



For immediate release

## **Questrade launches first RSP to hold U.S. cash**

### **Questrade RSP eliminates foreign exchange fees, allowing investors to trade online with USD**

Toronto, ON (January 14<sup>th</sup>, 2008) – Questrade Inc. has reinvented the RSP. For the first time, Canadians can hold USD in RSPs, and trade US securities online in registered accounts without incurring hefty currency conversion fees. The service is available in all Questrade registered accounts.

Edward Kholodenko, CEO and President of Questrade Inc., says: “Canadians deserve fair, transparent pricing. This offering eliminates the 1% to 2% foreign exchange charges that have been plaguing investors for years.”

Regulations allowing foreign currencies in RSPs are recent. In 2001, the CRA amended tax laws to allow foreign currency holdings. In June, 2005, the government removed the 30% foreign property cap in registered savings plans. On April 1, 2006, the Investment Dealers Association of Canada (IDA), the Canadian securities industry regulator, classified US dollar balances as *allowable assets* in RSPs.

Continues Kholodenko: “The Questrade RSP allows Canadians to do more with their money. They can build their portfolio by trading actively in US stocks, diversify with gold products and enjoy significant savings on fees. With this innovation Questrade continues to find new ways to deliver more value to Canadian investors.”

Questrade’s USD in RSP service is a continuation of the firm’s commitment to innovative, cost-effective solutions for Canadians. In 2006, Questrade eliminated annual and inactivity RSP fees. In 2007, Questrade introduced the gold RSP service, which allows investors to buy, hold and trade physical gold in their RSP.

USD in RSP is patent pending.

#### **About Questrade:**

Questrade Inc., headquartered in Toronto, provides Canadians with high-speed, direct access trading to the U.S. and Canadian stock and options markets as well as forex trading. Since its inception in 1999, Questrade has grown to over 80 employees, including client services specialists who speak 13 languages including English, French, Mandarin, Cantonese, Spanish, Russian, and Hebrew. The company continues to demonstrate its competitive leadership with a combination of outstanding service, advanced technology and competitive pricing structures.



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## The Questrade RSP: USD in RSP FAQs

### **Can I hold US currency in any registered plan – RRSP, RESP, RIF, etc?**

Yes. As of January 14, 2008, all Questrade registered accounts can hold U.S. currency.

### **What are the benefits of holding U.S. currency in an RSP?**

The main benefit of being able to hold U.S. currency in an RSP account is avoiding the forced currency conversion fee attached to every trade of a USD security. Previously, RSP accounts could only hold Canadian dollars. Any trade – buy or sell – involving a U.S. security would therefore also involve a conversion to or from CAD. Depending on the amount of trading in the registered account, the savings to Questrade clients could be considerable.

### **Do I have to call in advance to avoid currency conversions when I trade USD securities in my RSP?**

Because our trade platforms are direct access, clients do not have to call in special requests (such as what other brokers refer to as “wash trades”) for USD buy or sell orders. This allows traders to react to market movement as quickly as they would in any other Questrade account.

### **How do I set up a registered account with USD?**

All Questrade registered accounts can be set up with USD. The default currency for our registered accounts is CAD. To change the currency to USD, login to myQuestrade, our client services portal, click on the *My Account* tab, and select *RSP Currency Settlement* from either the drop-down menu or side menu. You will have an option of either CAD, USD or trade currency.

### **What are the regulations on holding foreign currencies in RSPs?**

Regulations allowing foreign currencies in RSPs are recent. In 2001, the CRA (Canada Revenue Agency) amended tax laws to allow foreign currency holdings. In June, 2005, the CRA removed the 30% foreign property cap in registered savings plans. On April 1, 2006, the IDA (Investment Dealers Association of Canada), the Canadian financial industry regulator, classified currencies as *allowable assets* in RSPs. This opened the door for Questrade’s USD in RSP.

### **Why do banks and brokerages do forced currency conversions when trading U.S. securities in registered accounts?**

The legal ability to hold currencies other than the Canadian dollar in registered accounts came into effect on April 1<sup>st</sup>, 2006. But that was only one hurdle. The other is the technology available to maintain books and records (clearing capability), which is used by the majority of North American financial institutions, including Questrade, to clear trades. The software was not designed to hold multiple currencies in registered accounts. As a result, there is simply no way for the software to *encode* U.S. currency, therefore preventing anything but Canadian dollars from being entered as cash in the account. That said, there has been little to no corporate will to solve this problem. It would be a switch-over on a massive scale and it would eliminate a major revenue stream for brokerages and banks.

For more FAQs, please visit [www.questrade.com](http://www.questrade.com) and click on the USD icon.



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