

**ALBERTA SECURITIES COMMISSION  
NOTICE**

**Amendment to Section 28  
of the Alberta Securities Commission Rules (General)  
effective April 30, 2003**

April 25, 2003

**Background**

On December 2, 2002, the ASC published a notice that sought public comment on

- the application for approval of the Mutual Fund Dealers Association Investor Protection Corporation (the “MFDA IPC”) and
- a proposed amendment to section 28 of the Alberta Securities Commission Rules (General) (the “Rules”).

Although we received a few public comments on the application of the MFDA IPC, we did not receive any on the proposed amendment to section 28 of the Rules. While the CSA, MFDA, and MFDA IPC review the public comments on the application, the ASC will proceed with the proposed amendment to section 28 of the Rules. The amendment will be effective April 30, 2003.

**Amendment to Section 28 of the Rules**

Section 28 of the Rules currently provides that the Executive Director has authority to establish a compensation fund or contingency trust fund and may require a dealer or adviser to participate in such a fund. The amendment to section 28 will

- add a provision that the Executive Director of the Commission has authority to approve a compensation fund established by a recognized self-regulatory organization, a recognized exchange or a trust company, and
- more clearly mandate every broker, investment dealer and mutual fund dealer to participate in and contribute to such a compensation fund or contingency trust fund.

The full text of the amendment to section 28 is published with this notice.

**Further Information**

For further information please direct your questions to:

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**ALBERTA SECURITIES COMMISSION RULES (GENERAL)  
AMENDMENT RULE**

1. Alberta Securities Commission Rules (General) is amended by this Rule.
2. Section 28 is repealed and the following is substituted:

**28. Compensation fund or contingency trust fund - (1)** The Executive Director may

- (a) establish a compensation fund or contingency trust fund with a trust company, or
- (b) approve a compensation fund or contingency trust fund established by
  - (i) a recognized self-regulatory organization,
  - (ii) a recognized exchange, or
  - (iii) a trust company.

(2) Every broker, investment dealer and mutual fund dealer must participate in and contribute to a compensation fund or contingency trust fund approved under subsection (1).

(3) The Executive Director may require any of the following persons or companies to participate in a fund established or approved under subsection (1):

- (a) a scholarship plan dealer,
- (b) an adviser, other than a securities adviser.

(4) Every person or company required pursuant to subsections (2) or (3) to participate in a fund established or approved under subsection (1) must contribute an amount of money to the fund as required by the recognized self-regulatory organization, recognized exchange, or, in the case of a fund established by a trust company or by the Executive Director, the Executive Director requires.

(5) The Executive Director may exempt a broker, investment dealer or mutual fund dealer from the requirements of subsection (2).

3. This Rule comes into force on April 30, 2003.