

A GUIDE FOR NEW REGISTRANTS

STOCKS

PROSPECTUS

FUTURES



INDEXES

SHARES

FUNDS



THE MANITOBA
SECURITIES
COMMISSION

EXPECTATIONS AND RESPONSIBILITY

The following information outlines some of the expectations and responsibilities of a new registrant:

Know Your Client (KYC) – The more information you are able to gather from your client, the better the position you will be in to make sound investment recommendations.

Make notes – Always document conversations with your clients whether discussions were made in person, by phone or via e-mail. Professional, consistent, and concise notes (dates and times of conversations) add to your credibility if a complaint is ever made against you.

Policy and Procedures – Always comply with your broker/dealer’s policy and procedure manual. Your broker/dealer may be restricted in which investment products it may deal with and may impose further restrictions on which products its sales people may sell.

Product Understanding – Be able to accurately explain to your client the products being recommended.

Form Completion – Always ensure that you have fully and accurately completed all forms. Remember NEVER have clients pre-sign forms (limited powers of attorney are permitted in some situations) and under no circumstances should you sign forms for a client.

Compliance – Audit

The Manitoba Securities Commission (the "Commission") is committed to conducting regular audits. In order to meet the requirements of the audit, you should have the following information as applicable on each client file:

- Know Your Client Form
- Trade Tickets
- PAC/SWP information
- Client statements
- Trade Confirmations
- Evidence of providing a prospectus
- Evidence of approval by branch manager or compliance officer
- DSC rebate disclosure

In addition to ensuring that your client files meet standards, you should be prepared to discuss the following with the auditor (if applicable):

- Signage
- Telephone Greeting
- Web site
- Sales practices
- Policy and procedure manual
- Advertising material
- Business cards
- Forms used for new clients

File Retention

The Commission recommends that files be retained a minimum of **eight** years. This recommendation is based on the fact that the Commission can commence a prosecution on an individual or company up to eight years after the date on which an offence occurred.

The Complaint Process

One of The Manitoba Securities Commission's mandates is to investigate complaints lodged by the public against individuals registered with the Commission. The following outlines the complaint process.

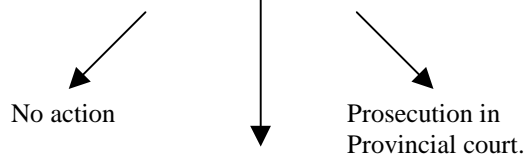
A complaint is received.



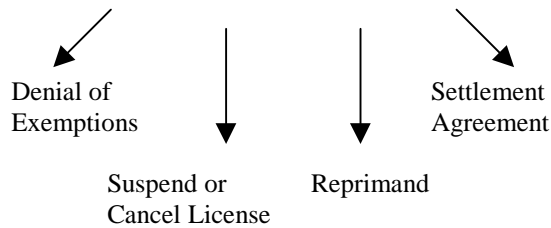
Investigators interview witnesses and gather relevant documentation. Once this process is complete it may be determined that no action is to be taken.



Once the staff review is complete the information is presented to a panel of Commission members. The panel decides on one of three options:



Administrative hearing – this may range from a full hearing to the approval of a settlement agreement. At a hearing, it may be determined:



REGISTRATION INFORMATION

CHANGES

It is necessary to notify the Commission through your compliance officer or branch manager if any of the following changes occur. **(The Commission will not accept change requests that come directly from a registrant.)**

- Name changes (due to marriage, divorce etc.)
- Dual registration notification
- Conflict of interest (eg. dual employment)
- Filing for bankruptcy
- Change of address
- When you leave the employ of the company you are registered with
- Notice of garnishment

TRANSFERS

If you are transferring companies, you are required to notify your compliance officer or branch manager. They must complete a Uniform Termination Notice within five days of receipt of termination of employment. The Uniform Transfer Notice must be filed with the Commission before processing can begin. The new sponsoring company must send to the Commission a change of status form and a transfer fee in the amount of \$75. It is important to note that transfers do not take effect until you have received notification from the Commission.

REGISTRATION RENEWAL

Registrations are renewed yearly. Renewals are sent to your compliance officer or branch manager. He or she is responsible for ensuring that a Form 5 is completed for each registrant and forwarding the renewal fee of \$300 to the Commission. Questions concerning your registration should be directed to your compliance officer or branch manager.

GENERAL INFORMATION

PRESENTATION INFORMATION

The Commission makes presentations to new registrants. The presentation covers topics such as best practices, compliance and the complaint process and are held at the Commission office at 1130-405 Broadway. Please call the Education and Information Coordinator at 945-4733 for dates and times.

INDUSTRY COURSE PROVIDERS

Continuing education courses are offered by various organizations. For a complete listing of courses offered please refer to the Canadian Securities Institute web site at www.csi.ca and the Investment Funds Institute of Canada web site at www.ific.ca.

INQUIRIES

If you have any questions that you would like the Commission to address, contact the Commission at (204) 945-2548, toll-free (MB only) 1-800-655-5244, e-mail securities@gov.mb.ca or complete our feedback form found on our web site at www.msc.gov.mb.ca.

The Manitoba Securities Commission

1130-405 Broadway
Winnipeg, MB R3C 3L6
Phone: (204) 945-2548
Toll-free: 1-800-655-5244
Fax: (204) 945-0330
Web site: www.msc.gov.mb.ca
E-mail: securities@gov.mb.ca