

## Risk Assessment Questionnaire (RAQ) - Help Page

The purpose of this Help Page is to set out our responses to provide guidance to registrants as they prepare and complete the risk assessment questionnaire. This document is broken down to four sections: There is one section for each RAQ section. Questions are numbered for ease of reference.



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## Section 1: Help guide to the General RAQ section

#	Question number	Question	Guidance
1.	<b>Question G1 – Revenue</b>	How do I determine the total gross revenue of my firm?	<p>Total gross revenue of your firm would include all revenue generated by the registered entity, regardless of geographical location, line of business or regulatory body. This is the amount that you would have reported on FORM 13-502F4 <i>Capital Markets Participation Fee Calculation</i>, Part III – <i>Advisors, Other Dealers, and Unregistered Capital Markets Participants</i>, Line 1.</p> <p>The revenue amount should generally be a positive amount, however, in cases where your firm has a negative revenue amount, please enter \$0 and in the comment box, indicate the negative revenue amount with a brief explanation.</p>
2.	<b>Question G1 – Revenue</b>	How do I determine my Specified Ontario revenues?	<p>The amount of <a href="#">Specified Ontario revenue</a> would be the same figure that you would have reported on FORM 13-502F4 <i>Capital Markets Participation Fee Calculation</i>, Part III – <i>Advisors, Other Dealers, and Unregistered Capital Markets Participants</i>, Line 10.</p> <p>The revenue amount should generally be a positive amount, however, in cases where your firm has a negative revenue amount, please enter \$0 and in the comment box, indicate the negative revenue amount with a brief explanation.</p>
3.	<b>Question G7 – Referral arrangements</b>	What do I need to know before starting this question?	<p>Section 13.7 of the companion policy to National Instrument 31-103 <i>Registrant Requirements, Exemptions and Ongoing Registration</i> defines “referral arrangement” in broad terms. Referral arrangement means an arrangement in which a registrant agrees to pay or receive a referral fee. The definition is not limited to referrals for providing investment products, financial services or services requiring registration. It also includes receiving a referral fee for providing a client name and contact information to an individual or firm. "Referral fee" is also broadly</p>

#	Question number	Question	Guidance
			<p>defined. It includes sharing or splitting any commission resulting from the purchase or sale of a security.</p> <p>This question asks for the number of existing referral arrangements as at the stated period in the question. This question applies to all referral arrangements involving Canadian clients only, regardless of a referrer’s jurisdiction.</p> <p>Where a firm operates multiple business lines or divisions that may or may not require registration in Ontario, please only provide the referral arrangements associated with the operations of the registered business line (i.e., PM/RPM, EMD/RD).</p> <p>There is no specific order in which you are required to enter the referral arrangements.</p> <p>For each referral arrangement, whether it is a firm or an individual, please specify the full legal name of the referral party (i.e., do not write acronyms). If a referral arrangement terminated during the review period, but you still had payments to the referral party during the same period, please provide all the required data for this arrangement.</p>
4.	<b>Question G7 – Referral arrangements</b>	How do I navigate between arrangements?	<p>There are two ways to navigate between referral arrangements:</p> <ol style="list-style-type: none"> <li>i. Use the chevrons illustrated in the diagram below to go to the next or previous referral arrangement in a sequential order:  ; or</li> <li>ii. If you know the referral arrangement number you wish to jump to, input the number directly in the highlighted field shown in the diagram below and hit “Enter” on your keyboard:  </li> </ol>

#	Question number	Question	Guidance
			<p>If you to add a new referral arrangement, click the  button.</p> <p>If you want to delete a referral arrangement, navigate to the specific arrangement and click on: </p>
5.	<b>Question G7 – Referral arrangements</b>	How do I enter the name of another regulator?	If you answered “yes” to the question asking whether the referral party is registered and is registered with a regulator not specified in the question, please select “Other regulator” and type the full legal name of the other regulator(s).
6.	<b>Question G7 – Referral arrangements</b>	What do I enter if no clients have been referred under an arrangement?	<p>If you have an arrangement under which you pay a referral fee, but no clients were referred under the referral arrangement during the period, please include them in your response to G7(B), answer all questions in the table according to the terms of the arrangement (e.g. Is the party that you have a referral arrangement with a firm or an individual? Is the party that you have the referral arrangement with registered?).</p> <p>Enter zero (“0”) under “Number of current clients (not the number of client accounts, or the number of client households) that were referred to you under this arrangement as of [the time period stated]” and “Dollar amount or estimated dollar value of referral fee that you paid to the referrer”.</p>
7.	<b>Question G7 – Referral arrangements</b>	What is the percentage of referral fee I paid to the referrer out of the fee or commission that I earned from this arrangement?	<p>You should double check the pre-populated percentage amount of referral fee you paid within each referral arrangement, from the previous RAQ. As there is a “%” symbol following the input box, amount inputted should be in percentage format, rather than decimal format (e.g. the inputted amount in the box should be 35%, not 0.35%).</p> <p>Examples of the calculation:</p>

#	Question number	Question	Guidance
			<p>Example 1: if you earned 6% from a client and 3% is paid to the referral party, then enter “50%” for the purpose of this question.</p> <p>Example 2: if you earned \$100 from a client and \$30 is paid to the referral party, then enter “30%” for the purpose of this question.</p>
8.	<b>Question G7 – Referral arrangements</b>	Is the referral fee an ongoing fee that I pay to the referrer?	<p>Answer “Yes” if there are regular, repetitive payments to the referral party (regardless if it is a fixed dollar amount or a percentage of fees earned). Further, if there is an end date to the ongoing fee (e.g. some arrangements state that the ongoing fee has a term of 3 years), still answer “Yes” for the purpose of this question.</p>
9.	<b>Question G8 – Finder’s fees</b>	What do I need to know before starting this question?	<p>This question asks for the number of existing finder’s fee arrangements as at the stated period in the question. This question applies to all finder’s fee arrangements involving Canadian clients, regardless of a finder’s jurisdiction.</p> <p>Where a firm operates multiple business lines or divisions that may or may not require registration in Ontario, please only provide the finders’ arrangements associated with the operations of the registered business line (i.e., PM/RPM, EMD/RD). For each finder’s fee arrangement, whether it is a firm or an individual, please specify the full legal name of the finder (i.e., do not write acronyms).</p> <p>If a finder’s fee arrangement terminated during the review period, but you still had payments to the finder during the same period, please provide all the required data for this arrangement.</p>
10.	<b>Question G8 – Finder’s fees</b>	How do I navigate between arrangements?	<p>There are two ways to navigate between finder’s fee arrangements:</p> <p>i. Use the chevrons illustrated in the diagram below to go to the next or previous finder’s fee arrangement in a sequential order:</p>  <p>; or</p>

#	Question number	Question	Guidance
			<p>ii. If you know the finder’s fee arrangement number you wish to jump to, input the number directly in the highlighted field shown in the diagram below and hit “Enter” on your keyboard:</p>  <p>If you to add a new finder’s fee arrangement, click the  button.</p> <p>If you want to delete a finder’s fee arrangement, navigate to the specific arrangement and click on: </p>
11.	<b>Question G8 – Finder’s fees</b>	How do I enter the name of another regulator?	If you answered “yes” to the question asking whether the finder is registered and is registered with a regulator not specified in the question, please select “Other regulator” and type the full legal name of the other regulator(s).
12.	<b>Question G8 – Finder’s fees</b>	What do I enter if no clients have been referred under an arrangement?	<p>If you have an arrangement under which you pay a finder’s fee, but no finder’s fee was paid during the period, please include them in your response to G8, answer all questions in the table according to the terms of the arrangement (e.g. Is the party that you have a finder arrangement with a firm or an individual? Is the party registered?).</p> <p>Enter zero (“0”) under "Number of current clients (not the number of client accounts, or the number of client householders) that were identified as a result of this finder arrangement as of [the stated time period]" and “Dollar amount of finder’s fee that you paid to the finder”.</p>
13.	<b>Question G8 – Finder’s fees</b>	What is the percentage of finder’s fee I paid to the finder out of the fee or commission	You should double check the pre-populated percentage amount of finder’s fee you paid within each finder’s fee arrangement, from the previous RAQ. As there is a “%” symbol following the input box, amount inputted

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		that I earned from this arrangement?	<p>should be in percentage format, rather than decimal format (e.g., the inputted amount in the box should be 35%, not 0.35%).</p> <p>Examples of the calculation:</p> <p>Example 1: if you earned 6% from a client and 3% is paid to the finder, then enter “50%” for the purpose of this question.</p> <p>Example 2: if you earned \$100 from a client and \$30 is paid to the finder, then enter “30%” for the purpose of this question.</p>
14.	<b>Question G8 – Finder’s fees</b>	Is the finder’s fee an ongoing fee that I pay to the finder?	<p>Answer “Yes” if there are regular, repetitive payments to the finder (regardless if it is a fixed dollar amount or a percentage of fees earned). Further, if there is an end date to the ongoing fee (e.g., some arrangement state that the ongoing fee has a term of 3 years), still answer “Yes” for the purpose of this question.</p>
15.	<b>Question G10 – Complaints</b>	What clients/ investors do I need to include in this question?	<p>This question includes all direct Canadian clients/investors from your PM and/or EMD lines of businesses. You do not need to include the number of unitholders invested in the funds that the IFM manages unless they are your direct clients under your activities as a PM and/or EMD.</p> <p>For additional guidance, refer to guidance to Question P6 in the PM section and “What is the <b><u>definition of Investor Clients</u></b>?” in the EMD section below.</p>
16.	<b>Question G11 – Claims</b>	How is “significant” defined in this question?	<p>In determining whether statement (e) best describes any litigation and/or claims against your firm, consider whether the significant claim(s) or litigation outstanding against your firm involves material facts that will reasonably be expected to have a material impact on your firm, including its capital, if the significant claim(s) or litigation outstanding is/are successful.</p>

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17.	<b>Question G13 – Compliance staff</b>	How do I determine the number of full time equivalent (FTE) staff working as part of my firm’s compliance function?	<p>This question asks for the firm to include full time equivalent staff working as part of the firm’s compliance function and then gives several examples of these types of employees.</p> <p>For clarity,</p> <ul style="list-style-type: none"> <li>• you should only count individuals that are internal to your organization. Any external compliance consultants should not be included in this determination;</li> <li>• where your firm has implemented one of the CCO models outlined in <a href="#">CSA Staff Notice 31-358 Guidance on Registration Requirements for Chief Compliance Officers and Request for Comments</a>, the CCO’s FTE dedicated to your firm should be included in this response;</li> <li>• advising representatives who supervise associate advising representatives would not be considered compliance staff.</li> </ul>



## Section 2: Help guide to the Investment Fund Manager RAQ section

#	Question number	Question	Guidance
18.	<b>Question F1 – Assets under management</b>	What do I need to know before starting this question?	<p>This question pertains to the AUM of the IFM’s investment funds only. We would only want a firm to include a fund once in this question. If you determine a fund can be classified into two or more categories, only report the fund’s AUM under one category that best reflect the fund type.</p> <p>For example, if a fund is predominantly a mutual fund with an ETF series of the fund, then include this as an open-end/conventional mutual fund.</p> <p>If your firm is the PM for clients with AUM held in investment funds where you are not the IFM, this AUM would be reported under Question P1 in the PM section of the RAQ.</p>
19.	<b>Question F1 – Assets under management</b>	How do I report my assets under management with a fund-of-fund structure?	<p>This question requires you to report the AUM of investment funds that you are the investment fund manager for. In the case of a fund-of-fund structure, the AUM should only be counted once.</p> <p>For example, if Top Fund (AUM: \$50) is 100% invested in Bottom Fund (AUM: \$100), you should report a total of two funds and AUM of \$100.</p>
20.	<b>Question F3 – Performance returns?</b>	How do I report my performance returns?	<p>Performance information should be reported net of fees.</p> <p>Performance information is the annual performance return for each period requested by the question. For example, the performance return for the period ending December 31, 2023 should be from January 1 to December 31, 2023.</p> <p>You can choose to report this information at the fund level or fund series level. If you choose to report at the fund series level,</p>

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			please use the fund series that has the greatest assets under management.
21.	<b>Question F4 – Custodian information</b>	What do I need to know before starting this question?	<p><u>Enter positive numbers to report long positions.</u></p> <p><u>Enter negative numbers to report short positions.</u></p> <p><u>Custodians</u></p> <p>The total dollar amount custodied reported in this question should only be for investment funds where you are the IFM. If you are the IFM for the Top Fund and Bottom Fund, include the aggregate dollar amount of both the Top Fund and Bottom Fund without adjusting for double counting for this question. For example, if Top Fund (AUM: \$50) is 100% invested in Bottom Fund (AUM: \$100), you should report a total of two funds and AUM of \$150. Please note that this is different than the methodology used for question F1.</p> <p>If your investment funds have a fund-of-fund structure and you are <b>also</b> the IFM of the underlying funds, provide the custodian information separately by using one row for the top funds and another row for the underlying funds. However, if you are <b>not</b> the IFM of the underlying funds, provide the custodian information for the top funds only.</p> <p>Please enter the full legal name of the custodian (i.e., the full legal name as shown in the custodian statement or custodial agreement). Do not use its trade name or an abbreviated version of its name.</p> <p><u>Sub-custodians</u></p> <p>We are requesting sub-custodian information to allow us to better understand where client assets are ultimately being held. You should be aware if an employed custodian is using sub-custodians</p>

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			<p>to hold assets of your investment funds. If you're unaware of the specific amount of assets held with each sub-custodian, this information should be attainable from your custodian. Please report this information based on the value of fund assets as reported by sub-custodians without the need for further adjustments (for example, accrued interest).</p> <p>If a firm has a fund-of-fund structure where they are the investment fund manager of the Top Fund and the Bottom Fund, we are asking the firm to report the aggregate sub-custodian information for both the Top and the Bottom Funds. As an example, if Top Fund (AUM: \$50) is sub-custodied at ABC Custody Inc. and 100% invested in Bottom Fund (AUM: \$100) which is sub-custodied \$50 at ABC Custody Inc. and \$50 at XYZ Custody Inc., you should report AUM of \$100 at ABC Custody Inc. and \$50 at XYZ Custody Inc. Please note that this is different than the methodology used for question F1.</p>
22.	<b>Question F5 – Trust accounts</b>	What is a trust account?	A trust account is a bank account designated as a trust account. It is an account that holds cash for investment in, or on the redemption of, securities of an investment fund.
23.	<b>Question F12 – Private or illiquid securities</b>	What do I need to know before starting this question?	Answer this question in respect of <b>non-prospectus qualified funds</b> in which your firm is the IFM for. The number of non-prospectus qualified funds and total AUM reported here should not exceed those entered in question F1.
24.	<b>Question F14 – Management expense ratio (MER)</b>	How do I report my fund's MER?	You can choose to report MER information at the fund level or fund series level. If you choose to report at the fund series level, please use the fund series that has the greatest assets under management.

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25.	<b>Question F17 – Fund terminations</b>	What are fund termination costs?	<p>Fund termination costs are costs incurred as a result of the fund’s termination and do not include costs that would have otherwise been incurred if the fund continued (e.g. annual audit fees).</p> <p>For clarity, if the firm sold securities to generate cash to facilitate redemption of all unitholders as the fund was being terminated, we would not consider these trading costs as termination costs for the purpose of this question.</p>
26.	<b>Question F18 – Fund mergers</b>	What are fund merger costs?	Fund merger costs are costs incurred as a result of the fund’s merger and do not include costs that would have otherwise been incurred if the merger did not occur (e.g. annual audit fees).
27.	<b>Question F19 – Net asset value (NAV) errors</b>	What is the difference between NAV errors and NAV restatements?	<p>This question requires you to report NAV errors in the past 12 months ending December 31 of the most recently completed calendar year. The following example provides guidance on completing this question:</p> <p>An incident affected the valuation of a fund over a five-day period. The fund has three classes of security holders, NAV is struck daily, and the incident resulted in 15 restatements of NAV.</p> <p>In this case, you would report one NAV error and 15 restatements of NAV.</p>
28.	<b>Question F19 – Net asset value (NAV) errors</b>	Which period should I report the NAV error: Date the NAV error occurred or date the NAV error was discovered?	Report the NAV error in the period that it was discovered.
29.	<b>Question F22 - Automated compliance system</b>	How should firms answer this question if it also	Consider from the firm’s point of view if selecting options (a) to (f) and (h).

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		uses service providers to perform monitoring on behalf of the firm?	If the firm also uses a service provider that uses automated compliance system to perform monitoring on behalf of the firm, select option (g) and provide details in comment box to describe the services conducted by the service providers.

### Section 3: Help guide to the Portfolio Manager and Restricted Portfolio Manager RAQ section

#	Question number	Question	Guidance
30.	<b>Question P1 – Assets under management</b>	What do I need to know before starting this question?	<p>The AUM figure reported should be based on market value.</p> <p><u>Include in Row A: Individuals,</u></p> <ul style="list-style-type: none"> <li>• AUM for individual clients (i.e. natural persons) and their personal holding companies, foundations, or trusts.</li> <li>• AUM from both individual managed accounts (discretionary) and individual non-discretionary accounts.</li> </ul> <p><u>Include in Row B: Institutions,</u></p> <ul style="list-style-type: none"> <li>• AUM for institutional clients which include non-individuals such as third-party investment funds where your firm is the PM to the funds, pension plans, corporations, university endowments and charitable organizations.</li> <li>• AUM from both institutional managed accounts (discretionary) and institutional non-discretionary accounts.</li> <li>• AUM for which the firm is the acting as the sub-adviser.</li> </ul> <p><u>Include in Row C: Investment funds where your firm is <b>both the PM and IFM.</b></u></p> <ul style="list-style-type: none"> <li>• AUM for your proprietary funds (i.e., you are the IFM and PM for the fund).</li> </ul> <p>To avoid double counting, exclude from Row C the AUM of proprietary funds that your individual or institutional clients invested in.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• If you have AUM of \$1 million from individual managed account clients and that amount is invested in your proprietary investment funds, enter: <ul style="list-style-type: none"> <li>○ <i>\$1 million in Row A: Individuals and</i></li> </ul> </li> </ul>

#	Question number	Question	Guidance
			<ul style="list-style-type: none"> <li>○ <i>\$0 in Row C: Investment Funds</i> where your firm is both the PM and IFM.</li> <li>● If you have AUM of \$1 million from individual managed account clients, \$1 million from institutional managed account clients, and both are invested in your proprietary investment funds, enter <ul style="list-style-type: none"> <li>○ <i>\$1 million in Row A: Individuals,</i></li> <li>○ <i>\$1 million in Row B: Institutions</i> and</li> <li>○ <i>\$0 in Row C: Investment Funds</i> where your firm is both the PM and IFM.</li> </ul> </li> <li>● If you have AUM of \$2 million invested in your proprietary investment funds but units of the funds are distributed by 3<sup>rd</sup> parties or by you acting as an exempt market dealer, enter <ul style="list-style-type: none"> <li>○ <i>\$2 million in Row C: Investment Funds</i> where your firm is both the PM and IFM and</li> <li>○ <i>\$0 in Row A: Individuals</i> and</li> <li>○ <i>\$0 in Row B: Institutions.</i></li> </ul> </li> <li>● If you have AUM of \$10 million invested in your proprietary investment funds where \$2 million is from your individual managed account clients, \$3 million is from your institutional managed account clients, and \$5 million distributed by you acting as an exempt market dealer, enter <ul style="list-style-type: none"> <li>○ <i>\$2 million in Row A: Individuals,</i></li> <li>○ <i>\$3 million in Row B: Institutions</i> and</li> <li>○ <i>\$5 million in Row C: Investment Funds</i> where your firm is both the PM and IFM.</li> </ul> </li> </ul> <p>Consider including a brief description in the comment box to explain your business model, e.g. only managed account clients can invest in the proprietary funds.</p>

#	Question number	Question	Guidance
31.	<b>Question P2(A) – Type of authority and products</b>	What does discretionary trading mean?	Discretionary trading means a client has given you written authority to make purchase and sale investment decisions in their account managed by you, without the client’s express consent for each purchase or sale.
32.	<b>Question P2(B) – Type of authority and products</b>	I invest in ETFs or prospectus qualified funds that are cash equivalents, fixed income based, and equity based. How do I report these in the table?	All ETFs should be included in the “ETF” heading, with the exception of crypto asset based ETFs (see below). For crypto asset based ETFs, please perform a “look through” to the underlying investment and report this under the “Crypto assets” heading instead of the “ETF” heading.  Similarly, you should report prospectus qualified funds information under the “prospectus qualified funds” heading without doing a “look through”, unless the underlying investments provide crypto asset exposure.
33.	<b>Question P2(B) – Type of authority and products</b>	How do I classify hedge funds and private equity funds?	Report this under “non-prospectus qualified funds” heading, unless one of the following applies: <ul style="list-style-type: none"> <li>• You invest in non-prospectus qualified funds managed by your firm or by another firm: see “What do I need to know if I invest my clients in non-prospectus qualified funds?” below for guidelines.</li> <li>• The product provides crypto asset exposure: see “What should I include under “Crypto assets” heading?” below for guidelines.</li> </ul>
34.	<b>Question P2(B) – Type of authority and products</b>	What do I need to know if I invest my clients in non-prospectus qualified funds?	If you invest your clients in securities of a non-prospectus qualified fund <u>managed by <b>your</b> firm (including when you are the primary adviser and/or using a sub-adviser)</u> , please perform a “look through” and specify the underlying types of securities held within the fund, such as equities or fixed income, rather than “non-prospectus qualified funds”.  If you invest your clients in securities of a non-prospectus qualified fund <u>managed by <b>another</b> party</u> , report under the heading “non-prospectus qualified funds”.



#	Question number	Question	Guidance
35.	<b>Question P2(B) – Type of authority and products</b>	How do I classify investment products that exhibit multiple asset class characteristics?	<p>Generally, you should categorize the investment product as you would for internal purposes.</p> <p>Example 1: Preferred shares If your firm internally categorize them as fixed income (because of the dividends), then report them under the “fixed income” heading. If you would categorize them internally as equity, then report them under the “equity” heading.</p> <p>Example 2: Structure note product that pays regular coupon and has a growth component providing returns based on an underlying market security If your firm internally categorize them as fixed income (because of the coupon), then report them under the “fixed income” heading. If you would categorize them internally as derivative, then report them under the “other” heading and provide details in the comment box.</p>
36.	<b>Question P2(B) – Type of authority and products</b>	What should I include under “Crypto assets” heading?	<p>If you invest your clients in investment products that provide crypto exposure (e.g. publicly-traded issuers, exchange-traded funds, or investment funds), please include those assets under the “Crypto assets” heading.</p> <p>For the purposes of this asset class, please “look through” to the underlying investment. As an example, if your managed account clients are invested in an exchange-traded crypto fund, please include this in the “Crypto assets” category as opposed to the “exchange-traded funds” asset category.</p> <p>For the purposes of the Risk Assessment Questionnaire, we are taking a broad interpretation of crypto assets and so it is better to include an investment as crypto rather than to exclude it. Further, the below staff notice speaks about the different types of crypto assets and items to consider when making a crypto determination.</p>

#	Question number	Question	Guidance
			<a href="#"><u>CSA Staff Notice 21-327 – Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets</u></a>
37.	<b>Question P2(B) – Type of authority and products</b>	How do I express short positions?	If you take short positions for your clients, please aggregate by type of Investment Product and report these by entering negative values (-).
38.	<b>Question P2(B) – Type of authority and products</b>	What do I do for holdings that don't fit into an Investment Product listed?	For holdings that do not fit into the investment products listed in the table, include them in "Other" and provide a brief explanation in the comment box.
39.	<b>Question P4 - Related or connected issuers</b>	If there are multiple fund series under a fund, what issuer names should be listed? Should I list every fund series?	When answering this question, only list the full legal name of each fund. There is no need to list all the series associated with each fund.
40.	<b>Question P5 – Involvement in companies</b>	What do I need to know before starting this question?	When answering this question, consider not only your registered advising or dealing individuals, but also your firm's officers, directors, employees, and permitted individuals.
41.	<b>Question P6 – Residency of clients</b>	Can you provide some examples?	<p>This question asks for the number of clients as at December 31 of the most recently completed calendar year. Client relationships that were terminated on December 31 should be excluded from the number.</p> <p>For clarity, do not count the number of accounts or number of client households, instead count the number of individual client relationships your firm has. For example,</p> <ul style="list-style-type: none"> <li>• If one household has two individuals and each individual has 4 accounts, count this as 2 clients for the purpose of this question.</li> <li>• If an individual has 3 personal accounts and 1 holding company account, count this as 1 client.</li> </ul>

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			<ul style="list-style-type: none"> <li>• If a holding company is controlled by two individuals whereby the beneficiaries are the non-controlling kids of these individuals, count this as 2 clients.</li> <li>• If one individual also has an account “in trust” for each of the 3 children who are under 18 years old, count this as 1 client.</li> <li>• If two individuals are spouses or common-law partners and the firm manages all of these two individuals’ accounts including a joint account and a holding company, count this as 2 clients.</li> </ul>
42.	<b>Question P6 – Residency of clients</b>	How do I account for clients in a fund I manage?	<p>Do not include the underlying clients in a fund you manage unless those underlying clients have a signed investment management agreement with you to receive managed account services from you.</p> <p>For clarity:</p> <ul style="list-style-type: none"> <li>• The firm manages a fund, where there are 10 underlying clients. The firm does not have signed investment management agreements with any of the underlying clients. The firm should reflect the client relationship with the fund only, as a total of 1 client in the relevant jurisdiction in the Questionnaire.</li> <li>• The firm manages a fund, where there are 10 underlying clients. The firm has signed investment management agreements with 5 of the underlying clients. The firm should reflect the client relationships with the 1 fund and the 5 underlying clients, as total of 6 clients in the relevant jurisdiction in the Questionnaire.</li> </ul>
43.	<b>Question P7 – Age of clients</b>	What do I need to know before starting this question?	<p>This question asks for the percentage of <u>individual clients</u> that are 60 years or older as at December 31 of the most recently completed calendar year.</p> <p>The definition of “Individual” is “a natural person and their personal holding companies, foundations and trusts”. Therefore, if a client has several different holding companies, foundations or trusts, the firm</p>

#	Question number	Question	Guidance
			<p>should count that client relationship only once when calculating the percentage of clients over 60.</p> <p>For example: A client who is 65 years old has an unregistered account, an account for a holding company and an account for a family trust. This client relationship should be counted as 1 in both the numerator and the denominator when the firm calculates the percentage of individual clients that are 60 years or older.</p>
44.	<b>Question P9 – Custodian information</b>	What do I need to know before starting this question?	<ul style="list-style-type: none"> <li>• <u>Enter positive numbers to report long positions.</u></li> <li>• <u>Enter negative numbers to report short positions.</u></li> <li>• To avoid double counting, <b>do not</b> include the custodian information for the investment funds in which you are the IFM and PM as you will provide this information when responding to Question F4 – Custodian information in the “Questions for Investment Fund Managers” section of the questionnaire.</li> </ul> <p>For example, if your client invests in your proprietary funds, <u>do not</u> include the custodian information in P9 - Custodian information of the PM section of the questionnaire.</p> <ul style="list-style-type: none"> <li>• If your firm has both discretionary and non-discretionary portfolio management clients, please include the custodians used by both groups of clients.</li> <li>• Add a new row to report each custodian used by your firm.</li> <li>• Please be sure to input the full legal name of each custodian.</li> </ul>
45.	<b>Question P9 – Custodian information</b>	What is meant by “functionally independent” from my firm?	<p>Column 3 of the custodial information table requires you to determine whether the custodian(s) used by your portfolio management clients are <u>functionally independent</u> from your firm. A custodian would <u>not</u> be considered to be functionally independent from your firm when any of the following apply (although there may be other examples as well):</p>

#	Question number	Question	Guidance
			<ul style="list-style-type: none"> <li>• Your firm and the custodian share the same mind and management such that your firm and the custodian would not reasonably be considered to be operating independently,</li> <li>• The custodial activities are performed by personnel that are not separate from, or are unable to act independently from, personnel of your firm,</li> <li>• There is a lack of systems and controls to ensure the functional independence of personnel performing the custodial function.</li> </ul>
46.	<b>Question P12 – Trade order/portfolio management systems</b>	What do I need to know before starting this question?	This question does not attempt to differentiate between firms that use an automated trade order or portfolio management system and those that do not. Your response should reflect all monitoring processes in place. For example, a firm may monitor compliance through the use of an automated system, through manual processes or a combination of both.
47.	<b>Question P13 (B) – Performance data</b>	What types of performance are considered hypothetical?	Hypothetical performance returns illustrate performance data that is <u>not</u> the performance of your actual client portfolios. Some examples include back-tested data (i.e. past period), and model performance data (i.e. real time or future periods.) Please refer to <a href="#">CSA Staff Notice 31-325 – Marketing Practices of Portfolio Managers</a> for more guidance as to what types of performance data are considered hypothetical.
48.	<b>Question P14 (A) – Know your client (KYC) information</b>	We use technology to meet with clients (e.g., Zoom), how do I answer this question?	Answer b) Collect KYC information on a telephone call or video call with clients and document KYC information in writing.
49.	<b>P16 – Online business activity</b>	My firm uses secure portal to deliver client documents such as quarterly client reports. How do I answer this question?	Answer f) None of the above.  Only answer this question by selecting one or more of the options if your firm’s online portal is being used to conduct any of the activities that would be considered advising.

**Section 4: Help guide to the Exempt Market Dealer and Restricted Dealer RAQ section**

#	Question number	Question	Guidance
50.	Applies to all questions where applicable	What is the <b>definition of Investor Clients</b> ?	<p>Generally, investor clients mean all individuals and/or institutional clients that the registered firm distributed/traded exempt products to or raised capital from, during the two-year time period specified.</p> <p>Investor clients include both new and existing clients, who the registered firm distributed/traded exempt products to or raised capital from (i.e., is listed as the Dealer of Record). The count should include the active number of clients during the indicated reporting period (even if they are currently no longer a client). Question <b>E22 – Age of investor clients</b> asks for the percentage of individual investor clients that were 60 years or older. “Individual” in this question refers to a natural person.</p> <p>For question <b>E2 – Investor clients and prospectus exemptions</b>, include all investor clients from your EMD operations regardless of where they reside. Questions E2 and <b>E3 – Investor client residency</b> should have the same total number of investor clients. If a client made multiple transactions during the two-year period specified, only count the number of unique clients (i.e., count as 1 client in this example).</p> <p>Examples of how to account for clients that have joint accounts, personal holding companies or “in trust” accounts:</p> <ul style="list-style-type: none"> <li>i) The firm has <b>two</b> individual clients that are spouses as follows: Both have an unregistered account, both have an RRSP account, a joint account and an account for a holding company.</li> </ul>

#	Question number	Question	Guidance
			<p>The firm should reflect the client relationship with these two individuals as two clients.</p> <p>ii) The firm has an individual client and family members as follows: The individual has an unregistered account, a RRSP account and an account “in trust” for each of their 3 children who are under 18 years old. The firm should reflect the client relationship with this individual as <b>one</b> client.</p> <p>In the case of institutional clients (e.g., such as investment funds, family offices) serviced by the EMD for distributions, count each distinct end client as one client. For example, if the EMD deals with 2 investment funds and 5 large family offices, count this as 7 clients.</p> <p>Do not include clients serviced under any other SRO registration (e.g., CIRO (formerly IIROC and MFDA), etc.), as the number of clients should reflect the number serviced under your EMD/Restricted Dealer registration.</p>
51.	<b>Question E2 – Investor clients and prospectus exemptions</b>	Do I have to provide an answer for each row in the table?	<p>Yes, you must enter a response for each row in the table:</p> <ul style="list-style-type: none"> <li>• Enter zero in the rows that are not applicable to you.</li> <li>• If you enter a number in the column “Number of investor clients”, then you must also enter a dollar value in the corresponding “Capital raised” column.</li> </ul>
52.	<b>Question E2 – Investor clients and prospectus exemptions</b>	What is the meaning of capital raised?	<p>Generally, capital raised means the total amount of funds raised from the registered firm’s investor clients through the distribution/trading of securities. The capital raised amount should be the <b>gross</b> amount, which includes any fees. Do not include any redemptions.</p>

#	Question number	Question	Guidance
53.	<b>Question E2 – Investor clients and prospectus exemptions</b>	If investors move between funds, should that be considered as capital raised for the purpose of this question?	If the transaction results in the investor redeeming units of Fund A and purchasing units of Fund C through the exempt market dealer, the amount purchased of Fund C should be included in response to this question.
54.	<b>Question E2 – Investor clients and prospectus exemptions</b>	If my firm provided seed capital to a new fund or fund series, should I include this amount in capital raised?	Yes, include seed capital provided by your firm in response to this question.
55.	<b>Question E3 – Investor client residency</b>	What do I need to know before starting this question?	Refer to the guidelines under “What is the <b>definition of Investor Clients?</b> ” above.  Refer to guidelines to <b>Question E2 – Investor clients and prospectus exemptions</b> above for help on understanding capital raised.
56.	<b>Question E3 – Investor client residency</b>	Do I have to provide an answer for each row in the table?	Yes, you must enter a response for each row in the table: <ul style="list-style-type: none"> <li>• Enter zero in the rows that are not applicable to you.</li> <li>• If you enter a number in the column “Number of investor clients in various locations” then you must also enter a dollar value in the corresponding “Capital raised from investors in various locations” column.</li> </ul>
57.	<b>Question E5 – Role of the chief compliance officer</b>	What do I answer if my Chief Compliance Officer (CCO) is registered as a dealing representative (DR), but they have not acted as a dealing representative?	If your CCO has not acted as a DR by trading a security that is distributed under an exemption from the prospectus requirement, then answer “No”. Based on the individual's registration and role, if the CCO is registered as a DR and acts in the role as a DR in facilitating transactions, then answer “Yes”.
58.	<b>Question E6 – Size of Dealer Activities - revenue</b>	Do I include all revenue or only revenue from my operations as an exempt market dealer?	For revenues, only include revenue amounts generated from your operations using the exempt market dealer registration category. If revenues earned belong in any other registration category, please input the amount in the respective



#	Question number	Question	Guidance
			<p>questionnaire. The amount is not expected to balance to your audited financial statements unless your firm is only registered as an EMD (no other registration categories).</p> <p>If it is difficult to calculate the revenue directly attributed to your EMD operations (if registered as EMD and other registration categories), you may estimate those amounts. Please include a brief comment in the “Final feedback” section of the questionnaire to indicate this.</p> <p>As well, revenues can be reported as of the latest fiscal period, rather than as of December 31.</p>
59.	<b>Question E7 – Investment products – types of products</b>	What is the meaning of related/connected issuers?	<p><b>Related issuer:</b> A person or company is a related issuer of another person or company if:</p> <ul style="list-style-type: none"> <li>• the person or company is an influential securityholder of the other person or company</li> <li>• the other person or company is an influential securityholder of the person or company</li> <li>• each of them is a related issuer of the same third person or company</li> </ul> <p><b>Influential securityholder:</b> Influential securityholder is defined in section 1.1 of NI 33-105, please refer to the OSC website: <a href="https://www.osc.ca/en/securities-law/instruments-rules-policies/3/33-105">https://www.osc.ca/en/securities-law/instruments-rules-policies/3/33-105</a></p> <p><b>Connected issuer:</b> An issuer where the direct or indirect relationship between the issuer and your firm or an entity related to your firm (or registered individual/permitted individual) would cause a reasonable investor to question the independence of your firm's/registered individuals' activities in connection with a distribution of that issuer. Connected</p>

#	Question number	Question	Guidance
			<p>issuer is defined in section 1.1 of NI 33-105, please refer to the OSC website:  <a href="https://www.osc.ca/en/securities-law/instruments-rules-policies/3/33-105">https://www.osc.ca/en/securities-law/instruments-rules-policies/3/33-105</a></p>
60.	<b>Question E8 – Investment products – types of business or industry of products</b>	How should I categorize my investment products?	<p>Please note the industry categories align with commonly used Global Industry Classification Standards sectors. When answering questions where an industry category is required (e.g., Questions E8, E10, E11), please categorize your products sold according to these categories. If the products cover multiple industries, select the products’ <b>main or primary</b> business/industry category.</p> <p>For example, if a fund is invested in multiple industry sectors but has most of its holdings in Financials, select Financials as the industry. Only indicate “other” if the industry is not covered as part of the industry sectors listed and provide comments as to which sector the product covers.</p> <p>Refer to question <b>E7 – Investment products – types of products</b> for help on understanding related/connected issuers.</p>
61.	<b>Question E9 – Investment products – types of issuers</b>	What do I need to know before starting this question?	Refer to question <b>E7– Investment products – types of products</b> for help on understanding related/connected issuers
62.	<b>Question E10 – Investment products – top 10 third party issuer products</b>	What do I need to know before starting this question?	<p>Refer to question <b>E8 – Investment products – types of business or industry of products</b> for details.</p> <p>Refer to question <b>E2 – Investor clients and prospectus exemptions</b> for help on understanding capital raised.</p>

#	Question number	Question	Guidance
63.	<b>Question E11 – Investment products – top 10 related/connected issuer products</b>	What do I need to know before starting this question?	Refer to question <b>E2 – Investor clients and prospectus exemptions</b> for help on understanding capital raised
64.	<b>Question E11 – Investment products – top 10 related/connected issuer products</b>	What is the meaning of “revenue earned”?	Generally, revenue earned means any income earned in connection with a sale, distribution, or trade of a security, to a registered firm or registered individual, from any party. If the EMD is also registered in the category of IFM and/or PM, it does not include management fees or advisory fees earned on the pooled funds.
65.	<b>Question E16 – Sales commission</b>	What is the meaning of sales commissions?	Generally, sales commissions mean any payment in connection with a sale, distribution, or trade of a security, to a registered firm or registered individual, from any party.
66.	<b>Question E17 – Trailing commissions</b>	What is the meaning of trailing commissions?	Generally, trailing commissions means any payment related to a client’s ownership of a security that is part of a continuing series of payments to a registered firm or registered individual by any party.
67.	<b>Question E20 – Know your product (KYP)</b>	My firm is <b>NOT</b> currently using our EMD registration, but we do have a KYP process in place. How should I complete this question?	If the KYP process is in place and <u>being used</u> , check all options that apply.  If the KYP process is <u>not being used</u> , select (a) <i>Not applicable – do not have an investment review process</i> . Please also ensure you selected (g) <i>Have not commenced any business activities</i> in question E1.
68.	<b>Question E21 – Types of documents</b>	What is the meaning of “relationship disclosure information/documents”?	For an understanding of relationship disclosure obligations please see section 14.2 of NI 31-103 on the OSC website at <a href="https://www.osc.ca/en/securities-law/instruments-rules-policies/3/31-103">https://www.osc.ca/en/securities-law/instruments-rules-policies/3/31-103</a>

#	Question number	Question	Guidance
	<b>provided to investor clients</b>		
<b>69.</b>	<b>Question E21 – Types of documents provided to investor clients</b>	My firm is NOT currently using our EMD registration, but we will provide the relevant documents when we start relevant activities. How should I complete this question?	Select (h) <i>None of the above but verbal disclosure</i> . Please also ensure you selected (g) <i>Have not commenced any business activities</i> in question E1.
<b>70.</b>	<b>Question E22 – Age of investor clients</b>	Do I have to provide an exact percentage or is an approximation sufficient?	Please provide as accurate a response as possible. If it is not possible to provide an exact percentage, an approximate percentage will be sufficient.