CIRO rules applicable to Québec mutual fund dealers and their representatives

Schedule B

List of applicable rules to Québec MFDs: By-law and Mutual Fund Dealer Rules

1- **The By-law No. 1 being CIRO's General By-law is applicable to the Québec MFDs and their representatives**

2- **CIRO's Fee model applies to Québec MFDs**

3- **The following Mutual Fund Dealer Rules are applicable to the Québec MFDs**

RULE 1A. APPLICATION, INTERPRETATION, EXEMPTIONS, AND DEFINITIONS
<u>Exemptions</u> The Board of Directors may exempt any Member, Approved Person, or any other person subject to the jurisdiction of the Corporation from the requirements of any Rule provided that the Board is satisfied that doing so would not be prejudicial to the interests of Members, their clients, or the public. In granting an exemption, the Board may impose any terms or conditions that it considers necessary.
<u>Transitional Provisions</u> (2) Any exemption from a Rule of the Corporation, including for greater certainty, an exemption granted by the Mutual Fund Dealers Association of Canada, in effect prior to the coming into effect of these Rules shall remain in effect subsequent to the coming into effect of these Rules: (i) subject to any condition included in the exemption, and (ii) provided that the applicable prior rule of the Corporation on which the exemption is based, substantially continues in these Rules. (5) Any enforcement or review proceeding commenced by the Mutual Fund Dealers Association of Canada in accordance with its by-laws and rules prior to January 1, 2023: (i) in respect of which a hearing panel has been appointed, shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the Mutual Fund Dealers Association of Canada in effect and applicable to such enforcement or review proceeding at the time it was commenced and shall continue to be heard by the same hearing panel; and (ii) in respect of which a hearing panel has not been appointed, shall proceed in accordance with the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the Mutual Fund Dealers Association of

Canada, in effect and applicable to such enforcement or review proceeding at the time it was commenced, provided that, despite any provision of the by-laws, decisions, directions, policies, regulations, rules, rulings and practice and procedure of the Mutual Fund Dealers Association of Canada in effect and applicable to such enforcement or review proceeding, these Rules shall apply to the appointment of the hearing panel.

Definitions

In these Rules unless the context otherwise specifies or requires:

"**affiliate**" "affiliated" or "**affiliated corporation**" means in respect of two corporations, either corporation if one of them is the subsidiary of the other or if both are subsidiaries of the same corporation or if each of them is controlled by the same person;

"**Appointments Committee**" means the committee, appointed in accordance with Rule 7.1.6, composed of:

(i) four members of the Governance Committee established by the Board, including its Chair, as set out in General By-law No.1, section 12.2,
(ii) two Non-Independent Directors of the Board as set out in General By-law No.1, section 1.1, and
(iii) the President of the Corporation as set out in General By-law No. 1, section 1.1.

"**Approved Person**" means an individual who is a partner, director, officer, compliance officer, branch manager, or alternate branch manager, employee or agent of the Member who (i) is registered or permitted, where required by applicable securities legislation, by the securities commission having jurisdiction, or (ii) submits to the jurisdiction of the Corporation;

"**assets under administration**" means the market value of all mutual funds reflected in the client accounts (nominee and client name) of a Member in all provinces of Canada, excluding Quebec;

"**branch office**" means any office or location from which any dealer business of a Member is conducted;

"**By-laws**" means any By-law of the Corporation from time to time in force and effect;

"**carrying dealer**" means a Member or Investment Dealer Member that carries customer accounts in accordance with Rule 1.1.6 to the extent, at a minimum, of clearing and settling trades, maintaining books and records of customer transactions and the holding of client cash, securities and other property;

"**client name**" means in respect of an account or client property, an account established by a Member for a client in accordance with the By-laws and Rules, and the cash, securities or other property held for such account, where the cash, securities and property is held in the name of and by a person other than the Member, its agent or custodian;

“**control**” or “**controlled**”, in respect of a corporation by another person or by two or more corporations, means the circumstances where:

> (a) voting securities of the first-mentioned corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and
>
> (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the Board of Directors of the first-mentioned corporation,

but where the Board of Directors orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the By-laws, Rules and Forms with respect to that Member;

“**Corporation**” means has the same meaning as set out in General By-law No. 1, section 1.1;

“**Form 1**” means the Form 1 prescribed for Members;

“**hearing committee**” means a hearing committee of a District appointed in accordance with Rule 7.1;

“**Hearing Panel**” means a hearing panel appointed pursuant to Rule 7.2;

“**individual**” means a natural person;

“**industry member**” means a current or former director, officer, partner or employee of a Member, or an individual who is otherwise suitable and qualified for appointment to a hearing committee.

“**institutional client**” has the same meaning as in subsection 1201(2) of the Corporation’s Investment Dealer and Partially Consolidated Rules;

“**introducing dealer**” means a Member that introduces customer accounts to a carrying dealer in accordance with Rule 1.1.6;

“**Investment Dealer Member**” means a Dealer Member that is registered as an investment dealer or an investment dealer that it also registered as a mutual fund dealer in accordance with securities legislation;

“**Investment Dealer Member Rules**” means the Corporation’s Investment Dealer and Partially Consolidated Rules and Universal Market Integrity Rules;

“**Membe**r” means a Dealer Member that is registered as a mutual fund dealer in accordance with securities legislation and is not also registered as an investment dealer;

“**monitor**” means a person or company appointed to oversee and report on a Member’s activities and to act in furtherance of powers granted by a Hearing Panel;

"**mutual fund dealer**" means a person registered or licensed by a securities commission to deal in mutual fund or investment fund securities, other than a securities dealer;

"**nominee name**" means, in respect of an account or client property, other than client cash held in a trust account of a Member, an account established by a Member for a client in accordance with the By-laws and Rules in which the securities or other property is held by the Member, its agent or its custodian in the name of the Member or its agent or its custodian, for the benefit of the client;

"**Notice of Hearing**" means a notice of hearing given pursuant to Rule 7.3.1;

"**ownership interest**" means all direct or indirect ownership of the securities of a Member;

"**person**" means an individual, a partnership, a corporation, a government or any of its departments or agencies, a trustee, an incorporated or unincorporated organization, an incorporated or unincorporated syndicate or an individual's heirs, executors, administrators or other legal representatives;

"**public member**" means, in relation to a hearing committee:

(i) a current or retired member of the law society of a province, other than Québec, who is in good standing at the law society, or

(ii) in Québec, a current or retired member of the Barreau du Québec, who is in good standing at the Barreau;

"**records**" means, for the purposes of Rule 6.2, recorded information of every description of a Member or Approved Person of the Member or other person under the jurisdiction of the Corporation pursuant to the By-laws or Rules, including all books of accounts, securities, cash, documents, banking and investment account records, trading and supervisory records, client files and records, accounting and financial statements, audio and video recording, data, minutes, notes and correspondence, whether written, electronically stored or recorded by any other means;

"**related Member**" means a partnership or corporation which:

(a) is a Member; and

(b) is related to a Member in that either of them, or their respective partners, directors, officers, shareholders and employees, individually or collectively, have at least a 20% ownership interest in the other of them, including an interest as a partner or shareholder, directly or indirectly, and whether or not through holding companies;

provided that the Board of Directors may, from time to time, include in, or exclude from this definition any person, and change those included or excluded;

"**Rules**" means these Rules made pursuant to General By-law No.1 and any Forms prescribed thereunder applicable to Members and Approved Persons;

“**securities commission**” means in any jurisdiction in Canada, the commission, person or other authority authorized to administer any legislation relating to trading in securities and/or to the registration or licensing of persons engaged in trading securities;

“**securities legislation**” means any legislation relating to trading in securities in Canada enacted by the Government of Canada or any province or territory of Canada and includes all regulations, rules, orders or other regulatory directions made pursuant thereto by any authorized body including, without limitation, a securities commission;

“**securities related business**” means any business or activity (whether or not carried on for gain) engaged in, directly or indirectly, which constitutes trading or advising in securities for the purposes of applicable securities legislation in any jurisdiction in Canada, including for greater certainty, securities sold pursuant to exemptions under applicable securities legislation;

“**sub-branch**” means any branch office having in total less than 4 Approved Persons and supervised by an Approved Person as required under the Rules who is not normally present at such sub-branch office;

“**subordinated debt**” means any debt the terms of which specify that its holder will not be entitled to receive payment if any payment to any holder of a senior class of debt is in default;

“**subsidiary**”, in respect of a corporation and another corporation, means the first mentioned corporation if:

(a) it is controlled by:
  (i) that other; or
  (ii) that other and one or more corporations each of which is controlled by that other; or
  (iii) two or more corporations each of which is controlled by that other; or

(b) it is a subsidiary of a corporation that is that other’s subsidiary;

RULE 1 – BUSINESS STRUCTURES AND QUALIFICATIONS

1.1 Business structures

1.1.2	Compliance by Members and Approved Persons (a) Each Member shall comply with: (i) the By-laws, (ii) The Rules, and (iii) applicable securities legislation relating to the operations, standards of practice and business conduct of Members.

	(b) Each Approved Person who conducts or participates in any securities related business in respect of a Member in accordance with Rule 1.1.1(c)(i) or (ii) shall comply with: (i) the Bylaws, (ii) the Rules, and (iii) applicable securities legislation relating to: (A) the operations, standards of practice and business conduct of each Member; and (B) such Approved Person's operations, standards of practice and business conduct.
1.4 Reporting Requirements	
(a) **Member Reporting**. Every Member must report to the Corporation such information, in a manner and within such period of time, as may be prescribed by the Corporation from time to time relating to: (i) complaints, criminal, civil and other legal proceedings, regulatory proceedings, arbitrations, contraventions and potential contraventions of legal and regulatory requirements, disciplinary action by regulatory bodies or by Members against Approved Persons, settlements with and compensation paid to clients, registration or licensing by any regulatory body, bankruptcies, insolvencies, garnishments and related events; (ii) investigations by the Member relating to any of the matters in sub-section (i); and (iii) information relating to the business and operation of the Member and its Approved Persons. (c) **Failure to Report**. A Member shall be liable for and pay to the Corporation levies or assessments in the amounts prescribed from time to time by the Corporation for the failure of the Member or Approved Person to report any information required to be reported in the manner and within the period of time prescribed by the Corporation.	
RULE 2 – BUSINESS CONDUCT	
2.5 Minimum standards of supervision	
2.5.1	Member Responsibilities Each Member is responsible for establishing, implementing and maintaining policies and procedures to ensure the handling of its business is in accordance with the By-laws and Rules and with applicable securities legislation.
2.7 Advertising and Sales Communications	

2.7.1	Definitions For the purposes of the Rules: (a) “advertisement” includes television or radio commercials or commentaries, billboards, internet websites, newspapers and magazine advertisements or commentaries and any published material promoting the business of a Member and any other sales literature disseminated through the communications media; and (b) “sales communication” includes records, video tapes and similar material, market letters, research reports, and all other published material, except preliminary prospectuses and prospectuses, designed for or use in presentation to a client or a prospective client whether such material is given or shown to them and which includes a recommendation in respect of a security.
2.7.2 (f)	General restrictions No Member shall issue to the public, participate in or knowingly allow its name to be used in respect of any advertisement or sales communication in connection with its business which: (f) is detrimental to the interests of the public, the Corporation or its Members;
2.8 Client Communications	
2.8.1	Definition For the purposes of the Rules "client communication" means any written communication by a Member or an Approved Person to a client of the Member, including trade confirmations and account statements, other than an advertisement or sales communication.
2.8.2 (c)	General restrictions No client communication shall: (c) be detrimental to the interests of clients, the public, the Corporation or its Members;
RULE 6 – EXAMINATIONS AND INVESTIGATIONS	
6.2 EXAMINATIONS AND INVESTIGATORY POWERS	
6.2.5 (c)	The Corporation, may, with respect to any information received:

	(c) take such other action under the By-laws or Rules which it considers appropriate in the circumstances.

RULE 8 – MEMBERSHIP MATTERS

8.6 Other Fees

Power to Make Assessment

Notwithstanding other Rules inclusive of fee models, the Board of Directors shall have power to make an assessment in any fiscal year upon each Member on account of:

(a) exemption application filings or any other such filing fees which the Board of Directors in its discretion may determine from time to time;

(b) a Member changing its name from that which is shown on the most recent Membership List; or

(c) assessments or levies in respect of Members of the Corporation made by the Ombudservice approved by the Board of Directors.

RULE 600 – INFORMATION REPORTING REQUIREMENTS

1. Introduction

This Rule establishes minimum requirements concerning events that Approved Persons are required to report to Members and events that Members are required to report to the Corporation pursuant to Rule 1.4.

Part A of this Rule, entitled “Approved Person Reporting Requirements”, sets out details regarding the reporting of information under Rule 1.4(b) by Approved Persons.

Part B of this Rule, entitled “Electronic Reporting Requirements for Members”, sets out details regarding reporting of information under Rule 1.4(a)(i) and Rule 1.4(a)(ii) by Members. All reporting under Part B must be submitted through the electronic reporting system provided by the Corporation. The reporting of events that are required to be submitted electronically by any other means is a failure to report the event and a failure to comply with this Rule.

Part C of this Rule, entitled “Other Reporting Requirements for Members”, sets out details regarding reporting of information under Rule 1.4(a)(iii) by Members. All reporting under Part C must be submitted to the Corporation in writing.

In addition to these reporting requirements, Members are required to comply with other reporting requirements which may change from time to time, and which include but are not limited to:

(a) The following reporting requirements, some of which may also require approval by the Corporation:

(i) General By-law No. 1, section 3.7 – Amalgamation of Members;

(ii) General By-law No. 1, section 3.8 – Dealer Member Resignation;

(iii) General By-law No.1 , section 3.10 – Transferability, Reorganizations;

(iv) Rule 8.4 – Ownership;

(v) Rule 1.1.6 – Introducing/Carrying dealer arrangements;

(vi) Rule 3.1.1 – Change in dealer level;

(vii) Rule 3.1.2 – Risk adjusted capital less than zero;

(viii) Rule 3.2.5 – Accelerated payment of long term debt; and

(ix) Rule 3.5 – Financial filing requirements

(b) reporting requirements under applicable provincial securities legislation in connection with a Member's mutual fund dealer registration.

2. Definitions

"any jurisdiction" means any jurisdiction inside or outside of Canada.

"business day" means a day other than Saturday, Sunday or any officially recognized Federal or Provincial Statutory holiday.

"civil claim" includes civil claims pending before a court or tribunal and arbitration.

"client" means a person who is a client of the Member.

"compensation" means the payment of a sum of money, securities, reversal or inclusion of a securities transaction (whether the transaction has a realized or unrealized loss) or any other equivalent type of entry which is intended to compensate a client or offset an act of a Member or Approved Person. A correction of a client account or position as a result of good faith trading errors and omissions is not considered to be "compensation" for the purposes of this Rule.

"event" means a matter that is reportable under this Rule by a Member or Approved Person.

"law" includes, but is not limited to, all legislation of any jurisdiction and includes any rules, policies, regulations, rulings or directives of any securities regulatory authority of any jurisdiction.

"member business" means all business activities conducted by and through the Member, whether securities related or otherwise.

"misrepresentation" means:

(i) an untrue statement of fact, either in whole or in part; or

(ii) an omission to state a fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

"regulatory body" means, but is not limited to, any regulatory or self-regulatory organization that grants persons or organizations the right to deal with the public in any capacity. **"regulatory requirements"** means, but is not limited to, the by-laws, rules, policies, regulations, rulings, orders, terms and conditions of registration, or agreements of any regulatory body in any jurisdiction. **"securities"** includes exchange contracts, commodity futures contracts and commodity futures options. **"service complaints"** means: (i) any complaint by a client which is founded on customer service issues and is not the subject of any securities legislation or regulatory requirements; or (ii) any complaint by a client as a result of a good faith trading error or omission.	
3. General Reporting Requirements	
3.1.	Events regarding Members that must be reported shall not be limited solely to securities related business, but shall include all member business.
3.2.	Events regarding Approved Persons that are reported by Approved Persons to the Member shall not be limited solely to securities related business and member business, but shall include all business conducted by the Approved Person.
3.3.	The obligation to report an event under this Rule is limited to events of which a Member or Approved Person has become aware regardless of the means by which the Member or Approved Person became aware of the event. If the reporting timeframes have expired before the Member or Approved Person has become aware of the event, the event shall be reported immediately after the Member or Approved Person has become aware of such event.
3.4.	A Member is expected to be aware of events relating to Approved Persons by the receipt of reports from Approved Persons and by carrying out the Member's supervisory, monitoring and review obligations over the conduct of its business.
3.5.	All requirements to report events regarding former Approved Persons are limited to events which occurred while the Approved Person was an Approved Person of the Member.
3.6.	A Member shall designate a compliance officer at its head office (or another person at head office) to whom reports made by Approved Persons, as required by section 4, shall be submitted.

3.7.	Documentation associated with each event required to be reported under this Rule shall be maintained for a minimum of 7 years from the resolution of the matter and made available to the Corporation upon request.
PART B – ELECTRONIC REPORTING REQUIREMENTS FOR MEMBERS	
5. General Member Electronic Reporting Requirements	
	Members shall report the following events to the Corporation, through an electronic reporting system provided by the Corporation, within 5 business days of the occurrence of the event, except for events reported under section 6.1(a) of this Rule, which must be reported to the Corporation within 20 business days.
6. General Events to be Reported	
6.1.	Members shall report to the Corporation: (a) all client complaints in writing, against the Member or a current or former Approved Person, relating to member business, except service complaints; (b) whenever a Member is aware, through a written or verbal complaint or otherwise, that the Member or any current or former Approved Person has or may have contravened any law or regulatory requirement, relating to: (i) theft, fraud, misappropriation, forgery, money laundering, market manipulation, insider trading, misrepresentation, or unauthorized trading; (ii) a breach of client confidentiality; (iii) engaging in securities related business outside of the Member; (iv) engaging in an undeclared outside activity; or (v) personal financial dealings with a client. (c) whenever the Member, or a current or former Approved Person, is: (i) charged with, convicted of, pleads guilty or no contest to, any criminal offence, in any jurisdiction; (ii) named as a defendant or respondent in, or is subject of, any proceeding or disciplinary action, in any jurisdiction, alleging contravention of any securities legislation; (iii) named as a defendant or respondent in, or is the subject of, any proceeding or disciplinary action, in any jurisdiction, alleging contravention of regulatory requirements; (iv) denied registration or a license that allows a person to deal with the public in any capacity by any regulatory body, or has such registration or

	license cancelled, suspended or terminated, or made subject to terms and conditions; (v) named as a defendant in a civil claim, in any jurisdiction, relating to handling of client accounts or trading or advising in securities. (d) whenever an Approved Person becomes bankrupt or suspends payment of debts generally or makes an arrangement with creditors or makes an assignment or is deemed insolvent; (e) there are garnishments outstanding or rendered against the Member or an Approved Person.
7. Reporting of Updates and Resolution of Events	
7.1.	Members shall update event reports previously reported to reflect updates to, or the resolution of, any event that has been reported pursuant to section 6.1 of this Rule within 5 business days of the occurrence of the update or resolution and such update or resolution shall include but not be limited to: (a) any judgments, awards, arbitration awards or orders and settlements in any jurisdiction; (b) compensation paid to clients directly or indirectly, or any benefit received by clients from a Member or Approved Person directly or indirectly; (c) any internal disciplinary action or sanction against an Approved Person by a Member; (d) the termination of an Approved Person; (e) the results of any internal investigation conducted.
8. Other Events to be Reported	
8.1.	For matters that are not the subject of an event report in section 6.1 of this Rule, the Member shall report to the Corporation: (a) whenever the Member has initiated disciplinary action that involves suspension, demotion or the imposition of increased supervision on an Approved Person; (b) whenever the Member has initiated disciplinary action that involves the withholding of commissions or the imposition of a financial penalty in excess of $1000; (c) whenever an employment or agency relationship with an Approved Person is terminated and the Notice of Termination filed with the applicable securities commission discloses that the Approved Person was terminated for cause, or discloses information regarding internal discipline matters or restrictions for violations of regulatory requirements;

	(d) whenever the Member or Approved Person has paid compensation to a client either directly or indirectly in an amount exceeding $15,000.

Schedule C

List of applicable investigations, disciplinary and procedural rules, and continuing education conditions to Québec MFD Representatives

---

1- **Rule 1A – Application, Interpretation, Exemptions, and Definitions of the Mutual Fund Dealer Rules is applicable to Québec MFD Representatives**

2- **Rule 1.1.2 of the Mutual Fund Dealer Rules is applicable to Québec MFD Representatives**

3- **Rule 6 – Examinations And Investigations of the Mutual Fund Dealer Rules is applicable for investigations concerning Québec MFD Representatives commenced by the Chambre and for new investigations concerning these representatives, whether the underlying conduct occurred before or after July 4, 2026**

4- **Rule 7 – Discipline of the Mutual Fund Dealer Rules is applicable for disciplinary matters concerning Québec MFD Representatives, whether the underlying conduct occurred before or after July 4, 2026**

5- **Rules of Procedure of the Mutual Fund Dealer Rules are applicable for disciplinary matters concerning Québec MFD Representatives, whether the underlying conduct occurred before or after July 4, 2026**

6- **Québec MFD Representatives and, where applicable, QC MFDs are subject to the following continuing education terms and conditions**

Continuing education conditions

1.	In this schedule: “applicant” means a person, organization or educational institution that submits an application for accreditation of a training activity in accordance with the present conditions; “PDU” means a professional development unit consisting of one hour of training activity accredited by CIRO pursuant to the present conditions; “reference period” means the period beginning on December 1, 2025 and ending on November 30, 2027; “trainer” means a natural person who acts as an instructor or facilitator and who provides a training activity.
2.	An MFD Representative must accumulate at least 30 PDUs per reference period, in accordance with the following: (a) the MFD Representative must accumulate at least 10 PDUs from among the following general subjects: (1) management of a financial services firm; (2) Civil Code of Québec; (3) accounting; (4) economics; (5) finance; (6) business planning for clients; (7) business planning for representatives; (8) financial planning; (9) tax planning; (10) actuarial sciences; (11) legislative environment; (12) intestate and testamentary successions; (b) the MFD Representative must accumulate at least 10 PDUs in subjects pertaining to compliance with standards, ethics and business conduct; (c) the MFD Representative must accumulate at least 10 PDUs from among the following specific subjects pertaining to group savings: (1) client counselling; (2) underwriting or risk management; (3) retirement and estate planning; (4) trusts; (5) strategy of wealth accumulation and use; (6) deferred income plans; (7) mutual funds;

	(8) investor profile and asset allocation; (9) investment strategy; (10) knowing the client; (11) registered plans. Every 2 reference periods, the 10 PDUs an MFD Representative must accumulate under subparagraph (b) must include 3 PDUs related to a training activity developed by the Chambre de l'assurance, formerly the Chambre de la sécurité financière, and provided by it or in partnership with it in the subjects of compliance with standards, ethics or business conduct or on changes in the rules governing the activities covered by the authorization the MFD Representative holds.
3.	An MFD Representative who is registered by the Autorité des marchés financiers for the first time is exempt from complying with the conditions set out in the current schedule with respect to this registration, for a period of one year from the date of issuance of the decision. Once this period is over, the MFD Representative must accumulate, according to the apportionment in condition 2, a number of PDUs equal to the proportion that the number of full months not elapsed during the reference period then in effect is to a reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.
4.	An MFD Representative may be exempt from the professional development conditions set out in the current schedule if they are absent or on leave during a period of at least 4 consecutive weeks owing to sickness or accident, or for family or parental reasons. For purposes of this section, the causes and terms of an absence or leave are those set out in Divisions V.0.1 and V.1 of Chapter IV of An Act respecting labour standards (chapter N-1.1). An MFD Representative may obtain an exemption in accordance with the first paragraph if the MFD on whose behalf they act makes a written request through means prescribed by CIRO, including setting out the reasons for the exemption and provides the supporting document attesting to those reasons.
5.	The MFD on whose behalf the representative acts must notify CIRO immediately in writing as soon as the reasons for the exemption cease to exist. The MFD Representative must then comply with the conditions set out in the current schedule and accumulate a number of PDUs equal to the proportion of the reference period during which the MFD Representative was not exempt from those conditions. That proportion is determined by counting the number of full months, whether or not elapsed, during the reference period in which the exemption did not apply. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

6.	An MFD Representative is not exempt from the conditions under the current schedule for the period during which the MFD Representative ceases to be registered or during which conditions or restrictions on right to practice are imposed.
7.	An MFD Representative who acts as a trainer for a training activity accredited by CIRO is entitled, only once for the activity, to double the number of PDUs usually awarded for the activity. An MFD Representative who ceases to be registered as an MFD Representative, even temporarily, may not act as a trainer for a training activity accredited by CIRO and accumulate PDUs in such capacity.
8.	An MFD Representative who, during a reference period, accumulates more PDUs than required under conditions 2, 3 or 4 may accumulate the excess PDUs only as PDUs in respect of general subjects.
9.	An MFD Representative who, at the end of a reference period, has failed to comply with the professional development conditions prescribed under the current schedule may not assign to the period in respect of which he is in default PDUs accumulated during the subsequent reference period, unless the Autorité des marchés financiers has rendered a suspension decision under paragraph 5 of section 151.0.1 of the Securities Act (chapter V-1.1), and such decision has been fully executed.
10.	An MFD Representative or the MFD on whose behalf he acts must keep, for a 24-month period following the reference period, the supporting documents regarding each training activity accredited by CIRO in which the MFD Representative took part and any attendance vouchers, certificates of exam or test results or transcripts issued by the person, organization or educational institution having provided the training activity in question.
11.	During the reference period and within no more than 20 days after receipt of the notice referred to in section 2 of the administrative process, an MFD Representative must, personally or through the MFD on whose behalf he acts, send to CIRO a copy of the attendance vouchers or the certificates of exam or test results for the accredited activities in which the MFD Representative took part.

For the implementation of the obligations set out above, the applicable administrative process is as follows

Administrative process

1.	When a MFD on whose behalf a representative acts requests an exemption pursuant to the second paragraph of condition 4, CIRO may grant the exemption, either wholly or partially, through means prescribed by CIRO. CIRO may impose any terms and conditions it considers necessary in accordance with the first paragraph. If CIRO wholly or partially refuses a request for an exemption, the MFD on whose behalf the representative acts will be sent written notice thereof, including the process of review as prescribed by CIRO.
2.	Within 30 days after the end of the reference period, CIRO will notify each MFD Representative who has failed to comply with the professional development conditions prescribed by this schedule, by notifying either the MFD Representative or the MFD on whose behalf he acts.
3.	The obligation set out in condition 11 is fulfilled if a MFD Representative, personally or through the MFD on whose behalf he acts, informs CIRO of his attendance or exam or test results for an accredited activity in which he took part by electronic means prescribed by CIRO. The MFD Representative is then not required to send a copy of the vouchers or certificates mentioned in the first paragraph unless CIRO so requires for purposes of verifying the data transmitted electronically. CIRO may request paper copies of attendance vouchers or certificates. In such a case, paper copies of the vouchers and certificates must be sent within 30 days following receipt of CIRO's request. If a MFD Representative fails to comply with such request, CIRO must send a notice to the MFD Representative, or the MFD on whose behalf he acts, stating that he has an additional 20 days following receipt of the notice to remedy the default and provide the required documents. The notice must also inform the MFD Representative that, if he does not provide the required vouchers and certificates within the stipulated time limit, the PDUs for the training activities contemplated in the request will not be considered valid for purposes of the professional development requirements prescribed by this schedule.
4.	CIRO accredits training activities and establishes their eligible duration for calculating the PDUs relating thereto if the activities enable the following professional knowledge, competencies and skills to be developed: (1) acquisition and betterment of an integrated approach to the pursuit of the activities for which the representatives hold an authorization to practice; (2) acquisition and application of knowledge and analysis methods specific to the activities of MFD Representatives;

	(3) acquisition, comprehension and application of theoretical and technical knowledge in subjects pertaining to compliance with standards, ethics and business conduct. A training activity based solely on the sale or promotion of a product cannot be accredited under this current process.
5.	An application for accreditation must be submitted no later than the last day of the reference period during which the activity is held.
6.	The application for accreditation must include the following, in particular: (1) a description of the training activity in question, its pedagogical framework and the subjects referred to in condition 2 that are dealt with in the training activity; (2) the procedure for the activity and its duration; (3) a document setting out the objectives of the activity and explaining how the activity develops the professional knowledge, skills and competencies referred to in section 4 of the administrative process; (4) the method for assessing successful completion of the activity, if applicable. The application must be accompanied by payment of the fees determined by CIRO for an application for accreditation.
7.	No later than the last day of the reference period in effect, an MFD Representative may, in accordance with section 6 of the administrative process, submit an application for accreditation of a training activity in which he took part and which has not already been accredited. The accreditation decision rendered pursuant to such an application is valid only for the representative in question. In addition to the elements mentioned in section 6 of the administrative process, the MFD Representative must provide a voucher attesting that he attended the activity or a certificate of exam or test results, as the case may be.
8.	If CIRO intends to refuse the application for accreditation or accredit the activity for fewer PDUs than requested, it will notify the applicant in writing and inform the applicant of the right to submit written observations within 15 days following receipt of the notice. CIRO will grant or refuse accreditation and then send its decision to the applicant.
9.	Accreditation of an activity is valid for the duration of the reference period.
10.	A person, organization or educational institution that provides a training activity accredited by CIRO must inform CIRO of any change in any of the

	elements listed in section 6 of the administrative process. The notice must be accompanied by payment of the fees determined by CIRO for the processing of a notice of change.
11.	Further to the notice of change referred to in the first paragraph, CIRO may maintain or terminate accreditation of the activity or increase or decrease the number of PDUs awarded therefore. CIRO will then send its decision to the applicant.
12.	CIRO may terminate accreditation of an activity or increase or decrease the number of PDUs awarded therefore if it becomes aware that the activity being provided is different from the activity that was accredited, or if the conditions set out in section 4 of the administrative process are not being met.
13.	If CIRO intends to terminate accreditation of the activity or increase or decrease the number of PDUs awarded therefore, it will inform the applicant in question that the applicant may of his right to submit written observations within the time limit indicated by it. CIRO will then send its decision to the applicant.