

AMF E-Services

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

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

STEP 1 – IDENTIFICATION AND DESCRIPTION OF APPLICATION OR REQUEST
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	

STEP 2: FINANCIAL STATEMENT DATA

USE THIS PAGE OF THE FORM TO DISCLOSE FINANCIAL INFORMATION FROM YOUR AUDITED NON-CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Question #1

Are the financial statements in CAD\$? Yes No

If you answered "No" - Specify the currency

Question #2 - Statement of income (loss) (in CAD\$)

- a) Revenue
- b) Related party expenses
- c) Other operating expenses
- d) Income (loss) before income taxes
- e) Income tax expense (recovery)
- f) Net income (loss)

Question #3 – Statement of cash flows (in CAD\$)

- a) Cash flows from operating activities

Question #4 – Statement of financial position (in CAD\$)

- a) Cash
- b) Short-term related party receivables
- c) Total assets
- d) Long-term related party debt subject to a subordinated agreement
- e) Retractable preferred shares subject to a subordinated agreement
- f) Total liabilities
- g) Total equity

ATTESTATION

Certification: The statement of financial position included with the audited non-consolidated annual financial statements is signed by at least one director of the registered firm.

Question A

Are you registered as a Mutual Fund Dealer in Québec?	Yes	No
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If you answered “No” - Go to Step 3 - Calculation of Excess Working Capital
If you answered “Yes” - Go to question B

Question B

Are you registered only in the jurisdiction of Québec?	Yes	No
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If you answered “No” - Go to question D
If you answered “Yes” - Go to question C

Question C

Are you registered only as a Mutual Fund Dealer?	Yes	No
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If you answered “No” - Go to step 3 - Calculation of Excess Working Capital

If you answered “Yes” - You have the choice between:

- I. Go to step 3 - Calculation of Excess Working Capital
- II. What is the Excess (Deficit) of Net Free Capital?*

* Please attach Appendix I - Monthly Report on Net Free Capital (s. 8 and 11)

Question D

Are you exclusively registered in at least one of the following categories:

- Exempt Market Dealer?
- Scholarship Plan Dealer?
- Investment Fund Manager?

If you are not exclusively registered in at least one of the preceding categories - Go to step 3 - Calculation of Excess Working Capital

If you are exclusively registered in at least one of the preceding categories - You have the choice between :

- I. Go to Step 3 – Calculation of Excess Working Capital
- II. What is the amount of risk adjusted capital in MFDA Form 1 (in CAD\$)?*

* Please attach MFDA Form 1

STEP 3 (If required): 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.

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	
Signature				Date ____ / ____ / ____ month day year
Mr. Ms.	First name		Last name	
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 and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA, or the short-term ratings equivalent of either of those ratings, by a designated rating organization or its DRO affiliate, 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

- 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

STEP 4: COMPLAINTS, CLAIMS AND ONGOING LITIGATIONS

USE THIS PAGE OF THE FORM TO REPORT INFORMATION RELATED TO COMPLAINTS, CLAIMS AND ONGOING LITIGATIONS

Question #1

Did you receive any complaints during your last financial period?	Yes	No
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If you answered "Yes" - Number of complaints
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Question #2

Do you have claims or ongoing litigations?	Yes	No
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If you answered "Yes" - Total amount of ongoing litigations for which no provision was made in the financial statements

STEP 5: INTERNAL PROCESSES

USE THIS PAGE OF THE FORM TO REPORT INFORMATION RELATED TO YOUR INTERNAL PROCESSES

Question #1

Do you have a Policies and Procedures manual to reflect changes in your firm's activities and regulatory amendments?	Yes	No
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If you answered "Yes" - How often do you update and/or modify your Manual of Policies and Procedures manual?

- Select all that apply

At least once a year

Following regulatory amendments or changes in the firm's activities

Other

Question #2

Do you have computerized client registries?	Yes	No
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Question #3

Do you have computerized accounting records?	Yes	No
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Question #4

Do you have controls in place to ensure that employees follow policies and procedures?	Yes	No
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Question #5

Do you implement policies, procedures and controls to ensure that your firm's cybersecurity is adequate?	Yes	No
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STEP 6: EMPLOYEE MANAGEMENT

USE THIS PAGE OF THE FORM TO REPORT INFORMATION RELATED TO EMPLOYEE MANAGEMENT

Question #1

How many representatives do you have?	In Québec	Other provinces
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Question #2

How many years of industry experience do your representatives have on average ?

Question #3

Do you have employee training plans?	Yes	No
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Question #4

Is training mandatory for your representatives to ensure that they know recommended products?	Yes	No
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Question #5

Do you have a contingency plan?	Yes	No
If you answered "Yes" - Is the contingency plan updated when changes occur?	Yes	No

STEP 7: ACCESSIBILITY TO CLIENT ACCOUNTS

USE THIS PAGE OF THE FORM TO REPORT INFORMATION RELATED TO ACCESSIBILITY TO YOUR CLIENTS' ACCOUNTS

Question #1

Does the firm use an in trust account to trade on behalf of its clients?	Yes	Non
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Question #2

Do you have discretionary accounts ¹ ?	Yes	Non
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If you answered "Yes" Complete the following fields :	Number of accounts
	Total value

¹ Accounts for which you hold client assets (e.g., physical possession of security certificates, client money for trading purposes, acting as a trustee or executor, access to clients' online accounts using their usernames and passwords, etc.)

STEP 8: OTHER INFORMATION

USE THIS PAGE OF THE FORM TO REPORT INFORMATION RELATED TO YOUR SECURITIES ACTIVITIES

Question #1

Are the terms and conditions of the bonding or the financial institution bond indicated in the National Registration Database (NRD) correct?	Yes	Non
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- If you answered "No", please attach your insurance policy.

Question #2

Do you have agreements for which you receive referral fees?	Yes	Non
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Question #3

Do you outsource activities?	Yes	Non
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If you answered "Yes", Which activities? _____

Question #4 - How many clients did you have at the end of your financial year?

Number of clients - Individuals

Total value of accounts - Individuals

Number of clients - Institutional and corporate

Total value of accounts - Institutional and corporate

Question #5

Do you have custodian(s)?	Yes	Non
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- If you answered "No", go to the next question.
- If you answered "Yes", provide the following information for each custodian.

Name of custodian	Assets under management held by custodian (in CAD\$)	Is the custodian a related party?

Question #6 - Explain why you have no custodian.
Question #7

Do you act as an investment fund manager?	Yes	Non
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- If you answered "Yes", provide the following information

Number of investment funds – Reporting issuer

Total net asset value (in CAD\$) – Reporting issuer

Number of investment funds – Non-reporting issuer

Total net asset value (in CAD\$) – Non-reporting issuer

Question #8

Is the firm relying on the exemption under section 8.6 of Regulation 31-103?	Yes	Non
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Section 9 – DECLARATION

I declare that the information provided in this form is accurate and complete. I have attached all the supporting documents required to process my disclosure.

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

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

Autorité des marchés financiers
Direction de l'encadrement des intermédiaires
800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3