

13.1.7 IIROC – Amendments to the Definitions of Acceptable Clearing Corporations and Acceptable Securities Locations in Form 1

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)
(FORMERLY INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)) –
AMENDMENTS TO THE DEFINITIONS OF ACCEPTABLE CLEARING CORPORATIONS
AND ACCEPTABLE SECURITIES LOCATIONS IN FORM 1**

(blacklined to reflect the changes made from the version published on June 15, 2007)

1. Proposed Amendments to Form 1 to the Definition of Acceptable Clearing Corporations

“(a) **“acceptable clearing corporations”** means those entities considered suitable to provide a Member with securities or derivatives transactions clearing and settlement services. ~~The SROs~~ These entities are as follows:

Any clearing agency operating a central system for clearing of securities or derivatives transactions that is subject to legislation and oversight by a central or regional government authority in the country of operation. The legislation or oversight regime must provide for or recognize the clearing agency’s powers of compliance and enforcement over its members or participants. The Joint Regulatory Bodies will maintain and regularly update a list of those acceptable clearing corporations.”

2. Proposed Amendments to Form 1 to the Definition of Acceptable Securities Locations

“(d) **“acceptable securities locations”** means those entities considered suitable to hold securities on behalf of a Member, for both inventory and client positions, without capital penalty, given that the locations meet the requirements outlined in the segregation bylaws, rules or regulations of the Joint Regulatory Bodies including, but not limited to, the requirement for a written custody agreement outlining the terms upon which such securities are deposited and including provisions that no use or disposition of the securities shall be made without the prior written consent of the Member and the securities can be delivered to the Member promptly on demand. The entities are as follows:

1. ~~Depositories~~ and Clearing Agencies

~~Securities depositories or clearing agencies incorporated or organized under the laws of Canada, the United States or other foreign country and~~ Any securities depository or clearing agency operating a central system for handling securities or equivalent book-based entries in that country and/or for clearing of securities or derivatives transactions that is subject to enabling legislation and oversight by a central or regional government authority in the country of operation that provides for compliance and powers of. The legislation or oversight regime must provide for or recognize the securities depository’s or clearing agency’s powers of compliance and enforcement over its members- or participants.

~~The SROs~~ Joint Regulatory Bodies will maintain and regularly update a list of those depositories and clearing agencies that comply with these criteria.”