

33-106 Year 2000 Preparation Reporting [NI - Rescinded]

Published October 23, 1998

Effective October 21, 1998

Rescinded/Lapsed July 21, 1999

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

"primary audit SRO" means the specified SRO selected by a registered firm as primarily responsible for oversight of the firm;

"registered firm" means a registrant that is registered as a dealer, adviser or underwriter but does not include an individual;

"specified SRO" means:

- (a) the Investment Dealers Association of Canada;
- (b) the Vancouver Stock Exchange;
- (c) the Alberta Stock Exchange;
- (d) The Toronto Stock Exchange; or
- (e) The Montreal Exchange;

"Year 2000 Management Certificate" means the certificate of management in the form attached as Appendix B to this Instrument; and

"Year 2000 Survey" means the survey of preparations for the Year 2000 Problem of a registered firm attached as Appendix A to this Instrument.

1.2 Interpretation - For purposes of this Instrument, the Year 2000 Management Certificate and the Year 2000 Survey, the term "Year 2000 Problem" includes problems arising from any of the following:

- (a) computer software incorrectly reading the date "01/01/00" as being the year 1900 or another incorrect year;
- (b) computer software incorrectly identifying a date in the year 1999 or any year thereafter;
- (c) computer software failing to detect that the year 2000 is a leap year;
- (d) any other computer software error that is directly or indirectly caused by the problems set out in clauses (a), (b) or (c) of this section.

PART 2 YEAR 2000 SURVEY

2.1 Filing - A registered firm shall file with the regulator a completed Year 2000 Survey with information current to September 30, 1998 by the later of:

- (a) October 31, 1998; and

(b) the date that is ten days after the date that this Instrument is effective.

2.2 SRO Members - A registered firm that is a member of a specified SRO is exempt from filing the Year 2000 Survey with the regulator if

(a) the firm files the Year 2000 Survey with its primary audit SRO in the time and with information current to the time set out in section 2.1; and

(b) the primary audit SRO for the firm notifies the firm in writing that it will file the Year 2000 Survey with the regulator.

PART 3 YEAR 2000 MANAGEMENT CERTIFICATE

3.1 Filing - A registered firm shall file with the regulator a completed Year 2000 Management Certificate as follows:

(a) containing information current to September 30, 1998 by the later of:

(i) October 31, 1998; and

(ii) the date that is ten days after the date that this Instrument is effective;

(b) by January 31, 1999, containing information current to December 31, 1998;

(c) by April 30, 1999, containing information current to March 31, 1999; and

(d) by June 30, 1999, containing information current to June 15, 1999.

3.2 SRO Members - A registered firm that is a member of a specified SRO is exempt from filing the Year 2000 Management Certificate for a date specified in section 3.1 with the regulator if

(a) the firm files the Year 2000 Management Certificate for the date with its primary audit SRO in the time and with information current to the time set out in section 3.1; and

(b) the primary audit SRO for the firm notifies the firm in writing that it will file the Year 2000 Management Certificate with the regulator.

PART 4 FORMAT AND SIGNATURES

4.1 Format - All materials required to be filed with the regulator under this Instrument shall be filed electronically in portable document format or in a format convertible into portable document format.

4.2 Signatures - All materials required to be filed with the regulator under this Instrument shall be signed by means of an electronic entry of the name of the person or company required to sign the filing that is executed by the person or company as a signature.

PART 5 EXEMPTIONS

5.1 Exemptions

(1) The regulator or securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

APPENDIX A
TO NATIONAL INSTRUMENT
33-106
YEAR 2000
PREPARATION REPORTING

YEAR 2000 SURVEY

(Firm Name)

(Head office address)

(Filing Date)

**Instructions: CIRCLE the answers to the following questions
and/or respond with the specific information requested:**

1. (a) What is your registration category or categories in each jurisdiction?

Jurisdiction Category

British Columbia _____

Alberta _____

Saskatchewan _____

Manitoba _____

Ontario _____

Quebec _____

Nova Scotia _____

New Brunswick _____

Prince Edward Island _____

Newfoundland _____

Northwest Territories _____

Yukon _____

(b) Identify if your firm is an introducing or carrying broker and, if an introducing broker, the category of introducing broker: _____

(c) If an introducing broker, note the name of your carrying broker:

2. Name the service providers which your firm uses and, if you are an adviser, name any fund to which you provide advice: _____

3. How does your firm rank the importance of preparing for the Year 2000 Problem?

Very Critical 5 4 3 2 1 Low Impact (circle one)

4. Is your firm's Board of Directors or Governing Body aware of the Year 2000 Problem and resulting risks?

Yes No If no, describe why:

5. Has your firm prepared a plan to address the Year 2000 Problem to ensure that the firm's computer systems continue to operate successfully after December 31, 1999?

Yes No If no, advise when plan will be available:

6. Does the scope of your firm's preparations for the Year 2000 Problem include assessing interfaces with external data providers?

Yes No If no, describe why:

7. Does the scope of your firm's preparations for the Year 2000 Problem include all parts of the organization, including foreign branches or companies?

Yes No If no, describe why:

8. Provide the name and contact information of the Partner/Director/Officer responsible for your firm's preparations for the Year 2000 Problem:

Name: _____

Title: _____

Firm: _____

Telephone #: _____

Fax #: _____

e-mail address: _____

9. (a) Is this a full-time project for the individual?

Yes No

(b) If part-time, what percentage of this individual's time is dedicated to your firm's preparations for the Year 2000 Problem?

%

10. Does your firm plan to use an outside consultant to advise it on the Year 2000 Problem and related issues?

Yes No

If Yes, provide contact information:

Name: _____

Title: _____

Firm: _____

Telephone #: _____

Fax #: _____

e-mail address: _____

11. At what level of corporate management is your firm's preparations for the Year 2000 Problem being sponsored?

Chairman President CFO CIO Director Other

Provide specific response for "Other": _____

12. Are progress reports provided to the project sponsor and management?

Yes No If no, describe why: _____

If so, how frequently?

Weekly Biweekly Monthly Quarterly Other

Provide specific response for "Other": _____

13. Do your firm's preparations for the Year 2000 Problem include an assessment phase to measure the scope and risk of the Year 2000 Problem at your firm?

Yes No If no, describe why: _____

14. Does the assessment phase include:

(a) An analysis of all third-party vendor software and Yes No hardware products?

(b) An analysis of all internal systems? Yes No

(c) An analysis of facilities and communication systems Yes No (e.g., elevators, telephones, power)?

(d) An inventory of all technology systems? Yes No

If no, describe why: _____

How many technology systems have been identified?

15. Has your firm determined the corrective actions necessary to ensure the technology systems will be prepared for the Year 2000 Problem?

Yes No If no, state when this information will be available.

16. If so, how many systems will be

(a) Modified: _____

(b) Retired: _____

(c) Replaced: _____

(d) Other (provide specific response): _____

17. What is the current completion status of your firm's preparations for the Year 2000 Problem?

%

18. When is your firm scheduled to complete the following major milestones of its preparations for the Year 2000 Problem?

Milestone Month/Year

(a) Modification of firm systems: _____

(b) Verification that other systems used by the firm are prepared for the Year 2000 Problem:

(c) Testing of firm and other systems with other party systems:

(d) Planned completion date of preparations: _____

19. Has your firm dedicated a separate budget for its preparations for the Year 2000 Problem?

Yes No

20. What is the anticipated total cost of your firm's preparations for the Year 2000 Problem?

\$ _____

Firm's Chief Executive Officer to sign in the space below.

Name: _____ Date: _____

Signature: _____

Chief Executive Officer

YEAR 2000
PREPARATION REPORTING

YEAR 2000 MANAGEMENT CERTIFICATE

(Firm Name)

(Head office address)

(Filing Date)

(Answer Yes or No unless otherwise indicated)

Organization wide impact

1. Has an assessment been made of the impact of the Year 2000 Problem across the entire organization? _____
2. Was the assessment designed to identify all computer hardware and software and devices with embedded chips that contain date-dependent code? _____
3. Did the assessment address the importance of the systems that employ those resources in terms of the impact on the organization if they were to fail? _____
4. Did the assessment address other sources of risk such as dependence on suppliers and interconnectivity? _____

Project Plan

5. Has a project team been established and assigned to address your firm's Year 2000 Problem? _____
6. Has a project plan been established to ensure that mission critical systems throughout the whole organization will be remediated in time to avoid the negative consequences resulting from the Year 2000 Problem? _____
7. Is the project plan in writing? _____
8. Has an assessment phase been performed to measure the scope and risk of the Year 2000 Problem at your firm? _____
9. Has the board of directors (or similar body) of your firm approved the project plan? _____
10. Are the following items contained in the written project plan: _____
 - (a) Assessment of the problem _____

- (b) Correction of systems _____
 - (c) Replacement of systems _____
 - (d) Internal testing _____
 - (e) Point to point testing (interface testing with other registrants, custodians, transfer agents, clearing organizations, financial institutions, customers, other service providers, etc.) _____
 - (f) Training _____
 - (g) Industry wide testing _____
 - (h) Implementation of contingency plans _____
 - (i) Other (specify) _____
11. Has a budget allocation for the project plan been made and approved for: _____
- 1998 _____
- 1999 _____
- 2000 _____
12. Have sufficient financial resources been provided to carry out the project plan? _____
13. Does your firm have access to resources to carry out the project plan, including technical personnel and appropriate facilities (e.g. computer hardware, etc.)? _____
14. Has your firm contracted the expertise of consultants to review preparations for the Year 2000 Problem? _____

Progress against plan

15. Is there time to properly test new or amended systems? _____
16. When did/will your firm begin internal testing? **(insert date)** _____
17. When will internal testing be completed? **(insert date)** _____
18. Did testing of internal systems result in material exceptions that remain unresolved as of this filing? _____
19. Does your firm plan to participate in point to point or external interface testing? _____
20. When did/will your firm begin point to point testing (including testing with other registrants, custodians, transfer agents, clearing organizations, financial institutions, customers, other service providers, etc.)? **(insert date)** _____
21. When will point to point testing be completed? **(insert date)** _____
22. Did point to point testing result in material exceptions that remain unresolved as of this filing? _____

23. What is the current completion status (expressed as a percentage) of your internal mission critical systems with respect to the following phases: %
- (a) Assessment %
- (b) Remediation/replacement %
- (c) Testing %
- (d) Implementation
24. What is the current completion status (expressed as a percentage) of the project plan? %
25. What is the planned completion date of the project plan? **(insert date)** _____

Contingency planning

26. Are there contingency plans to deal promptly with unforeseen issues that arise relating to the Year 2000 Problem? _____

Reporting

27. Is the Board of Directors (or similar body) receiving regular reports on addressing the broad impacts of the Year 2000 Problem and related issues on a timely basis? _____
28. What is the level of management responsible for addressing problems caused by the Year 2000 Problem? _____

Other

29. Identify third parties upon whom you rely for mission critical systems:
- _____
- _____
- _____
- _____
30. Has any third party upon whom you rely for mission critical systems declined or failed to provide you with assurances that it is taking the necessary steps to prepare for the Year 2000 Problem? _____
31. Provide any additional comments or material information that will assist in understanding the preparations of your firm for the Year 2000 Problem.
- _____
- _____
- _____

Name and Title - Type Signature

Chief Executive Officer

Chief Financial Officer

Designated Year 2000 person responsible

Chairman of Year 2000 Board Committee

(if any) or Chairman of the Board

[date]