



Chartered Accountants & Business Advisors

Canadian securities regulators release new standards that impact the investment industry.

Registration Reform NI 31-103

Effective September 28, 2009, the Securities Commissions of Canada in conjunction with the Canadian Securities Administrators introduced new standards of registration for the investment industry.

Registrants under the Exempt Market Dealer category (formerly the Limited Market Dealer category), **must provide audited financial statements** for all year-ends after September 29, 2009. As well as the prescribed form 31-103F1 showing the minimum capital of the organization within 90 days of year end. No longer is it sufficient to have the information available should the regulators wish to audit.

Additionally, items which require further action include:

- Registration and appointment of the “permitted individuals” should have been completed by December 31, 2009. Permitted individuals are those who represent the mind and management of the organization such as the Ultimately Designated Person, the Chief Compliance Officer, etc. Upon appointment, there is a transition period ending September 30, 2010 for these individual to obtain the minimum proficiency requirements to hold the appointed office. There are similar proficiency and transition provisions for dealing representatives of the organization.

- Minimum levels of insurance must be in place prior to March 28, 2010 based on a formula which takes into consideration the number of dealing representatives, client assets under management, and dealer total assets. It should be noted that these new policies must include a number of specific clauses prescribed by the regulators.
- As mentioned previously schedule 31-103F1 is required showing the minimum capital effective immediately. That having been said, the requirement to have the minimum capital of \$50,000 is not required under the transition rules until September 2010.

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Errol has extensive experience providing assurance and advisory services to the financial sector where he provides counsel to a number of asset managers and their publicly traded and private funds. He is responsible for Canadian corporate tax planning, including corporate reorganizations, mergers and acquisitions, negotiations with tax authorities and personal tax planning.

Errol has also served as a part-time Chief Financial Officer for an IDA member and was involved with the preparation of the monthly and annual financial questionnaires.



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John is primarily involved in accounting and reporting issues for both public and private companies in the financial sector. He is regularly involved in developing presentations on intricate accounting issues and new accounting rules to clients, providing internal instruction on complex accounting issues.

John is a Chartered Accountant with 15 years of accounting experience. He has completed several professional development courses including an in-depth Brokers and Investment Dealers course (2004), Practitioners Tax Course (2002) and the Canadian Securities Course (2001).



Ari Katz, CGA
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Ari specializes in providing accounting, auditing and business advisory services to the financial industry. He focuses on issues involving financial instruments, hedging transactions, structured transactions involving special purpose entities, securitization of financial assets and leasing arrangements.

About Segal LLP

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- Regulatory compliance
- Mergers & acquisitions
- Segal is a panel auditor for the Investment Industry Regulatory Organization of Canada

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