

## **PROCEDURE FOR AMALGAMATIONS AND ASSET PURCHASES OF SECURITIES FIRMS**

**SUBMIT YOUR APPLICATION VIA <mailto:inscription@lautorite.qc.ca>. BE SURE TO INCLUDE THE FOLLOWING INFORMATION:**

- Names of firms involved;
- Transaction date (the AMF must notify the CSA at least 1 month prior to the transaction);
- NRD numbers of firms involved;
- Number of representatives to be transferred;
- Type of transaction (asset purchase or amalgamation/change in structure of senior management or board of directors, if applicable);
- New name of firm, if applicable, or addition of other name (follow up with Québec Enterprise Registrar);
- Details of applicable insurance coverage;
- Acceptance by MFDA, for mutual fund firms outside Québec;
- New registration number at the Québec Enterprise Registrar, if applicable. If a new legal entity is entered in the Québec Enterprise Registrar, a new entity must automatically be created in NRD and the entities involved transferred to the new entity. To create a new entity in NRD, the entity resulting from the amalgamation or asset purchase must complete NRD enrolment forms 1, 2 and 3 via [http://www.nrd-info.ca/enrolment/enrl\\_index.jsp?lang=en](http://www.nrd-info.ca/enrolment/enrl_index.jsp?lang=en) as well as a new application for registration with the AMF via <http://www.lautorite.qc.ca/formulaires/intervenants-financier/distribution.en.html>;
- Names and contact information of all persons involved in the application.

### **PROCEDURE FOR BULK TRANSFER OF CLIENT FILES:**

<http://www.lautorite.qc.ca/files/pdf/reglementation/distribution/directives/2001dec05-directive-procedure-transfert-bloc-en.pdf>

### **TRANSFERRING INDIVIDUALS BY AUTOMATED BULK TRANSFER OR MANUAL TRANSFER:**

Where a significant number of representatives are to be transferred, we recommend an automated bulk transfer. This type of transfer:

- automatically covers branches as well as registered and permitted individuals;
- is overseen by the principal jurisdiction (province where head office is located) and is administered by CDS Inc., the NRD Administrator;
- involves fees payable to CDS Inc. and the CSA.

**\*\*\*\*IMPORTANT INFORMATION REGARDING EXEMPTION APPLICATIONS**

With respect to automated bulk transfers, you must apply for exemption from the requirements under sections 2.2, 3.2, 3.3, 4.3 and 5.2. of Regulation 33-109 (refer to Policy Statement 33-109, section 3.1). The exemption application may be submitted pursuant to Regulation 11-102, where applicable.

**CLOSING FIRM OR FIRMS:**

If the former firms are to be closed, you must provide the following documents:

- Closing balance sheet;
- Latest financial statements, duly signed;
- Resolution of the board of directors;
- Amounts owing to the AMF;
- Complaint register;
- Application for withdrawal of registration, available via the following link:  
[http://www.lautorite.qc.ca/userfiles/File/Formulaire/distribution/retrait-inscription-cab-ang\(1\).pdf](http://www.lautorite.qc.ca/userfiles/File/Formulaire/distribution/retrait-inscription-cab-ang(1).pdf)

**NOTE:**

The AMF is required to freeze a firm's operations for one week prior to the bulk transfer by CDS Inc., which will take place on the Saturday following the freeze period.

Firms are responsible for transferring all registration categories other than those covered by the transaction.