

Membership Application - Readiness Questionnaire

This Readiness Questionnaire will help firms assess how prepared they are to apply for membership in the Canadian Investment Regulatory Organization (CIRO) and facilitate an introductory discussion with CIRO staff. If you answer "Yes" to the questions below, this may indicate your firm is ready to apply for CIRO membership. For further details on how to apply, please visit the "Becoming a Dealer Member" page of CIRO's website. Applicants can also contact the Membership Intake team at memberintake@ciro.ca for additional information.

Guidance for completing the Readiness Questionnaire.

- *ID* = Denotes the question must be completed by Investment Dealer applicants.
- *MFD* = Denotes the question must be completed by Mutual Fund Dealer applicants.
- If you are seeking CIRO membership as both an Investment Dealer & Mutual Fund Dealer, please respond to all questions.

1. Preferred Language *ID, MFD*

Select your preferred language for verbal and written communication between our organizations.

- English
- French

2. Category of Registration *ID, MFD*

Select the category of registration the applicant will be applying for.

- Investment Dealer (ID) only
- Mutual Fund Dealer (MFD) only
- Investment Dealer and Mutual Fund Dealer

3. Business Lines, Products, and Clients

a. What business lines do you plan to offer (check all that apply)? *ID, MFD*

- Advisory
- Research
- Marketplace (ATS or Exchange)
- Order-Execution Only
- Carrying Broker
- Other _____
- Managed Accounts
- Proprietary Trading
- Corporate Finance, Advisory and M&A
- Market Making

b. What products do you plan to offer (check all that apply)? *ID, MFD*

- Listed Equities
- Exchange Traded Funds
- Exempt Market Products
- Listed Options
- Fixed Income
- Crypto Assets
- Mutual Funds
- OTC Equities & Derivatives
- Other _____

c. What type of clients do you plan to deal with (check all that apply)? *ID only*

- Retail
- Direct Electronic Access
- Institutional

4. **5-year Business Plan ID, MFD**

Has the applicant 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
- Five years of financial projections and their underlying assumptions
- All parties with which the applicant has or plans to have commercial relationships

Yes

No

5. **Written Policies & Procedures (P&P) ID, MFD**

Does the applicant have P&P for its business activities and operations that establish adequate supervisory controls providing assurance that the applicant, its employees, and Approved Persons comply with CISO requirements and securities laws? These include, but are not limited to:

- Conflicts of interest
- Internal control and credit P&P of the applicant, or those of the Carrying Broker
- Supervisory controls tailored to the applicant's business model (including for anti-money laundering)
- Business conduct, sales practices, and dealing with client accounts
- Client complaints
- KYC protocols to facilitate suitability assessments and verify client identity, as applicable
- Cybersecurity risk management
- Trading P&P to address Universal Market Integrity Rules (UMIR), if applicable

Yes

No

6. **Key Positions within the Applicant ID, MFD**

Has the applicant filled the following key positions with individuals who meet the applicable experience and proficiency requirements to become registered under CISO requirements and National Instrument 31-103 as applicable?

Investment Dealer Mandatory Roles:	Mutual Fund Dealer Mandatory Roles:
<input type="checkbox"/> Ultimate Designated Person (UDP)	<input type="checkbox"/> Ultimate Designated Person (UDP)
<input type="checkbox"/> Chief Compliance Officer (CCO)	<input type="checkbox"/> Chief Compliance Officer (CCO)
<input type="checkbox"/> Chief Financial Officer (CFO)	<input type="checkbox"/> Branch Manager
<input type="checkbox"/> Supervisor	<input type="checkbox"/> At least one (1) Dealing Representative
<input type="checkbox"/> At least one (1) Registered Representative or Investment Representative	

7. Registration Filings ID, MFD

Is the applicant prepared to submit the associated registration filings (form 33-109F6 Firm Registration, or 33-109F4 Individual Registration) to the applicable securities regulators simultaneously with submitting the CIRO membership application?

- Yes
- No

8. Minimum Capital Requirements ID, MFD

a. Does the applicant's audited Form 1 demonstrate that the firm meets the minimum capital requirements in accordance with CIRO requirements, as applicable?

- Yes
- No

b. Do the applicant's pro-forma statements demonstrate that the applicant's business will not trigger early warning if there are losses during the first year of membership?

- Yes
- No

9. Back-Office Processes ID, MFD

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

- Yes
- No

Answer a. if "Yes" to #9 above. Answer b. & c. if "No" to #9 above.

a. Has the applicant established documented processes for trade execution, settlement, clearing and custody?

- Yes
- No

b. Has the applicant established all its systems of books and records (e.g., brokerage, accounting)?

- Yes
- No

c. Has the applicant established client reporting (e.g., trade confirmation, client statement, annual fee/charge report, annual performance report) that complies with CIRO requirements?

- Yes
- No

10. Member of a Regulated Exchange or ATS Subscriber ID only

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

- Yes
- No