds.

The amendments will correct these issues by permitting the classification of foreign currency cash balances in RRSP accounts, held at an acceptable institution that is a participating organization in either CDIC or QDIC (now Autorité des marchés financiers (AMF) with respect to deposit insurance), as allowable assets.

Kenneth A. Nason
Association Secretary

Attachment #1
INVESTMENT DEALERS ASSOCIATION OF CANADA
Form 1, Notes and Instructions to Statement A – Foreign currency cash balances
held in registered retirement savings plan accounts

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. The Notes and Instructions to Line 2 of Statement A of Form 1 are amended as follows:
 - (a) Adding the following sentence “and such accounts must be insured by the Canada Deposit Insurance Corporation (CDIC) or Autorité des marchés financiers (AMF) to the full extent insurance is available.” immediately following the words “Acceptable Institution”;
 - (b) Deleting the word “The” immediately preceding the word “RRSP”;
 - (c) Replacing the word “or” by the word “and” immediately preceding the words “other similar balances”; and
 - (d) Replacing the words “must be insured by the Canada Deposit Insurance Corporation (CDIC) or Quebec Deposit Insurance Corporation (QDIC).” by the words “, but for which CDIC or AMF insurance is not available such as foreign currency accounts, can be classified as allowable assets.”

PASSED AND ENACTED BY THE Board of Directors this 26th day of June 2005, to be effective on a date to be determined by Association staff.

Attachment #1
INVESTMENT DEALERS ASSOCIATION OF CANADA
Form 1, Notes and Instructions to Statement A – Foreign currency cash balances
held in registered retirement savings plan accounts
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“Line 2 – The trustee(s) for RRSP or other similar accounts must qualify as an Acceptable Institution and such accounts must be insured by the Canada Deposit Insurance Corporation (CDIC) or Autorité des marchés financiers (AMF) to the full extent insurance is available. If not, then the Member must report 100% of the balance held in trust as non-allowable assets on line 28. ~~The RRSP or~~ and other similar balances held at such trustee(s), but for which CDIC or AMF insurance is not available such as foreign currency accounts, can be classified as allowable assets. ~~must be insured by the Canada Deposit Insurance Corporation (CDIC) or Quebec Deposit Insurance Corporation (QDIC).~~ The name (s) of RRSP trustee(s) used by the Member must also be provided on Schedule 4.”