



Requirements for Initial Registration as an Investment Counsel and/or Portfolio Manager

This is a summary of the requirements to register in Saskatchewan as an investment counsel and/or portfolio manager 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.

An investment counsel is registered to advise others as to the buying or selling of specific securities or gives investment advice on the basis of the particular objectives of each client. A portfolio manager is registered to manage the investment portfolios of clients. [Reg s.11(b)&(c)]

Firm

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:
 - (a) \$750 for registration of the firm (includes one branch office); and
 - (b) \$100 for each additional branch office in the province.
3. Working capital calculated according to generally accepted accounting principles, equal to the aggregate of:
 - (a) to the maximum deductible under any required bond or insurance policy; and
 - (b) either:
 - (i) \$5000; or
 - (ii) any greater amount the Director considers necessary where the adviser exercises control over clients' funds or securities. [Reg s.19(4)]
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. If the applicant is currently registered in another jurisdiction file audited financial statements for the most recent completed financial year. The financial statements must include an income statement, a statement of retained earnings, a statement of changes in financial position, and a balance sheet. If the applicant is newly incorporated file an audited opening balance sheet and specify the date of the fiscal year-end. [Reg s.41(a)(ii)]
5. Disclose 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 surety bond completed in accordance with Form 39 in the amount of not less than \$10,000 where the adviser does not receive securities, money or other property from or on behalf of a client. Where the adviser receives securities money or other property from or on behalf of a client, or exercises direct control over a client's money, securities or other property, a surety bond completed in accordance with Form 39 of not less than \$200,000 is required. [Reg s.20(6)]
8. 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)]
9. The name and address the partner or officer responsible for discharging your firm's obligations in Saskatchewan ("provincial manager"). [Reg s.38(3)]
10. Proof that you have complied with the requirements of *The Saskatchewan Business Corporations Act*.
11. 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*.
12. Provide addresses of each of your firm's branch offices in Saskatchewan. Also provide the names and addresses of the persons in charge of each of those offices. [Reg s.36]
13. 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 partners, officers and employees; and
- Seek approval of non-advising partners and officers.

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

Partners And Officers

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

Your firm must register all of its partners, officers and employees who act as advisers 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:
 - (a) the Canadian Securities Course administered by the Canadian Securities Institute;
 - (b) the Canadian Investment Manager Program administered by the Canadian Securities Institute; and
 - (c) the first year of the Chartered Financial Analyst Examination Program administered by the Association for Investment Management and Research. [Reg s.37(6)]
4. A letter giving details of employment which confirms that the applicant has worked five years performing research and financial analysis of investment, with three years of the five years under the supervision of an adviser responsible for investment portfolios of at least \$1,000,000 in value. [Reg s.37(6)]. See Staff Notice 34-701 *Registration of Individuals as Investment Counsel* for a possible exemption to this requirement.
5. Non-resident individuals must comply with Saskatchewan Notice 35-701 *Registration of Non-Resident Individuals*.

Annual Filings

Registration of each investment manager and/or portfolio manager 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*.