

AMF E-Services

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Use this page of the form to comply with your regulatory requirements to submit your financial information.

Please note that failure to file this form, duly completed by the due date constitutes an offence liable to administrative penalties.

IDENTIFICATION
INFORMATION ABOUT THE FIRM

Client No. (10 digits)	
Name of the firm	

MAIN ADDRESS

Civic No		Suite / Apt. / Unit	
Street / Delivery Installation			
Municipality		Province / State	
Country		Postal code / Zip code	

CALCULATION OF EXCESS WORKING CAPITAL
USE THIS PAGE OF THE FORM TO DISCLOSE DETAILS ABOUT THE CALCULATION OF EXCESS WORKING CAPITAL (IN CAD\$)

 As of _____ / _____ / _____
 month day year

 With comparative figures as at _____ / _____ / _____
 month day year

	Component	Current period	Prior period
1	Current assets		
2	Less current assets not readily convertible into cash (e.g.; prepaid expenses)		
3	Adjusted current assets (Line 1 minus line 2)		
4	Current liabilities		
5	Add 100% of non-current related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter, V-1.1, r. 10) and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority. See section 12.2 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations.		
6	Adjusted current liabilities (Line 4 plus line 5)		
7	Adjusted working capital (Line 3 minus line 6)		
8	Less minimum capital		
9	Less market risk		
10	Less any deductible under the bonding or insurance policy required under Part 12 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10) or, in Québec, for a firm registered only in that jurisdiction and solely in the category of mutual fund dealer, less the deductible under the liability insurance required under section 193 of the Securities Regulation (chapter V-1.1, r. 50)		
11	Less Guarantees		
12	Less unresolved differences		
13	Excess working capital		

Notes:

Form 31-103F1 Calculation of Excess Working Capital must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25). Section 12.1 of Policy Statement to Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (Decision 2014-PDG-00148, 2014-11-14) provides further guidance in respect of these accounting principles.

Line 5. Related-party debt – Refer to the CICA Handbook for the definition of “related party” for publicly accountable enterprises. The firm is required to deliver a copy of the executed subordination agreement to the regulator or, in Québec, the securities regulatory authority on the earlier of a) 10 days after the date the agreement is executed or b) the date an amount subordinated by the agreement is excluded from its calculation of excess working capital on Form 31-103F1 Calculation of Excess Working Capital. The firm must notify the regulator or, in Québec, the securities regulatory authority, 10 days before it repays the loan (in whole or in part), or terminates the subordination agreement. See section 12.2 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Line 8. Minimum Capital – The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations applies.

Line 9. Market Risk – The amount on this line must be calculated according to the instructions set out in Schedule 1 to Form 31-103F1 Calculation of Excess Working Capital. A schedule supporting the calculation of any amounts included in Line 9 as market risk should be provided to the regulator or, in Québec, the securities regulatory authority in conjunction with the submission of Form 31-103F1 Calculation of Excess Working Capital.

Line 11. Guarantees – If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation. If the amount of a guarantee is included in the firm’s statement of financial position as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

Line 12. Unresolved differences – Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation. The examples below provide guidance as to how to calculate unresolved differences:

- (i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.
- (ii) If there is an unresolved difference relating to the registrant’s investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.
- (iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

Please refer to section 12.1 of Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations for further guidance on how to prepare and file Form 31-103F1 Calculation of Excess Working Capital.

MANAGEMENT CERTIFICATION

We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements.

Mr. Ms.	First name		Last name	
Title				
Signature			Date	____ / ____ / ____ month day year
Mr. Ms.	First name		Last name	
Title				
Signature			Date	____ / ____ / ____ month day year

**SCHEDULE 1 OF FORM 31-103F1
CALCULATION OF EXCESS WORKING CAPITAL
(CALCULATING LINE 9 [MARKET RISK])**

For purposes of completing this form:

- 1) "Fair value" means the value of a security determined in accordance with Canadian GAAP applicable to publicly accountable enterprises.
- 2) For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the "market risk" to be entered on line 9.

a) Bonds, Debentures, Treasury Bills and Notes

- i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

within 1 year: 1% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365

over 1 year to 3 years: 1% of fair value

over 3 years to 7 years: 2% of fair value

over 7 years to 11 years: 4% of fair value

over 11 years: 4% of fair value

- (i.1) A credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody's Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

- ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any jurisdiction of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

within 1 year: 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365

over 1 year to 3 years: 3% of fair value

over 3 years to 7 years: 4% of fair value

over 7 years to 11 years: 5% of fair value

over 11 years: 5% of fair value

- iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:
 - within 1 year: 3% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
 - over 1 year to 3 years: 5 % of fair value
 - over 3 years to 7 years: 5% of fair value
 - over 7 years to 11 years: 5% of fair value
 - over 11 years: 5% of fair value
- iv) Other non-commercial bonds and debentures, (not in default): 10% of fair value
- v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:
 - within 1 year: 3% of fair value
 - over 1 year to 3 years: 6 % of fair value
 - over 3 years to 7 years: 7% of fair value
 - over 7 years to 11 years: 10% of fair value
 - over 11 years: 10% of fair value

b) Bank Paper

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

- within 1 year: 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
- over 1 year: apply rates for commercial and corporate bonds, debentures and notes

c) Acceptable foreign bank paper

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

- within 1 year: 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
- over 1 year: apply rates for commercial and corporate bonds, debentures and notes

"Acceptable Foreign Bank Paper" consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

d) Mutual Funds

Securities of mutual funds qualified by prospectus for sale in any jurisdiction of Canada:

- i) 5% of the net asset value per security as determined in accordance with Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42), where the fund is a money market mutual fund as defined in Regulation 81-102 respecting Mutual Funds (chapter V-1.1, r. 39); or
- ii) (the margin rate determined on the same basis as for listed stocks multiplied by the net asset value per security of the fund as determined in accordance with Regulation 81-106 respecting Investment Fund Continuous Disclosure.

Securities of mutual funds qualified by prospectus for sale in the United States of America: 5% of the net asset value per security if the fund is registered as an investment company under the Investment Company Act of 1940, as amended from time to time, and complies with Rule 2a-7 thereof

e) Stocks

In this paragraph, "securities" includes rights and warrants and does not include bonds and debentures.

- i) On securities including investment fund securities, rights and warrants, listed on any exchange in Canada or the United States of America:

Long Positions – Margin Required

Securities selling at \$2.00 or more – 50% of fair value

Securities selling at \$1.75 to \$1.99 – 60% of fair value

Securities selling at \$1.50 to \$1.74 – 80% of fair value

Securities selling under \$1.50 – 100% of fair value

Short Positions – Credit Required

Securities selling at \$2.00 or more – 150% of fair value

Securities selling at \$1.50 to \$1.99 – \$3.00 per share

Securities selling at \$0.25 to \$1.49 – 200% of fair value

Securities selling at less than \$0.25 – fair value plus \$0.25 per shares

- ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:
 - a) Australian Stock Exchange Limited
 - b) Bolsa de Madrid
 - c) Borsa Italiana
 - d) Copenhagen Stock Exchange
 - e) Euronext Amsterdam
 - f) Euronext Brussels
 - g) Euronext Paris S.A.

- h) Frankfurt Stock Exchange
 - i) London Stock Exchange
 - j) New Zealand Exchange Limited
 - k) Stockholm Stock Exchange
 - l) Swiss Exchange
 - m) The Stock Exchange of Hong Kong Limited
 - n) Tokyo Stock Exchange
- f) Mortgages
- i) For a firm registered in any jurisdiction of Canada except Ontario:
 - a) Insured mortgages (not in default): 6% of fair value
 - b) Mortgages which are not insured (not in default): 12% of fair value.
 - ii) For a firm registered in Ontario:
 - a) Mortgages insured under the National Housing Act (R.S.C. 1985, c. N-11) (not in default): 6% of fair value
 - b) Conventional first mortgages (not in default): 12% of fair value.
- g) For all other securities – 100% of fair value.

M.O. 2009-04, Sch. 31-103F1; M.O. 2010-17, s. 12; M.O. 2011-03, a. 73; M.O. 2013-09,s.2; M.O. 2014-10, s.49; M.O. 2017-09, s.33

**APPENDIX B
SUBORDINATION AGREEMENT
(Line 5 of Form 31-103F1 Calculation of excess working capital)**

SUBORDINATION AGREEMENT

This agreement is made as of the ____ day of _____, 20__

Between:

(the "Lender")

And

(the "Registered Firm", which term shall include all successors and assigns of the Registered Firm)

(collectively, the "Parties")

This Agreement is entered into by the Parties under Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10) ("Regulation 31-103") in connection with a loan made on the ____ day of _____, 20__ by the Lender to the Registered Firm in the amount of \$_____ (the "Loan") for the purpose of allowing the Registered Firm to carry on its business.

For good and valuable consideration, the Parties agree as follows:

1. Subordination

The repayment of the loan and all amounts owed thereunder are subordinate to the claims of the other creditors of the Registered Firm.

2. Dissolution, winding-up, liquidation, insolvency or bankruptcy of the Registered Firm

In the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Registered Firm:

(a) the creditors of the Registered Firm shall be paid their existing claims in full in priority to the claims of the Lender;

(b) the Lender shall not be entitled to make any claim upon any property belonging or having belonged to the Registered Firm, including asserting the right to receive any payment in respect of the Loan before the existing claims of the other creditors of the Registered Firm have been settled.

3. Terms and conditions of the Loan

During the term of this Agreement:

- (a) interest can be paid at the agreed upon rate and time, provided that the payment of such interest does not result in a capital deficiency under Regulation 31-103;
- (b) any loan or advance or posting of security for a loan or advance by the Registered Firm to the Lender, shall be deemed to be a payment on account of the Loan.

4. Notice to the Securities Regulatory Authority

The Registered Firm must notify the Securities Regulatory Authority 10 days before the full or partial repayment of the loan. Further documentation may be requested by the Securities Regulatory Authority after receiving the notice from the Registered Firm.

5. Termination of this Agreement

This Agreement may only be terminated by the Lender once the notice required pursuant to Section 4 of this Agreement is received by the Securities Regulatory Authority.

The Parties have executed and delivered this Agreement as of the date set out above.

[Registered Firm]

Authorized signatory

Authorized signatory

[Lender]

Authorized signatory

Authorized signatory

M.O 2009-04, Sch. B; M.O. 2011-03, s. 76; M.O. 2014-10, s. 51.

If you are unable to use AMF E-Services, transmit by email to inscription@lautorite.qc.ca or mail the required documents, together with the appropriate form, which is available on our website at www.lautorite.qc.ca, to :

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C.P. 246, tour de la Bourse
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