

Companion Guide

Renewal of Certificate / Maintenance of Registration

Independent representatives registered in the
sector of **mortgage brokerage**

The *Autorité des marchés financiers* (the “AMF”) has prepared this companion guide to help independent representatives registered in the sector of **mortgage brokerage** answer the questions in the Renewal of Certificate / Maintenance of Registration form.

For more information, please contact our Information Centre at 1-877-525-0337.

General instructions

To help you disclose your business relationships, consult the *Managing Business Relationships* companion guide.

You will need to fill out the Renewal of Certificate / Maintenance of Registration form before the Manage Business Relationships form. If you use E-Services, you can print a copy of the form before submitting it.

Definitions

Insurer: An enterprise registered with the AMF under the *Insurers Act*.

Mortgage lender: An individual or a business that grants loans secured by immovable hypothec to a registrant's clients.

Registrant: A firm, an independent partnership or an independent representative under the *Act respecting the distribution of financial products and services*.

DECLARATION RELATED TO PROFESSIONAL PRACTICE

You must answer all the questions in this declaration. Indicate the business relationships to be disclosed. If necessary, refer to the Managing Business Relationships companion guide.

Q1- *Do you use a business name ("doing business as")?*

A **business name** is a corporate name. Your business name must be registered with the Registraire des entreprises du Québec (REQ) if it does not contain your first and last names.

Q2- *Do you receive or collect funds on behalf of others (e.g., for an insurer or a client)?*

Funds collected on behalf of others are funds that you receive or cash on behalf of others in the course of your activities, for example, commissions paid by a lender, but intended for a third party, or amounts set aside for the payment of suppliers in connection with a transaction.

You must hold a separate account at a financial institution in which all funds received or collected on behalf of others must be deposited immediately. Refer to section 1.8 of the [Registrant Governance and Compliance Guide](#) for more information. Advances on remuneration received must be deposited in the separate account until they belong to you.

You must answer "yes" only if the funds are collected as part of your activities under the *Act respecting the distribution of financial products and services*.

Q3- *Do you have one or more separate or in-trust accounts?*

A **separate account** means a separate account opened at a financial institution (authorized to receive deposits in Canada) and in which you must deposit all amounts that you receive or collect on behalf of others. This account is separate from the account(s) used for your own regular business transactions so that the funds held on behalf of others are not commingled with your own assets. You must disclose your separate account(s) to the AMF. Refer to section 1.8 of the [Registrant Governance and Compliance Guide](#) for more information.

Q4- *Do you hold one or more loans with one or more insurers or mortgage lenders?*

This question relates to loans made by an insurer or a mortgage lender.

You only need to disclose the loan agreements entered into with the insurers or mortgage lenders with which you have business relationships in connection with your activities governed by the *Act respecting the distribution of financial products and services*.

Q5- *Do you hold one or more loans with one or more registrants?*

This question relates to loans made by a firm, an independent partnership or an independent representative.

Q6- *Do you share commissions with one or more businesses registered with the AMF?*

This question relates to any firm or independent partnership registered with the AMF under the *Act respecting the distribution of financial products and services*.

Sharing of commissions takes place when a registrant (firm, independent partnership or independent representative) splits or divides remuneration it was paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by only one registrant, who assumes responsibility toward the client, and another registrant receives part of the remuneration for the transaction and agrees to share it (e.g., as a result of a client referral).

When two registrants sell a product or provide a service jointly to a client, they are both responsible for the product or service provided to this client. Consequently, both are entitled to receive a commission. In this case, there is no sharing of a commission.

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q7- *Do you share commissions with a broker or agency governed by the Real Estate Brokerage Act?*

This question relates to brokers or agencies governed by the *Real Estate Brokerage Act*.

Sharing of commissions takes place when a registrant (firm, independent partnership or independent representative) splits or divides remuneration it was paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by the registrant, who assumes responsibility toward the client and agrees to share the remuneration with a broker or an agency governed by the *Real Estate Brokerage Act* (e.g., as a result of a client referral).

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q8- *Do you share commissions with one or more businesses other than those mentioned in questions 6 and 7?*

This question relates to any business other than those referred to in questions 6 and 7.

Sharing of commissions takes place when a registrant (firm, independent partnership or independent representative) splits or divides remuneration it has been paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by the registrant, who assumes responsibility toward the client and agrees to share the remuneration with any business other than those referred to in questions 6 and 7 (e.g., as a result of a client referral).

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q9- *Do you have agreements with client referral agents or did you pay money to such agents during the year ended last December 31?*

A **client referral** is defined as the act of referring a client to a person or business that is likely to sell a product or provide a service to that client. The client referral agent can be a natural person or a legal person.

For example, you could pay an agent money because the agent referred one or more potential clients to you or provided you with a list of client names. The agent's remuneration must not be contingent on the sale of a product, the provision of a service or the making of a loan. The agent can, for example, be paid by way of an amount for each referral, a lump sum, an annual amount, and so forth.

Q10- *Do you have agreements with one or more insurers or mortgage lenders for server and/or Internet site hosting, administration services, equipment supply, premises leasing or staff loans?*

This question relates to agreements reached with an insurer or a mortgage lender whereby the insurer or mortgage lender operates services at its own expense for your benefit. Under this type of agreement, **you derive a benefit free of charge**. This question does not relate to services where you pay monthly administration fees, such as:

Server and/or Internet site hosting: Hosting and maintenance of your Internet site, etc. This question does not relate to the access the insurer or mortgage lender gives you to its platform or computer system.

Administration services: Verification of transaction compliance, contract renewal or monitoring services, etc.

Equipment supply: Office supplies, computer equipment, furniture, etc.

Premises leasing: Office space or premises put at your disposal.

Staff loans: Administrative assistant, etc.

Q11- *Do you have agreements with one or more registrants for server and/or Internet site hosting, administration services, equipment supply, premises leasing or staff loans?*

This question relates only to agreements entered into with a firm, an independent partnership or an independent representative. Under this type of agreement, **you derive a benefit free of charge**. This question does not relate to services where you pay monthly administration fees, such as:

Server and/or Internet site hosting: Hosting and maintenance of your Internet site, etc. This question does not relate to the access another registrant gives you to its platform or computer system.

Administration services: Verification of transaction compliance, contract renewal or monitoring services, etc.

Equipment supply: Office supplies, computer equipment, furniture, etc.

Premises leasing: Office space or premises put at your disposal.

Staff loans: Administrative assistant, etc.

Q12- *Do you have a business continuity plan?*

A **business continuity plan** is a **written document** that sets out the actions required to ensure the continuity and resumption of your activities following an incident (e.g., failure of your computer systems, pandemic, fire or flooding in your premises). In some cases, the plan may also provide for measures to take in the event you become disabled or incapacitated.

If you have a business continuity plan, indicate the year of the most recent update. If the year of the latest version precedes the earliest date available in E-Services, please select that date.

Q13- *Do you charge your clients policy fees, transaction fees, professional fees, compensation or administrative fees (any fees other than premiums or rates)?*

This question relates to fees that you bill consumers for your services, other than those required by the mortgage lender, such as file opening fees. Compensation is a remuneration or payment representing a fixed or variable fee charged to the client for selling products or providing services.

Q14- *Do you have clients who no longer have a home address in Québec?*

This question relates to your current clients who no longer have a home address in Québec and who currently reside in a jurisdiction where you are not authorized to pursue activities.

Q15- *Do you have partnerships with the following businesses?*

This question is intended to specify the type of unregistered businesses with which you have partnerships or business relationships that are directly related to your mortgage brokerage activities, excluding any administrative or business management component.

DECLARATION PERTAINING TO MORTGAGE BROKERAGE

*You must answer the questions in this declaration **if you have a right to practise in mortgage brokerage, whether or not you have carried on any activities in this sector within the past year.** Indicate the business relationships to be disclosed and refer to the Managing Business Relationships companion guide as required.*

This information will enable the AMF to develop its knowledge and understanding of the mortgage brokerage market. The AMF wishes to get a better idea of the mortgage lenders whose residential mortgage loans are proposed by firms and independent representatives and also to better understand the types of mortgage financing solutions proposed for commercial projects.

Q1- *In general, from how many lenders do you present a choice of products to your clients?*

Please enter the average number of lenders whose loans you propose to your clients.

Enter an approximate number if you cannot determine that number. Enter "0" if you do not propose any loans.

Q2- *Are you a member of a banner?*

A **banner** is the designation under which a business carries on its activities. A banner is any name, mark, symbol or sign belonging to a group, network or association of firms or partnerships.

Q3- *Have you engaged in at least one brokerage transaction relating to a loan secured by immovable hypothec during the preceding year ended December 31?*

Please specify the number of brokerage transactions relating to a loan secured by immovable hypothec which you engaged in during the year ended last December 31.

Enter "0" if you did not engage in any brokerage transaction relating to a loan secured by immovable hypothec during that period.

Q4- Did you propose at least one residential mortgage loan to a client in the preceding year ended December 31?

Please indicate if you proposed a residential mortgage loan to a client in the year ended last December 31.

Indicate the name of each lender whose residential mortgage loan you proposed to a client during that period and, for each lender, specify the number of loans proposed to clients.

If you have a distribution agreement with a mortgage lender whose residential mortgage loans you propose, please check "Distribution agreement" in a "Mortgage lender" business relationship field.

Q5- Did you propose at least one commercial mortgage loan to a client in the preceding year ended December 31?

Please indicate if you proposed a commercial mortgage loan in the year ended last December 31.

Q6- Do you hold one or more loans with a financial institution?

This question relates to any loan taken out with a financial institution, other than the financial institutions disclosed under question 4 of the declaration related to professional practice.

Q7- In the preceding year ended December 31, did you propose one or more loans secured by immovable hypothec in which two or more persons are party, directly or indirectly, as lenders (syndicated mortgage)?

Please indicate if, in the year ended last December 31, you proposed one or more loans secured by immovable hypothec in which two or more persons participate directly or indirectly as lenders (syndicated mortgage).

Indicate the number and type (residential or commercial) of loans as well as the number and type (residential or commercial) of syndicated mortgages in which you participated as a lender.

Q8- *In the preceding year ended December 31, did you offer to act as a lender to one or more clients for a residential mortgage loan?*

Please indicate if, in the year ended last December 31, you offered to act as a lender to a client for a residential mortgage loan. Indicate the number of clients to whom you made such an offer. Do not include the information provided under question 7 in your answer.

Q9- *In the preceding year ended December 31, did you offer to act as a lender to one or more clients for a commercial mortgage loan?*

Please indicate if, in the year ended last December 31, you offered to act as a lender to a client for a commercial mortgage loan. Indicate the number of clients to whom you made such an offer. Do not include the information provided under question 7 in your answer.
