

**1.1.2 Notice of Commission Approval – Proposed
IDA Policy No. 4 Minimum Standards for
Institutional Account Opening, Operation and
Supervision**

THE INVESTMENT DEALERS ASSOCIATION (IDA)

**PROPOSED POLICY NO. 4
REGARDING MINIMUM STANDARDS FOR
INSTITUTIONAL ACCOUNT OPENING,
OPERATION AND SUPERVISION**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission (OSC) approved proposed IDA Policy No. 4 regarding minimum standards for institutional account opening, operation and supervision. In addition, the Autorité des marchés financiers (AMF) approved, the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) did not object to the proposed policy. Customers of IDA members fall into two major categories: retail and institutional. The IDA currently has Policy No. 2 to provide minimum standards for retail account supervision; however, there have been no specific standards in place for institutional accounts. The IDA, therefore, developed Policy No. 4 to provide minimum standards for IDA members to open institutional accounts, conduct suitability reviews for these accounts and supervise these accounts.

Proposed Policy No. 4 was published for comment on February 11, 2005 at (2005) 28 OSCB 1747. Immaterial changes have been made to the proposed policy as a result of comments from the recognizing jurisdictions and the public. The IDA added certain requirements that are currently in IDA Policy No. 2 that apply to all customer accounts. In addition, in order to avoid duplication, the IDA amended section III.B. of proposed Policy No. 4 to remove references to certain account activities that are explicitly prohibited or controlled by the Universal Market Integrity Rules (UMIR) and UMIR Policies, and the obligation on firms to have supervisory procedures to detect them are also required under UMIR and UMIR Policies.

The proposed Policy No. 4 that was approved by the AMF and the OSC and non-objected to by the ASC and the BCSC is included in Chapter 13 of this Bulletin, along with the IDA's summary of the comments received and response. The policy has been black-lined to indicate the changes from the previously published version.