



THE CANADIAN BAR ASSOCIATION

L'ASSOCIATION DU BARREAU CANADIEN

**The Voice of  
the Legal Profession**

**La voix de la  
profession juridique**

August 1, 2003

Marie Oswald  
Vice President, Investigations & Enforcement  
Market Regulation Services Inc.  
York Centre, Box 939  
900-145 King St W  
Toronto, ON M5H 1J8

Dear Marie:

**Re: Insider Trading Task Force (ITTF) and the CBA**

Thank you for your e-mail of June 23, 2003 to Warren Grover and your further e-mail of July 15, 2003 to Ken Wiener. In both of your e-mails your primary focus is on information containment.

The Rule in Chapter IV of the CBA Code of Professional Conduct says:

The lawyer has a duty to hold in strict confidence all information concerning the business and affairs of the client acquired in the course of the professional relationship and should not divulge such information unless disclosure is expressly or impliedly authorized by the client, required by law or otherwise permitted or required by this Code.

The same or similar wording is found in the Rules of Professional Conduct promulgated by the various provincial and territorial law societies across Canada. Accordingly, we do not understand what further rules for information containment are appropriate.

We understand your Task Force is concerned to identify means of reducing the incidence of illegal insider trading, such as by promulgating best practices for service providers to limit the leakage of material information. While we support your efforts to prevent, detect and deter illegal insider trading, as we noted previously, we are not aware of situations where the leakage of material information by lawyers has led to illegal insider trading.

The CBA does wish to be responsive to the request of the Insider Trading Task Force but again requests that we be advised of the types of problems the regulators have encountered with lawyers so we can respond effectively. If you believe a meeting with representatives of the Insider Trading Task Force and our task team would be appropriate to further a mutual understanding, we would be pleased to attend such a meeting.

Yours truly,

Warren Grover