

**Before completing this form, please read the following carefully:**

This form is to be used when the *Autorité des marchés financiers* (“AMF”) has attached a strict supervision condition to an individual’s right to practise. This statement must be completed by the firm’s chief compliance officer or responsible officer or his or her designate on a monthly basis and within the time periods allowed. It is not necessary to include a report.

**A copy of this statement must be delivered to the AMF on a monthly basis.**

The firm must maintain a copy of this statement in its records, including following the removal of the supervision condition or the termination of the representative’s employment with the firm.

If the firm identifies that it has failed to comply with anything in this statement, the firm shall immediately deliver to the AMF written notice of its non-compliance and its explanation for the non-compliance.

If you decide not to use this statement, you must complete a sufficiently detailed report that covers the elements in this statement.

The accuracy of your answers may be validated during an inspection. The AMF may initiate proceedings against a responsible officer or chief compliance officer who submits a false or inaccurate statement regarding the activities of a representative under supervision and against the firm. In addition, both parties may be held responsible for irregularities or violations committed by the supervised representative.

You are reminded that, in Québec, private enterprises are subject to the obligations set out in the *Act respecting the protection of personal information in the private sector*, CQLR, c. P-39.1, which is administered by the Commission d’accès à l’information.

### PART 1 – IDENTIFICATION

#### INFORMATION ABOUT THE REPRESENTATIVE UNDER SUPERVISION

Mr. <input type="checkbox"/>	First name		Last name	
Ms. <input type="checkbox"/>				
Certificate No. (6 digits)		Client No. (10 digits)		
Registration No. (6 digits)		Name of firm		

INFORMATION ABOUT THE COMPLIANCE SUPERVISOR				
Mr. <input type="checkbox"/>	First name		Last name	
Ms. <input type="checkbox"/>				
Title			Position	
Certificate No. (6 digits)		Client No. (10 digits)		
Registration No. (6 digits)		Name of firm		
Date of change in supervisor	____ / ____ / ____ year month day			

INFORMATION ABOUT SUPERVISION	
The strict supervision condition was imposed on:	____ / ____ / ____ year month day
Supervision period covered in statement:	From ____ / ____ / ____ to ____ / ____ / ____ year month day year month day
Categories of securities registration supervised:	
<input type="checkbox"/> Mutual fund brokerage	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Scholarship plan brokerage	
Sectors and sector classes of insurance, financial planning and mortgage brokerage supervised:	
<input type="checkbox"/> Insurance of persons	<input type="checkbox"/> Accident and sickness insurance
<input type="checkbox"/> Group insurance of persons	<input type="checkbox"/> Group insurance plans <input type="checkbox"/> Group annuity plans
<input type="checkbox"/> Damage insurance (Broker)	<input type="checkbox"/> Personal-lines damage insurance (Broker) <input type="checkbox"/> Commercial-lines damage insurance (Broker)
<input type="checkbox"/> Damage insurance (Agent)	<input type="checkbox"/> Personal-lines damage insurance (Agent) <input type="checkbox"/> Commercial-lines damage insurance (Agent)
<input type="checkbox"/> Claims adjustment	<input type="checkbox"/> Personal-lines claims adjustment <input type="checkbox"/> Commercial-lines claims adjustment
<input type="checkbox"/> Financial planning	
<input type="checkbox"/> Mortgage brokerage	

**PART 2 – INSTRUCTIONS REGARDING STRICT SUPERVISION****SECURITIES**

While the representative is subject to a strict supervision condition, each trade/transaction made by the representative **must be pre-approved** by their sponsoring firm (excluding trades/transactions made through pre-authorized contribution plans implemented prior to the imposition of the strict supervision condition). For the purpose of this statement, “trade” means the purchase, sale, or any other form of transfer of securities.

The review of trades/transaction undertaken by the firm pursuant to the strict supervision condition must check for the following:

- No trades/transactions have been made in any client account until the full and correct documentation is in place;
- The representative has not been granted any power of attorney over any client accounts;
- All payments for the purchase of securities were made payable to the dealer or the fund company, and there were no cash payments accepted by the representative;
- All applicable fees have been appropriately disclosed to the client in writing;
- Investment suitability (including the suitability of leveraging, if any);
- The use of pre-signed, forged, or otherwise irregular documents;
- Excess trading or switching;
- Any additional issues specifically identified in the strict supervision condition as being subject to trade/transaction reviews for the purpose of this statement; and
- Any other issues identified by the firm during the review;

(collectively, the “**Review Issues**”).

If a Review Issue has been identified with respect to a proposed trade/transaction, the firm must not approve the trade/transaction until the Review Issue has been resolved to the firm’s satisfaction.

**INSURANCE – FINANCIAL PLANNING – MORTGAGE BROKERAGE**

While the representative is subject to a strict supervision condition, each transaction made by the representative **must be pre-approved** by their sponsoring firm.

The review of transactions undertaken by the firm pursuant to the strict supervision condition must notably check for the following:

- All payments from clients were made payable to the firm or insurance company. No cash payments were accepted and no cheques were issued to clients without the firm’s approval;
- The supervised person complied with the legislation and the rules of professional conduct and ethics applicable to the activities of representatives;
- The products and services offered were reviewed and the information related to this review was entered in the client’s file;
- Insurance proposals, forms and all documents relevant to the offer of insurance products, in particular replacement notices, were countersigned by the compliance supervisor, as necessary;
- The reasons for cancelling or modifying policies were checked, the replacement procedure was followed, if applicable, and the information was entered in the client’s file;
- Analyses of financial needs were reviewed, the products and services offered were appropriate based on the analysis, and any discrepancies were explained and documented;
- The insurance binder, the insurance summary or the illustration of the insurance contract correspond to the purchased insurance policy. The illustration is based on realistic and prudent scenarios. If the policy issued differed from the policy purchased, a new illustration was provided to the client (insurance of persons) and the divergences respond to the insured’s needs;
- Segregated fund transactions using leveraging were approved before transaction orders were sent out (insurance of persons);
- In the case of segregated funds, the risk profile and financial information were entered in the client’s file (insurance of persons);
- Files of clients with transactions were reviewed to ensure that all documents and information required under regulation were present and complete;

(collectively, the “**Review Issues**”).

If a Review Issue has been identified with respect to a proposed transaction, the firm must not approve the transaction until the Review Issue has been resolved to the firm’s satisfaction.



Please provide the following information for all Review Issues identified by the firm. Attach additional copies of this page as needed.

**Name of client:** \_\_\_\_\_ **Insurance policy No. (if applicable):** \_\_\_\_\_

**Proposed trade/transaction:** \_\_\_\_\_

**Description of Review Issue:** \_\_\_\_\_

\_\_\_\_\_

**If the trade/transaction proceeded, how was the Review Issue resolved to the firm's satisfaction?** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**If the trade/transaction did not proceed, what became of the Review Issue?** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### SECTION C - CLIENT COMPLAINTS

Please provide the following information for all complaints received from clients about the representative during the review period, regardless of whether or not the complaint relates to a Review Issue. Attach additional copies of this page as needed.

**Name of client making complaint:** \_\_\_\_\_ **Date of complaint:** \_\_\_\_\_

**Description of complaint:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**What did the firm do in response to the complaint?** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Date record of complaint sent to the AMF:** \_\_\_\_\_

**SECTION D - ADDITIONAL INFORMATION**

If as a part of its supervision of the representative during the review period the firm has identified any instance where the representative may not have complied with any of the laws concerned, the requirements of an applicable self-regulatory organization, or the firm's policies and procedures, please identify those instances below, unless they have already been identified elsewhere in this statement.

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**PART 4 – DECLARATION**

The undersigned certify that they have read the instructions regarding strict supervision (Part 2), that all supervisory activities required by this statement regarding strict supervision have been properly performed, and that reasonable steps have been taken to confirm the accuracy of the information provided in this statement.

**Signature of compliance supervisor**

Mr. <input type="checkbox"/> Ms. <input type="checkbox"/>	First name		Last name	
Signature			Date	____ / ____ / ____ year month day

**Signature of responsible officer or chief compliance officer**

Mr. <input type="checkbox"/> Ms. <input type="checkbox"/>	First name		Last name	
Signature			Date	____ / ____ / ____ year month day

Please submit this form through AMF E-Services by clicking on *Disclosure schedule* or send it to the following address:

**Autorité des marchés financiers**  
Place de la Cité, tour Cominar  
2640, boulevard Laurier, bureau 400  
Québec (Québec) G1V 5C1