

1.1.2 Notice of Commission Approval - Amendments to IDA Regulation 100.12 - Optional Use of Value at Risk Modeling

INVESTMENT DEALERS ASSOCIATION OF CANADA

**AMENDMENTS TO REGULATION 100.12
REGARDING THE OPTIONAL USE OF
VALUE AT RISK MODELING TO DETERMINE
CAPITAL REQUIREMENTS FOR
MEMBER FIRM SECURITY POSITIONS**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to IDA Regulation 100.12 regarding the optional use of value at risk modeling to determine capital requirements for member firm security positions. In addition, the British Columbia Securities Commission and Alberta Securities Commission did not object to, and the Autorité des marchés financiers approved, the amendments. The purpose of the amendments is to allow for an alternative method of determining capital requirements for member firm security positions, subject to certain conditions, for those IDA member firms who maintain sophisticated and/or significant proprietary inventories, the by-product of which will be capital requirements which are more reflective of the overall market risk of the proprietary inventory. The proposed amendments were published for comment on November 11, 2005 at (2005) 28 OSCB 9204. Some nonmaterial changes have been made to the amendments that were originally published, and a black-lined version highlighting the changes is being published in Chapter 13 of this Bulletin. A summary of the comments received and the IDA's response are also published in Chapter 13.