

**Canadian Securities Administrators Staff Notice 31-304
Year 2000: Backup of Records**

Staff of the members of the Canadian Securities Administrators ("CSA staff") remind registrants, mutual fund companies, depositories, custodians, transfer agents and other market participants of their obligation, pursuant to securities legislation, to maintain books and records necessary to record properly their business transactions and financial affairs. CSA staff consider it prudent that market participants take additional precautions to ensure the integrity of their records during the transition to the Year 2000, in order both to maintain client service and to satisfy statutory record-keeping obligations.

CSA staff are aware that most market participants regularly create a duplicate copy of existing data. CSA staff emphasize the particular importance of these "backup" records in the Year 2000 context. CSA staff consider that good business practice and prudent Year 2000 contingency planning should lead market participants to back up sufficient data relating to transactions for a sufficient period to enable the participant to continue its critical functions in the Year 2000 even if all primary data is inaccessible. CSA staff recommend that a backup for the end of 1999 be completed before midnight on December 31, 1999; to accomplish this, participants should consider whether a change in internal process scheduling on that day is necessary.

In performing their data backup, market participants should choose a method of record-keeping that will make the information available in an accurate and intelligible form. Duplicate copies could be kept on paper, microfilm, microfiche or any appropriate digital storage medium or system. In determining the method of storage, market participants should ensure that they will have post-Year 2000 programs that can access and read pre-Year 2000 data, as necessary. The backup records should be kept for a reasonable time in keeping with good business practices, and at least as long as needed to comply with legislative record-keeping requirements.

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