



Mutual Fund Dealers Association of Canada
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MFDA Bulletin

Compliance

For Distribution to Relevant Parties within your Firm

Equity And Fixed Income Trades

The MFDA has become aware that certain Members and Approved Persons may be engaging in activities outside the limits of their registration by providing advice and/or facilitating trades with respect to equity and certain fixed income securities.

Staff have identified instances where:

- MFDA Members and Approved Persons transmit equity and fixed income orders on behalf of clients to investment dealers, financial intermediaries and financial institutions. This has occurred with both affiliated and non-affiliated organizations. In some cases, the Member maintains a supply of pre-printed trade tickets to facilitate this activity.
- Members and Approved Persons promote the ability to offer equity and fixed income trading services to clients.
- Approved Persons actively participate in discussions with the client and representatives of the investment dealer and provide advice on specific equity and fixed income securities.

MFDA Members and Approved Persons are prohibited from advising clients as to the buying or selling of equity and certain fixed income securities without proper registration. Members and Approved Persons are also prohibited from performing any acts in furtherance of trades in securities for which they are not properly registered. This would include any act, advertisement,

solicitation, conduct or negotiation directly or indirectly in the furtherance of an order to buy or sell equity or certain fixed income securities.

Members and Approved Persons are reminded that clients who wish to trade in equity and certain fixed income securities must deal directly with an appropriately registered investment dealer.

Members and Approved Persons who engage in these activities, which are beyond the scope of their registration, may be subject to disciplinary action.

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