

## Membership Application - Readiness Questionnaire

This Readiness Questionnaire will help firms assess how prepared they are to apply for membership in New SRO. If you have answered "Yes" to all the questions below, this indicates that your firm has the required business plan, capital, infrastructure, systems and processes to apply for membership. For further details on how to apply, please visit the "*Becoming a Dealer Member*" page of New SRO website. Firms can also contact the Membership Intake team at New SRO at [membershipcoordinator@iiloc.ca](mailto:membershipcoordinator@iiloc.ca) or [membershipservices@mfd.ca](mailto:membershipservices@mfd.ca) for further information.

### 1. 5-year Business Plan

Has the firm prepared a written Business Plan for the next 5 years that includes the following, at a minimum?

- a detailed description of its business
- the products and services it plans to offer
- its strategy to build the business
- financial projections and their underlying assumptions

Yes

No

### 2. Written Policies & Procedures

Does the firm have a Policies and Procedures Manual (or equivalent document(s)) for the conduct of its business activities & operations that establish a system of controls and supervision that provide reasonable assurance that the firm, its employees and Approved Persons comply with New SRO requirements and securities laws? This includes, but is not limited to:

- conflicts of interest policies and procedures
- financial and operational policies and procedures (i.e., internal control policies, credit policies or those of Carrying Broker)
- supervisory policies and procedures tailored to the applicant's business model (including for anti-money laundering)
- policies and procedures related to business conduct, sales practices, and dealing with client accounts
- client complaints policies & procedures
- cybersecurity risk management policies and procedures
- trading policies and procedures to address UMIR requirements, if applicable

Yes

No

### 3. Head Office Location

Is the firm's head office located in Canada?

Yes

No

**4. Key Positions within the Firm**

Has the firm filled the following key positions with individuals who meet the applicable experience and proficiency requirements under the Investment Dealer and Partially Consolidated Rules?

- Ultimate Designated Person (UDP)
- Chief Compliance Officer (CCO)
- Chief Financial Officer (CFO)

Yes

No

**5. Minimum Capital Requirements**

Is the firm able to demonstrate that, for the next 5 years, it can meet the minimum capital requirements as calculated in accordance with the Investment Dealer and Partially Consolidated Rules and the Investment Dealer Form 1?

Yes

No

**6. Back-Office Processes**

Will the firm use the back-office facilities of a Carrying Broker?

Yes

No

**6.1 Applicable if "Yes" to #6 above:**

Has the firm established all its systems of books and records (brokerage, accounting, and other)?

Yes

No

**6.2 Applicable if "No" to #6 above:**

Has the firm established processes for trade execution, settlement, clearing and custody?

Yes

No

**7. Know-your-Client ("KYC") Process**

Does the firm have a KYC process to facilitate suitability assessments and verify the identity of the client in accordance with Investment Dealer and Partially Consolidated Rules or the Mutual Fund Dealer Rules, as applicable?

Yes

No

**8. Member of a Regulated Exchange or ATS Subscriber**

Does the firm intend to become a member of a Canadian regulated exchange or a subscriber of an Alternative Trading System (ATS)?

Yes

No