



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Revisions to MR-0074 *Leverage Risk Disclosure* and Leverage Supervision Guide

On April 6 and 7, 2010 MFDA staff issued Member Regulation Notice MR-0074 *Leverage Risk Disclosure* (“MR-0074”) and the MFDA Leverage Supervision Guide. This Bulletin sets out revisions made to both documents. The revised versions are being republished along with this Bulletin.

MR-0074

MR-0074 permits short or long form leverage disclosure to be provided to clients when an Approved Person makes a recommendation for purchasing securities by borrowing or otherwise becomes aware of a client borrowing monies for the purpose of investment in a registered account. The Notice has been clarified and now refers to investment in a Registered Retirement Savings Plan (“RRSP”) or Registered Education Savings Plan (“RESP”).

Leverage Supervision Guide

Part I (Introduction) now clarifies that the guidance and recommended best practices set out in the Guide would generally not be applicable to loans for investment in Registered Retirement Savings Plans (“RRSPs”) or Registered Education Savings Plans (“RESPs”).

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