

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Amendments to IDA By-law 4.9 Regarding the Proficiency Requirements for Branch Managers of Branches Having Only Non-Retail Accounts

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENTS TO BY-LAW 4.9 REGARDING THE PROFICIENCY REQUIREMENTS FOR BRANCH MANAGERS OF BRANCHES HAVING ONLY NON-RETAIL ACCOUNTS

These amendments were blacklined to indicate amendments from the version that was published on October 29, 2004 at (2004) 27 OSCB 8941.

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 By-laws 4.6, 4.9 and Policy 6, Part I, Section 1 as follows:

“4.6.

- (a) Each Member shall appoint a branch manager to be in charge of each of its branch offices and, where necessary to ensure continuous supervision of the branch office, a Member may appoint one or more assistant or co-branch managers who shall have the authority of a branch manager in the absence or incapacity of the branch manager. A branch manager shall be normally present at the branch of which he or she is in charge.
- (b) A Member having a branch office that has no client accounts other than accounts for non-retail clients as defined in By-law 18.8 may appoint a branch manager (non-retail) to be in charge of the branch and, where necessary to ensure continuous supervision of the branch office, a Member may appoint one or more assistant or co-branch managers (non-retail), who shall have the authority of a branch manager in the absence or incapacity of the branch manager. A branch manager (non-retail) shall be normally present at the branch of which he or she is in charge.
- (c) A Member shall notify the Association as required in accordance with By-law 40, of the opening or closure of a branch office.”

“4.9. No person shall act as a sales manager, branch manager, assistant branch manager, co-branch manager, branch manager (non-retail), assistant branch manager (non-retail) or co-branch manager (non-retail) unless the person:

- (a) Has satisfied the applicable proficiency requirements outlined in Part I of Policy No. 6; and
- (b) Has been approved by the Association.”

“Policy 6, Part I, Section 1:

1. Branch Managers and Sales Managers

- (a) The proficiency requirements for a sales manager, branch manager, assistant or co-branch manager under By-law 4.9 are:
 - (i) Two years of experience as a securities dealer or working in the office of a broker or dealer in securities in various positions or such equivalent experience as may be acceptable to the applicable District Council;
 - (ii) Approval as a registered representative; and
 - (iii) Successful completion of
 - (A) The Branch Managers Course,

- (B) The Options Supervisors Course if the Member trades options with the public and
 - (C) The Effective Management Seminar within 18 months of approval.
- (b) The proficiency requirements for a branch manager (non-retail), assistant branch manager (non-retail) or co-branch manager (non-retail) under By-law 4.9 are:
 - (i) Successful completion of:
 - (A) The Branch Managers Course, or
 - (B) the Partners, Directors and Senior Officers Qualifying Examination, and
 - (ii) ~~If the branch has any persons approved to trade with the public and the Member trades options with the public, successful completion of the Options Supervisors Course~~ The proficiency requirements necessary to conduct or supervise the trading activity carried on by Approved Persons in the branch.

The Board of Directors also resolves that when proposed IDA Policy 4 – Minimum Industry Standards for Institutional Account Supervision is implemented, the words “non-retail clients as defined in By-law 18.8” in Paragraph (b) of revised By-law 4.6 shall be replaced by “institutional clients as defined in Policy 4”.

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.