



**CIRCULAR**  
**June 26, 2003**

**PROVISIONS RELATING TO TRADE NAMES AND  
LEGAL NAMES USED BY APPROVED PARTICIPANTS  
IN THEIR COMMUNICATIONS WITH CLIENTS**

**ADDITION OF ARTICLES 8025 TO 8033 TO RULE EIGHT**

The Special Committee – Regulatory Division of Bourse de Montréal Inc. (the “Bourse”) has approved the addition of articles 8025 to 8033 to Rule Eight of the Bourse. These new articles are effective immediately.

Until now, the Bourse did not have clear rules concerning the use by its approved participants of trade names.

The purpose of the addition of articles 8025 to 8033 to Rule Eight of the Bourse is to correct this situation by permitting approved participants to use a trade name other than their legal name provided, however, that such trade name is owned by the approved participant, by an approved person related to the approved participant or by a company affiliated to the approved participant or to the approved person. The Bourse must be notified in advance of the intent to use such a trade name.

Furthermore, a trade name can be used by only one approved participant unless the approved participants are related or affiliated or that there is between them an introducing /carrying broker agreement which is in compliance with the requirements of article 7470 of the Rules of the Bourse concerning this type of agreement. Article 7470 permits and even requires in some cases the simultaneous use of the names of both the carrying broker and the introducing broker on accounts documents and on correspondences with clients.

The new articles of Rule Eight also provide for the possibility to use simultaneously both the legal name of an approved participant and its trade name on material used to communicate with clients. These provisions apply mainly at the discount brokers which, under current practices, identify not only the trade name used for their discount brokerage services but also the legal

Circular no.: 094-2003

Amendment no.: 012-2003

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name of the approved participant offering such a service. It is also worth mentioning that in all legal documents such as account agreements, confirmations of transactions and statements of accounts, the legal name of the approved participant must appear.

When an approved person uses a trade name that does not belong to the approved participant, this one must give its prior written consent to such use. In the case of such use, the trade name must accompany the legal name of the approved participant but must not replace it. Both names must therefore appear on any document distributed to clients and none of these names must be more prominent than the other one.

Finally, approved participants and their approved persons must not use trade names that may be deceptive or misleading. The Bourse may prohibit the use of such names if it considers that their use would be contrary to the Rules of the Bourse.

For further information, please contact Mr. Jacques Tanguay, Vice-President, Regulatory Division at (514) 871-3518 or by e-mail at [jtanguay@m-x.ca](mailto:jtanguay@m-x.ca).

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**Section 8025 - 8050**  
**Identification of an approved participant**  
(26.06.03)

**8025 Ownership of Trade Name**  
(26.06.03)

All business carried on by an approved participant or by any person on its behalf must be in the name of the approved participant or a business or trade name owned by the approved participant, an approved person in respect of the approved participant or an affiliated corporation of either one of them.

**8026 Approval of Trade Name**  
(26.06.03)

A business or a trade name is considered own by an approved participant when the approved participant has given its prior written consent for its uses and that the business or trade name does not contravene to any laws in Quebec and Canada regarding the legal publicity.

**8027 Notification of Trade Name**  
(26.06.03)

Prior to the use of any business or trade name other than the approved participant's legal name, the approved participant must notify the Bourse.

**8028 Transfer of Trade Name**  
(26.06.03)

Prior to the transfer of a business or trade name to another approved participant, the approved participant must notify the Bourse and comply with the laws in Quebec and Canada regarding the legal publicity.

**8029 Single Use of Trade Name**  
(26.06.03)

No approved participant or approved person must use any business or trade name that is used by any other approved participant unless the relationship with such other approved participant is that of an introducing/carrying broker arrangement pursuant to article 7470 or unless approved participants are related firms or affiliated corporations.

**8030 Legal Name**  
(26.06.03)

All written agreements with clients must be entered into in the approved participant's full legal name.

**8031 Trade Name to Accompany Legal Name of an Approved participant**  
(26.06.03)

A business or trade name used by an approved participant or an approved person may accompany, but not replace, the legal name of the approved participant on material that is used to communicate with the public. The approved participant's legal name must be at least equal in size to the business or trade name used. The "material" used to communicate with the public include, but is not limited to, the following:

- letterhead;
- business cards;
- invoices;
- trade confirmations;
- monthly statements;
- websites;
- research reports;
- advertisement.

**8032 Misleading Trade Names**  
(26.06.03)

No approved participant or approved person must use any business or trade name that is deceptive or misleading.

**8033 Prohibition on Use of Trade Name**  
(26.06.03)

The Bourse may prohibit an approved participant or approved person from using a business or trade name that is contrary to the Rules of the Bourse