

1.1.2 Notice of Commission Approval – Amendments to MFDA Rule 3.2 and MFDA Financial Questionnaire and Report

**MUTUAL FUND DEALERS ASSOCIATION
OF CANADA**

**AMENDMENTS TO MFDA RULE 3.2 AND
MFDA FINANCIAL QUESTIONNAIRE AND
REPORT REGARDING THE
CALCULATION OF RISK ADJUSTED CAPITAL**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to MFDA Rule 3.2 and the MFDA Financial Questionnaire and Report regarding the calculation of risk adjusted capital. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendments. The amendments require members to maintain positive financial statement capital, to notify the MFDA at the time of any request for accelerated payments by creditors not contemplated in an existing repayment schedule, and to treat related party debt as a current liability unless a subordination agreement in the form prescribed by the MFDA has been signed.

The proposed amendments were published for comment on July 28, 2006 at (2006) 29 OSCB 6259. Some immaterial changes have been made to the amendments since the time they were originally published and a copy of the amendments, blacklined to highlight the changes from the previously published version, is being republished in Chapter 13 of this Bulletin. A summary of the comments received and the MFDA's response are also published in Chapter 13.