Registration Checklist – Documents Required

☐ Form **33-109F6** – *Firm Registration*

☐ Creation of account on the National Registration Database (NRD) and payment of application fee on NRD

☐ Business plan

☐ Organizational chart showing:

- ☐ all parents, specified affiliates and specified subsidiaries
- ☐ each person or company’s name, class type, amount and percentage ownership of the firm’s voting securities

☐ Corporate ownership chart, including articles of incorporation or a similar document

☐ Calculation of excess working capital

☐ Audited and unaudited financial statements covering the period prior to registration

☐ Policies and procedures manual (available under the Registrant Toolkit section of asc.ca under Reference Resource for EMDs) that includes sections on:

- ☐ the firm’s compliance framework, including:
    - the roles and responsibilities of the CCO and UDP, including the CCO’s annual compliance report to the board
    - supervision and training of registered individuals
    - ongoing and ad-hoc registration filings for the firm and individual registrants
- ☐ know your client (KYC) procedures, including the KYC form and/or investment policy statement (if applicable)
- ☐ know your product (KYP) procedures
- ☐ assessing suitability, including triggers for reassessing suitability
- ☐ suitability waivers
- ☐ trading and settlement procedures, including trade reconciliation procedures
- ☐ conflicts of interest section that covers (where applicable):
    - identifying and addressing conflicts in the best interest of clients, including a decision-making framework for managing versus avoiding them
    - individual registrant responsibilities to report and address conflicts
    - approval of individual registrant activities related to conflicts of interest
    - affiliated and related-party entities and individuals, including service providers and issuers
    - fees and compensation
    - outside activities, including positions of influence

- ☐ prohibited activities such as:
  - tied settling
  - tied selling
  - borrowing from and lending to clients
- ☐ marketing and sales practices that include sections on:
  - disclosure to clients, including disclosure for related and connected securities (if applicable)
  - prohibited misleading communications
  - referral arrangements (if applicable)
  - use of social media
  - review of marketing materials
  - oversight and monitoring of marketing, social media, and sales practices
  - use of languages other than English in marketing (if applicable)
- ☐ relationship disclosure information, pre-trade disclosure, and client disclosures
- ☐ maintenance and retention of books and records
- ☐ business continuity planning that includes sections on:
  - continuity planning if the firm has a sole DR, AR or CCO
  - disaster recovery plan
- ☐ complaint handling that includes services provided by an independent dispute resolution service provider
- ☐ client reporting that includes sections on (where applicable):
  - trade confirmations
  - determination of market value
  - account statements
  - annual performance report
  - annual report on charges and other compensation
- ☐ cybersecurity
- ☐ custody arrangements and holding client assets in trust (if applicable)
- ☐ policies for dealing with vulnerable clients, including those with diminished mental capacity, such as:
  - identifying vulnerable clients
  - completing KYC and assessing suitability
  - naming a Trusted Contact Person
  - placing temporary holds
- ☐ identity verification and anti-money laundering procedures
- ☐ financial condition and filings, including:
  - policies on obtaining audited financial information
  - policies on monitoring and reporting on excess working capital

        - policies on filing of annual and quarterly (if required) financial information
        - maintenance of appropriate insurance and reporting changes, claims or cancellations
        - subordinated loan filings (if applicable)
    - ☐ appointment of agents for service in each Canadian jurisdiction outside Alberta where the firm is applying to register
    - ☐ proof of valid bonding and insurance (to be arranged by the date of registration)
    - ☐ confirmation of application of membership to the Ombudsman for Banking Services and Investments (to be confirmed by the date of registration)

For legislative guidance on the sections noted above, please refer to ASC Notice 33-706.

In addition to the above, the following template documents and additional policies and procedures must be provided for specific business models:

Exempt Market Dealers (EMD)

- ☐ KYC form
- ☐ Suitability assessment procedures
- ☐ Relationship disclosure information form and the conflicts of interest disclosure form (if applicable)
- ☐ Policies and procedures on EMD functions, including (if applicable):
    - ☐ products distributed by related-party issuers (i.e., "captive dealer" policies and procedures such as those relating to KYP, conflicts of interest, etc.)
    - ☐ KYP approval and monitoring of products on the firm's product shelf, including:
        - review of prospectus exempt offering materials
        - review of issuer marketing materials
        - training of dealing representatives on product information
        - product approval process
    - ☐ suitability assessment and concentration in exempt market securities
    - ☐ eligibility for investor prospectus exemptions contemplated in NI 45-106 *Prospectus Exemptions*
    - ☐ procedures on completion of the subscription agreement, and submission of this agreement to the issuer
    - ☐ procedures on handling client funds for subscriptions
    - ☐ underwriting conflicts and disclosure (if applicable)

Portfolio Manager (PM)

☐ KYC form and/or investment policy statement

☐ Investment management agreement and/or fund management agreement

☐ Custodian agreement

☐ Broker agreement

☐ Relationship disclosure information

☐ Policies and procedures on PM functions, including (if applicable):

- ☐ fair allocation of investment opportunities and required disclosure
- ☐ broker selection, including meeting the best execution requirements
- ☐ trading procedures, including:
    - documentation, approval and execution of trades, including the use of order memoranda (if applicable)
    - use of different brokerage accounts or omnibus accounts for trading
    - block or bulk trades, including allocation
    - over-the-counter (OTC) trading
    - trade matching
    - failed trades and trading errors, including how client losses are handled
    - recording of trades, including maintenance of a trade blotter
    - settlement and reconciliation procedures
- ☐ portfolio management activities, including:
    - receipt and processing of client instructions
    - account activity, monitoring and rebalancing
    - account opening and closing procedures
    - supervision of associate advising representatives (if applicable)
- ☐ conflicts of interest, including:
    - use of client brokerage commissions (soft dollar arrangements)
    - personal trading, including insider trading
    - restricted managed account transactions, including cross trades and purchases of certain issuers
    - self-dealing
- ☐ use of performance data, including benchmarks
- ☐ fee arrangements and fee calculations
- ☐ sub-advising
- ☐ proxy voting

Investment Fund Manager (IFM)

☐ Policies and procedures on IFM functions, including (if applicable):

- ☐ fund accounting functions, including net asset valuation, securities valuation and review of fund allocation of income and expenses (including fees)
- ☐ trust accounting functions, such as determining whether fund/investor's assets are held separate and apart from the fund manager's assets, and oversight of the flow of client funds, including from subscriptions and withdrawals
- ☐ transfer agent functions, including maintaining a registry of securityholders and their holdings, recording of fund activity related to subscriptions, withdrawals and distributions, issuing tax statements and responsibility for investor communications
- ☐ investment review committee procedures, including the oversight of portfolio management functions, monitoring of funds to ensure alignment with the fund mandate, and monitoring risk of the funds
- ☐ oversight of the preparation and maintenance of fund offering documents
- ☐ establishing a distribution channel for the fund
- ☐ client reporting (i.e., securityholder statements)
- ☐ oversight over outsourced activities
- ☐ compliance with requirements for reporting issuer investment funds, including (where applicable):
    - mutual fund prospectus disclosure in NI 81-101
    - investment fund operations and management in NI 81-102
    - mutual fund sales practices in NI 81-105
    - investment fund continuous disclosure in NI 81-106
    - the independent review committee in NI 81-107

Additional key points

- Please note that not all checkboxes may apply. Seek independent legal advice to ensure applicability.
- Firms applying for registration must carefully consider their business model and have customized policies and procedures that address applicable and relevant areas outlined above.
- The list above reflects requirements for typical EMD, PM and IFM applications. Firms with novel or complex business models may need to address additional compliance risks and requirements in their policies and procedures manual.