



## Requirements for Initial Registration as a Mutual Fund Dealer

This is a summary of the requirements to register in Saskatchewan as a mutual fund dealer under *The Securities Act, 1988* ("Act") and *The Securities Regulations* ("Regs"). It is only a checklist and you should refer to the text of the Act and Regulations.

A mutual fund dealer is registered to trade exclusively in the shares or units of mutual funds.  
[Reg s.10(c)]

### Dealer

Please send us the following material in paper format. After we have received all of the material in satisfactory form, we will set up your firm on the National Registration Database and issue a certificate of registration.

1. Completed Form 3. [Reg s.41(a)(i)]
2. Fees by way of cheque payable to the Minister of Finance in the amount of \$750.
3. Evidence of working capital equal to the maximum deductible under any required bond or insurance policy plus the greater of:
  - (a) \$25,000 and
  - (b) an amount equal to the sum of:
    - (i) 10% of the first \$2,500,000 of adjusted liabilities;
    - (ii) 8% of the next \$2,500,000 of adjusted liabilities;
    - (iii) 7% of the next \$2,500,000 of adjusted liabilities;
    - (iv) 6% of the next \$2,500,000 of adjusted liabilities; and
    - (v) 5% of adjusted liabilities in excess of \$10,000,00

Adjusted liabilities must be calculated in accordance with Statement C, Form 10. [Reg s.19(1)]

4. Audited financial statements showing the required working capital, certified by the applicant's officers and made up to a date not more than 90 days prior to the application. The financial statements must include an income statement, a statement of retained earnings, a statement of changes in financial position, and a balance sheet. [Reg s.41(a)(ii)]
5. Disclosure of your firm's financial year end.
6. A signed copy of a letter of direction to your auditors authorizing them to act at the request

of the Saskatchewan Financial Services Commission to conduct an audit of your books, the expenses of which you will pay. [Reg s.56]

7. A certified copy of a broker's blanket bond in the amount of not less than \$50,000 per occurrence covering loss through dishonest or fraudulent acts of employees, loss of money, securities or other property, counterfeiting, forgery and alterations. The broker's blanket bond must contain an endorsement that the insurer will give prompt notice to the Director of a change, cancellation or claim. [Reg s.20(3)(a), Reg s.20(9), Reg s.20(10)]
8. A surety bond completed in accordance with Form 39 in the amount of not less than \$100,000. [Reg s.20(3)(b)]
9. A certified copy of a directors' resolution stating that full consideration has been given to the sufficiency of the amount of your firm's bonding and/or insurance. [Reg s.20(7)]
10. The name and address the partner or officer responsible for discharging your firm's obligations in Saskatchewan ("provincial manager"). [Reg s.38(3)]
11. Proof that you have complied with the requirements of *The Saskatchewan Business Corporations Act*.
12. You must establish and maintain a business office in Saskatchewan [Reg s.18], unless you comply with General Ruling/Order 35-901 *Non-Resident Registrants*.
13. Provide addresses of each of your firm's branch offices in Saskatchewan. Also provide the names and addresses of persons in charge of each of those offices. [Reg s.36]
14. You must be a member of the Mutual Fund Dealers Association of Canada. You don't have to send in proof of membership. We will check with the MFDA to determine whether you are a member.
15. You must also be registered with the securities regulatory authority in the province or territory in Canada in which your firm has its principal place of business. Again we will check the NRD to ensure that the firm is registered in your home province.

After we receive all of the foregoing material and information in satisfactory form, we set up your firm on the NRD and will issue a certificate of registration.

Then your firm must do the following on the NRD:

- Set up branch offices in Saskatchewan, including branch managers;
- Apply for registration of salespersons, partners and officers; and
- Seek approval of non-trading partners and officers.

The Saskatchewan requirements for each of these is set out below.

### **Partners And Officers**

Although non-trading partners and officers are not registered, your firm must complete a Form 33-109F4 on the NRD for each non-trading partner and officer.

Your firm must register all of its partners and officers who trade in securities in Saskatchewan. [Act s.27(1)(a)] To register them, submit the following material through the NRD:

1. Completed Form 33-109F4 for each applicant.
2. Fees in the amount of \$250. [Reg Appendix A]
3. Proof of successful completion of the Mutual Fund Officers', Partners' and Directors' Examination administered by the Investment Funds Institute of Canada. [Reg s.38(4)(c)]
4. The provincial manager, in addition to meeting the proficiency requirement of item 3, must have five continuous years related experience in the securities industry. [Reg s.38(4)(d)]
5. Non-resident individuals must comply with Saskatchewan Notice 35-701 *Registration of Non-Resident Individuals*.

### **Branch Managers**

Each branch of the firm in Saskatchewan must have a branch manager, who must be registered in Saskatchewan. [Reg s.36] To register, submit the following material through the NRD:

1. Completed Form 33-109F4 for each applicant.
2. Fees in the amount of \$250. [Reg Appendix A]
3. Proof of successful completion of the Mutual Fund Branch Managers' Course administered by the Investment Funds Institute of Canada, or the Branch Compliance Officer Course administered by the Institute of Canadian Bankers. [Reg s.37(11)]
4. The branch manager, in addition to meeting the proficiency requirement of item 3, must have two continuous years related experience in the securities industry. [Reg s.37(11)(b)]
5. Non-resident individuals must comply with Saskatchewan Notice 35-701 *Registration of Non-Resident Individuals*.

### **Salespersons**

Submit the following material through the NRD:

1. Completed Form 33-109F4 for each applicant.

2. Fees in the amount of \$250. [Reg Appendix A]
3. Proof of successful completion of the Canadian Investment Funds Course administered by the Investment Funds Institute of Canada, or the Investment Funds in Canada Course administered by the Institute of Canadian Bankers. [Reg s.37(2)]
4. Non-resident individuals must comply with Saskatchewan Notice 37-701 *Registration of Non-Resident Individuals*.

**Annual Filings**

Registration of each mutual fund dealer and each of its registered individuals is permanent unless the registration is terminated, suspended or cancelled. [Saskatchewan Local Instrument 33-503 *Permanent Registration System*] However, your firm must annually file the material and information as set out in Saskatchewan Staff Notice 33-709 *Annual Delivery of Registration Fees and Documents*.