

**RULE 200**  
**MINIMUM RECORDS**

200.1. For the purposes of this Rule 200:

- (a) “book cost” means:
  - (i) In the case a long security position, the total amount paid for the security, including any [transaction charges](#) related to the purchase, adjusted for reinvested distributions, returns of capital and corporate actions; or
  - (ii) In the case of a short security position, the total amount received for the security, net of any [transaction charges](#) related to the sale, adjusted for any distributions (other than dividends), returns of capital and corporate actions.
- (b) “cost” means for each security position in the account and each security position subject to the additional reporting obligation under subsection 200.2(e):
  - (i) On or after December 31, 2015:
    - (A) Either “[book cost](#)” or “[original cost](#)”, determined as at the end of the applicable period, provided that only one cost calculation methodology, either “[book cost](#)” or “[original cost](#)”, is used for all positions; or
    - (B) In the case of security positions that are transferred in, either:
      - (I) The amount determined in sub-clause 200.1(b)(i)(A); or
      - (II) The [market value](#) of the security position as at the date of transfer, provided that the following notification or a notification that is substantially similar identifies each security position where [market value](#) has been used is included in the statement or report:

“Market value information has been used to estimate part or all of the [book cost/original cost] of this security position.”
  - (ii) Before December 31, 2015:
    - (A) Either “[book cost](#)” or “[original cost](#)”, determined as at the end of the applicable period, provided that only one cost calculation methodology, either “[book cost](#)” or “[original cost](#)”, is used for all positions; or
    - (B) The [market value](#) of the security position as at December 31, 2015 or an earlier date, provided that the following notification or a notification that is substantially similar identifies each security position where [market value](#) has been used is included in the statement or report:

“Market value information as at [December 31, 2015 or earlier date] has been used to estimate part or all of the [book cost/original cost] of this security position.”
  - (iii) Where the Dealer Member reasonably believes it cannot determine the cost in accordance with paragraph 200.1(b)(i) and sub-clause 200.1(b)(ii)(B), the following notification or a notification that is substantially similar:

“The [book cost/original cost] of this security position cannot be determined.”

- (c) “market value” of a security means:
- (i) For securities, precious metals bullion and commodity futures contracts quoted on an active market, the published price quotation using:
    - (A) For listed securities, the last bid price of a long security and, correspondingly, the last ask price of a short security, as shown on a consolidated pricing list or exchange quotation sheet as of the close of business on the relevant date or last trading date prior to the relevant date, as the case may be;
    - (B) For unlisted investment funds, the net asset value provided by the manager of the fund on the relevant date;
    - (C) For all other unlisted securities (including unlisted debt securities) and precious metals bullion, a value determined as reasonable from published market reports or inter-dealer quotation sheets on the relevant date or last trading day prior to the relevant date, or, in the case of debt securities, based on a reasonable yield rate;
    - (D) For commodity futures contracts, the settlement price on the relevant date or last trading day prior to the relevant date;
    - (E) For money market fixed date repurchases (no borrower call feature), the price determined by applying the current yield for the security to the term of maturity from the repurchase date. This will permit calculation of any profit or loss based on the market conditions at the reporting date;
    - (F) For money market open repurchases (no borrower call feature), the price determined as of the reporting date or the date the commitment first becomes open, whichever is the later. The value is to be determined as in (E) and the commitment price is to be determined in the same manner using the yield stated in the repurchase commitment; and
    - (G) For money market repurchases with borrower call features, the borrower call priceand after making any adjustments considered by the Dealer Member to be necessary to accurately reflect the market value,
  - (ii) Where a reliable price for the security, precious metals bullion or commodity futures contract cannot be determined:
    - (A) The value determined by using a valuation technique that includes inputs other than published price quotations that are observable for the security, either directly or indirectly; or
    - (B) Where no observable market data-related inputs are available, the value determined by using unobservable inputs and assumptions; or
    - (C) Where insufficient recent information is available and/or there is a wide range of possible values and cost represents the best value estimate within that range, cost

and the Dealer Member must include the following notification or a notification that is substantially similar:

“There is no active market for this security so we have estimated its market value.”

- (iii) Where a value cannot be reliably determined under clauses 200.1(c)(i) and 200.1(c)(ii) above no value shall be reported and the Dealer Member must include the following notification or a notification that is substantially similar:

“Market value not determinable.”

- (d) “operating charge” means any amount charged to a client by a Dealer Member in respect of the operation, transfer or termination of a client’s account and includes any taxes paid on that amount;
- (e) “original cost” means:
  - (i) In the case of a long security position, the total amount paid for the security, including any [transaction charges](#) related to the purchase; or
  - (ii) In the case of a short security position, the total amount received for the security, net of any [transaction charges](#) related to the sale.
- (f) “total percentage return” means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage;
- (g) “trailing commission” means any payment related to a client’s ownership of a security that is part of a continuing series of payments to a Dealer Member by any party;
- (h) “transaction charge” means any amount charged to a client by a Dealer Member in respect of a purchase or sale of a security and includes any taxes paid on that amount;

200.2. As required under Rule 17.2 every Dealer Member shall make and keep current books and records necessary to record properly its business transactions and financial charts including, without limitation:

(a) **Trade blotters**

Blotters (or other records of original entry) containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all trades in commodity futures contracts and commodity futures contract options, all receipts and disbursements of cash and all other debits and credits. Such records shall show the account for which each such transaction was effected, the trade dates and

- (i) In the case of trades in securities:
  - (A) The name, class and designation of securities;
  - (B) The number, value or amount of securities and the unit and aggregate purchase or sale price (if any); and
  - (C) The name or other designation of the person from whom the securities were purchased or received or to whom they were sold or delivered.

And

- (ii) In the case of trades in commodity futures contracts:
  - (A) The commodity and quantity bought or sold;
  - (B) The delivery month and year;

- (C) The price at which the contract was entered into;
- (D) The commodity futures exchange; and
- (E) The name of the dealer if any, used by the Dealer Member as its agent to effect the trade.

And

(iii) In the case of trades in commodity futures contract options:

- (A) The type and number;
- (B) The premium;
- (C) The commodity futures contract that is the subject of the commodity futures contract option;
- (D) The delivery month and year of the commodity futures contract that is the subject of the commodity futures option;
- (E) The declaration date;
- (F) The striking price;
- (G) The commodity futures exchange; and
- (H) The name of the dealer, if any, used by the Dealer Member as its agent to effect the trade.

(b) **General ledger of accounts**

A general ledger (or other records) maintained in detail reflecting all assets and liabilities, income and expense and capital accounts.

(c) **Itemized client ledger accounts**

Ledger accounts (or other records) itemizing separately as to each cash and margin account of every client, all purchases, sales, receipts, deliveries and other trades of securities, commodity futures contracts and commodity futures contract options for such account and all other debits and credits to such account, and

- (i) With respect to all securities and property received to margin, guarantee or secure the trades or contracts of clients:
  - (A) A description of the securities or property received;
  - (B) The date when received;
  - (C) The identity of any deposit institution where such securities or property are segregated;
  - (D) The dates of deposit and withdrawal from such institutions; and
  - (E) The date of return of such securities or property to the client or other disposition thereof, together with the facts and circumstances of such other disposition.

And

(ii) With respect to any investments of such money, proceeds or funds segregated for the benefit of the clients:

- (A) The date of which such investments were made;

- (B) The identity of the person or company through or from whom such securities were purchased;
- (C) The amount invested;
- (D) A description of the securities invested in;
- (E) The identity of the deposit institution, other dealer or dealer registered under any applicable securities legislation where such securities are deposited;
- (F) The date of liquidation or other disposition and the money received on such disposition; and
- (G) The identity of the person or company to or through whom such securities were disposed.

(d) **Client account statements**

(i) A Dealer Member must send:

- (A) A monthly client account statement to each client who:
  - (I) Requests to receive a client account statement on a monthly basis; or
  - (II) At the end of the month has:
    - (a) Had a transaction during the month;
    - (b) Has experienced a cash or security modification, other than dividend or interest payments;
    - (c) An unexpired and unexercised futures contract option position; or
    - (d) An open futures contract, or exchange contract position in their account.
- (B) A quarterly client account statement to each client who, at the end of the quarter has:
  - (I) A debit or credit balance; or
  - (II) One or more security positions (including securities held in safekeeping or in segregation) in their account.

And

(ii) The statement must include all of the following information about the client's account at the end of the period for which the statement is made:

- (A) The opening cash balance in the account;
- (B) All deposits, credits, withdrawals and debits made to the account;
- (C) The closing cash balance in the account;
- (D) The name and quantity of each security position in the account;
- (E) For each security position in the account:

- (I) Where the [market value](#) is determinable:
  - (a) The [market value](#);
  - (b) The total [market value](#); and
  - (c) If applicable, the notification required pursuant to clause 200.1(c)(ii);
- (II) Where the [market value](#) is not determinable, the notification required pursuant to clause 200.1(c)(iii);
- (F) Where the client is a Retail Customer and the statement is a quarterly statement, the statement must also include:
  - (I) For each security position in the account:
    - (a) Where the [cost](#) is determinable, either the [cost](#) or the total [cost](#); and
    - (b) Where the [cost](#) is not determinable, the notification required pursuant to clause 200.1(b)(iii).

And

- (II) A notation setting out the definitions of the calculation methodologies used to calculate the individual position [cost](#) information included in the statement, provided that where the individual position [cost](#) information included in the statement is calculated using:
  - (a) The “[book cost](#)” calculation methodology, the definition language set out in subsection 200.1(a) or language that is substantially similar must be used as the notation; and
  - (b) The “[original cost](#)” calculation methodology, the definition language set out in subsection 200.1(e) or language that is substantially similar must be used as the notation;
- (G) The total [market value](#) of all cash and security positions in the account; and
- (H) Where the client is a Retail Customer and the statement is a quarterly statement, the total cost of all cash and security positions in the account.

And

- (iii) In the case of clients with any security positions which might be subject to a deferred sales charge if they are sold, a notation identifying each security position that might be subject to a deferred sales charge.

And

- (iv) In the case of clients with any unexpired and unexercised commodity futures contract options, open commodity futures contracts, or exchange contracts, the statement must include at least all of the following information:
  - (A) Each unexpired and unexercised commodity futures contract option,

- (B) The striking price of each unexpired and unexercised commodity futures contract option,
- (C) Each open commodity futures contract,
- (D) The price at which each open commodity futures contract was entered into.

And

- (v) In the case where a Dealer Member has acted as an agent in connection with a liquidating trade in a commodity futures contract, the monthly statement must include at least all of the following information:
  - (A) The dates of the initial transaction and liquidating trade,
  - (B) The commodity and quantity bought and sold,
  - (C) The commodity futures exchange upon which the contracts were traded,
  - (D) The delivery month and year,
  - (E) The prices on the initial transaction and on the liquidating trade,
  - (F) The gross profit or loss on the transactions,
  - (G) The commission, and
  - (H) The net profit or loss on the transactions.

And

- (vi) In the case of transactions involving securities of the Dealer Member or a related issuer of the Dealer Member, or in the course of a distribution to the public, securities of a connected issuer of the Dealer Member, the monthly statement must state that the securities are securities of the Dealer Member, a related issuer of the Dealer Member or a connected issuer of the Dealer Member, as the case may be. For the purposes of this clause, the terms “related issuer” and “connected issuer” shall have the same meaning as ascribed to them in the Regulation made under the Securities Act (Ontario).

(e) **Report on client positions held outside of the Dealer Member**

- (i) A Dealer Member must send a quarterly Report on client positions held outside of the Dealer Member (referred to as “outside holdings” in this rule) to each Retail Customer who, at the end of the quarter holds outside of the Dealer Member, either in book-based client name or physical client name, one or more security positions:
  - (A) In securities issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the security or the records of the issuer’s investment fund manager; and
  - (B) In any other security on which the Dealer Member receives continuing compensation payments related to the client’s ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party.

And

- (ii) The report must include all of the following information about the client's outside holdings at the end of the period for which the report is made:
  - (A) The name and quantity of each security position;
  - (B) For each security position:
    - (I) Where the [market value](#) is determinable:
      - (a) The [market value](#);
      - (b) The total [market value](#); and
      - (c) If applicable, the notification required pursuant to clause 200.1(c)(ii);
    - (II) Where the [market value](#) is not determinable, the notification required pursuant to clause 200.1(c)(iii);
  - (C) The report must also include:
    - (I) For each security position:
      - (a) Where the [cost](#) is determinable, either the [cost](#) or the total [cost](#); and
      - (b) Where the [cost](#) is not determinable, the notification required pursuant to clause 200.1(b)(iii);

And

- (II) A notation setting out the definitions of the calculation methodologies used to calculate the individual position [cost](#) information included in the statement, provided that where the individual position [cost](#) information included in the statement is calculated using:
  - (a) The “[book cost](#)” calculation methodology, the definition language set out in subsection 200.1(a) or language that is substantially similar must be used as the notation; and
  - (b) The “[original cost](#)” calculation methodology, the definition language set out in subsection 200.1(e) or language that is substantially similar must be used as the notation;
- (D) The total [market value](#) of all security positions;
- (E) The total [cost](#) of all security positions; and
- (F) The name of the party that holds or controls each security position and a description of the way it is held.

And

- (iii) In the case of clients with any outside holdings which might be subject to a deferred sales charge if they are sold, a notation identifying each security position that might be subject to a deferred sales charge.

And



- (iv) The report must indicate:
  - (A) That the client's outside holdings are not covered by the Canadian Investor Protection Fund; and
  - (B) Whether the securities are covered under any other investor protection fund approved or recognized by a Canadian securities regulatory authority and, if they are, the name of the fund.

(f) **Performance report**

- (i) A Dealer Member must send an annual performance report to each Retail Customer who, at the end of the 12-month period covered by the report has:

- (A) An account with:
  - (I) A debit or credit balance; or
  - (II) One or more security positions (including securities held in safekeeping or in segregation).

And/or

- (B) Holds one or more security positions outside of the Dealer Member for which quarterly reporting pursuant to subsection 200.2(e) is required.

And

- (C) There is at least one security, in the account or held outside of the Dealer Member for which quarterly reporting pursuant to subsection 200.2(e) is required, for which a [market value](#) can be determined pursuant to either clause 200.1(c)(i) or 200.1(c)(ii).

And

- (D) The client's account was opened at least 12 months ago.

- (ii) The annual performance report must include all of the following combined information about the client's account and outside holdings at the end of the period for which the report is made:

- (A) The total combined [market value](#) of all cash and security positions:
  - (I) As at July 15, 2015 or, where the account was opened prior to July 15, 2015 and the information is available, as at the account opening date;
  - (II) As at the beginning date of the 12-month period covered by the report; and
  - (III) As at the end date of the report;
- (B) The total combined [market value](#) of all deposits and transfers in of cash and security positions:
  - (I) In the period from July 15, 2015 or, where the account was opened prior to July 15, 2015 and the information is available, the period from the account opening date, to the end date of the report; and
  - (II) In the 12-month period covered by the report;

(C) The total combined [market value](#) of all withdrawals and transfers out of cash and security positions:

(I) In the period from July 15, 2015 or, where the account was opened prior to July 15, 2015 and the information is available, the period from the account opening date to the end date of the report; and

(II) In the 12-month period covered by the report;

(D) The total combined change in [market value](#) of all cash and security positions:

(I) For the period from July 15, 2015 or, where the account was opened prior to July 15, 2015 and the information is available, the period from the account opening date to the end date of the report, determined using the following formula:

Total [market value](#) change from account opening

= Closing [market value](#)  
[Paragraph 200.2(f)(ii)(A)(III)]

- Account opening [market value](#)  
[Paragraph 200.2(f)(ii)(A)(I)]

- Deposits and transfers in  
[Paragraph 200.2(f)(ii)(B)(I)]

+ Withdrawals and transfers out  
[Paragraph 200.2(f)(ii)(C)(I)]

(II) For the 12-month period covered by the report, determined using the following formula:

Total 12-month [market value](#) change

= Closing [market value](#)  
[Paragraph 200.2(f)(ii)(A)(III)]

- Account opening [market value](#)  
[Paragraph 200.2(f)(ii)(A)(II)]

- Deposits and transfers in  
[Paragraph 200.2(f)(ii)(B)(II)]

+ Withdrawals and transfers out  
[Paragraph 200.2(f)(ii)(C)(II)]

(E) The amount of the annualized [total percentage return](#) calculated net of charges using a money-weighted rate of return calculation methodology generally accepted in the securities industry for the following periods:

(I) The 12-month period covered by the report;

(II) The 3-year period preceding the end date of the report;

(III) The 5-year period preceding the end date of the report;

(IV) The 10-year period preceding the end date of the report; and

- (V) The period from July 15, 2015 or, where the account was opened prior to July 15, 2015 and the information is available, the period from the account opening date to the end date of the report;  
provided that if any portion of a period referred to in paragraphs 200.2(f)(ii)(E)(II), 200.2(f)(ii)(E)(III) and 200.2(f)(ii)(E)(IV) is before July 15, 2015, the Dealer Member is not required to report the annualized [total percentage return](#) for that period.
- (F) The definition of “[total percentage return](#)” as set out in subsection 200.1(f) and a notification indicating the following:
  - (I) The [total percentage return](#) presented in the performance report was calculated net of fees / charges;
  - (II) The calculation method used;
  - (III) A general explanation in plain language of what the calculation method takes into account.
- (iii) The combined information required to be provided under 200.2(f)(ii) must be presented using text, tables and charts, and must be accompanied by notes in the performance report explaining:
  - (A) The content of the report and how a client can use the information to assess the performance of the client’s investments; and
  - (B) The changing value of the client’s investments as reflected in the information in the report.
- (iv) The Dealer Member must send a performance report containing the combined information required to be provided under 200.2(f)(ii) to a client every 12 months, except that:
  - (A) The first performance report sent after a Dealer Member opens an account for a client may be sent within 24 months; and
  - (B) Any performance report sent to a client that covers the 12-month period ending on December 31, 2016 is not required to include in the report the information set out in:
    - (I) Paragraphs 200.2(f)(ii)(A)(I), 200.2(f)(ii)(B)(I), 200.2(f)(ii)(C)(I) and 200.2(f)(ii)(D)(I) [Prior period comparative account activity information]; and
    - (II) Paragraphs 200.2(f)(ii)(E)(II) through 200.2(f)(ii)(E)(V) [Prior period comparative percentage return information].
  - (C) Where a performance report that covers the 12-month period ending on December 31, 2016 is sent to the client pursuant to sub-clause 200.2(f)(iv)(B), all subsequent performance reports for the 12-month periods ending on December 31, 2017 and each calendar year thereafter may include:
    - (I) The information required by paragraphs 200.2(f)(ii)(A)(I), 200.2(f)(ii)(B)(I), 200.2(f)(ii)(C)(I) and 200.2(f)(ii)(D)(I) [Prior period comparative account activity information] as at or for the period commencing January 1, 2016, as applicable; and

- (II) The information required by paragraphs 200.2(f)(ii)(E)(II) through 200.2(f)(ii)(E)(V) [Prior period comparative percentage return information] provided that if any portion of a period referred to in paragraphs 200.2(f)(ii)(E)(II), 200.2(f)(ii)(E)(III) and 200.2(f)(ii)(E)(IV) is before January 1, 2016, the Dealer Member is not required to report the annualized [total percentage return](#) for that period.
- (v) For the purposes of this subsection 200.2(f), the information in respect of securities of a client required to be reported under subsection 200.2(d) [*Client account statements*] must be provided in a separate report for each of the client's accounts.
- (vi) For the purposes of this subsection 200.2(f), the information in respect of securities of a client required to be reported under subsection 200.2(e) [*Report on client positions held outside of the Dealer Member*] must be included in the report for each of the client's accounts through which the securities were transacted.
- (vii) Clauses 200.2(f)(v) and 200.2(f)(vi) do not apply if the Dealer Member sends a single report to the client that consolidates the required information for more than one of a client's accounts and any securities of a client required to be reported under subsection 200.2(e) [*Report on client positions held outside of the Dealer Member*] provided:
  - (A) The client has consented in writing to receiving a consolidated report; and
  - (B) The report that is sent specifies the accounts and securities for which the consolidated information is being provided.
- (viii) All annual performance reports that are sent to a client, whether prepared for an individual account or prepared on a consolidated account basis pursuant to clause 200.2(f)(vii), must:
  - (A) Be prepared for the same 12-month period; and
  - (B) Include aggregated information for the same accounts and securities; as the annual fee/charge reports that are sent to the same client.
- (g) **Fee / charge report**
  - (i) A Dealer Member must send a fee / charge report to each Retail Customer who, at the end of the 12-month period covered by the report or a shorter period in the case of the first report delivered after a client has opened an account, has:
    - (A) An account.And/or
    - (B) Holds one or more security positions outside of the Dealer Member for which quarterly reporting pursuant to subsection 200.2(e) is required.And
    - (C) Paid a fee, charge or other payment, including payments referred to in sub-clauses 200.2(g)(ii)(H) and 200.2(g)(ii)(I), either directly or

indirectly, to the Dealer Member or any of its registered individuals during the period covered by the report.

- (ii) The annual fee/charge report must include all of the following combined information about the client's account and outside holdings at the end of the period for which the report is made:
- (A) A discussion of the [operating charges](#) which might be applicable to the client's account;
  - (B) The total amount of each type of [operating charge](#) related to the client's account paid by the client during the period covered by the report;
  - (C) The aggregate total amount of all [operating charges](#) related to the client's account paid by the client during the period covered by the report;
  - (D) The total amount of each type of [transaction charge](#) related to the purchase or sale of securities paid by the client during the period covered by the report;
  - (E) The aggregate total amount of all [transaction charges](#) related to the client's account paid by the client during the period covered by the report;
  - (F) The aggregate total amount of all charges reported under sub-clauses 200.2(g)(ii)(C) and 200.2(g)(ii)(E);
  - (G) If the Dealer Member purchased or sold debt securities for the client during the period of the report, either of the following:
    - (I) The total amount of any mark-ups, mark-downs, commissions or other fees or charges the Dealer Member applied on the purchases or sales of debt securities;
    - (II) The total amount of any commissions charged to the client by the Dealer Member on the purchases or sales of debt securities and, if the Dealer Member applied mark-ups, mark-downs or other fees or charges other than commissions on the purchases or sales of debt securities, the following notification or a notification that is substantially similar:

“For debt securities purchased or sold for you during the period covered by this report, dealer firm remuneration was added to the price you paid (in the case of a purchase) or deducted from the price your received (in the case of a sale). This amount was in addition to any commissions you were charged.”;
  - (H) The total amount of each type of payment, other than [trailing commissions](#), that is made to the Dealer Member or any of its registered individuals by a securities issuer or another registrant in relation to registerable services provided to the client during the period covered by the report, accompanied by an explanation of each type of payment; and
  - (I) If the Dealer Member received [trailing commissions](#) related to securities owned by the client during the period covered by the report, the following notification or a notification that is substantially similar:

“We received \$[amount] in [trailing commissions](#) in respect of securities you owned during the period covered by this report.

Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing [trailing commissions](#) for the services and advice we provide you. The amount of the [trailing commission](#) depends on the sales charge option you chose when you purchased the fund. You are not directly charged the [trailing commission](#) or the management fee. But, these fees affect you because they reduce the amount of the fund’s return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund.”

- (iii) For the purposes of this subsection 200.2(g), the information in respect of securities of a client required to be reported under subsection 200.2(d) [*Client account statements*] must be provided in a separate report for each of the client’s accounts.
- (iv) For the purposes of this subsection 200.2(g), the information in respect of securities of a client required to be reported under subsection 200.2(e) [*Report on client positions held outside of the Dealer Member*] must be included in the report for each of the client’s accounts through which the securities were transacted.
- (v) Clauses 200.2(g)(iii) and 200.2(g)(iv) do not apply if the Dealer Member sends a single report to the client that consolidates the required information for more than one of a client’s accounts and any securities of a client required to be reported under subsection 200.2(e) [*Report on client positions held outside of the Dealer Member*] provided:
  - (A) The client has consented in writing to receiving a consolidated report; and
  - (B) The report that is sent specifies the accounts and securities for which the consolidated information is being provided.
- (vi) All annual fee/charge reports that are sent to a client, whether prepared for an individual account or prepared on a consolidated account basis pursuant to clause 200.2(g)(v), must:
  - (A) Be prepared for the same 12-month period; and
  - (B) Include aggregated information for the same accounts and securities; as the annual performance reports that are sent to the same client.

(h) **Secondary or subsidiary records**

Ledgers (or other records) reflecting the following:

- (i) Securities in transfer;
- (ii) Dividends and interest received;
- (iii) Securities borrowed and securities loaned;

- (iv) Monies borrowed and monies loaned (together with a record of the collateral therefor and any substitutions in such collateral);
- (v) Securities failed to receive and failed to deliver;
- (vi) Money, securities and property received to margin, guarantee or secure the trades or contracts of clients, and all funds accruing to clients, which must be segregated for the benefit of clients under any applicable legislation;

(i) **Securities record**

A securities record or ledger reflecting separately for each security as of the trade or settlement dates all long and short positions (including securities in safekeeping) carried for the Dealer Member's account or for the account of clients, showing the location of all securities long and the offsetting position to all securities short and in all cases the name or designation of the account in which each position is carried;

(j) **Commodity record**

A commodity record or ledger showing separately for each commodity as of the trade date all long positions or short positions in commodity futures contracts carried for the Dealer Member's account or for the account of clients and, in all cases, the name or designation of the account in which each position is carried;

(k) **Memoranda of orders**

An adequate record of each order, and of any other instruction, given or received for the purchase or sale of securities or with respect to a trade in a commodity futures contract or a commodity futures contract option, whether executed or unexecuted, showing:

- (i) The terms and conditions of the order or instruction and of any modification or cancellation thereof;
- (ii) The account to which the order or instruction relates;
- (iii) The time of entry of the order or instruction and, where the order is entered pursuant to the exercise of discretionary power of a Dealer Member, a statement to that effect;
- (iv) Where the order relates to an omnibus account, the component accounts within the omnibus account on whose behalf the order is to be executed, and the allocation among the component accounts intended on execution;
- (v) Where the order or instruction is placed by an individual other than:
  - (A) The person in whose name the account is operated; or
  - (B) An individual duly authorized to place orders or instructions on behalf of a client that is a companythe name, sales number or designation of the individual placing the order or instruction;
- (vi) To the extent feasible, the time of execution or cancellation;
- (vii) The price at which the order or instruction was executed; and
- (viii) The time of report of execution.

(1) **Trade confirmations**

Copies of confirmations of all purchases and sales of securities and of all trades in commodity futures contracts and commodity futures contract options and copies of notices of all other debits and credits of money, securities, property, proceeds of loans and other items for the account of clients. Such written confirmations are required to be sent promptly to clients and shall set forth at least the day and the marketplace or marketplaces upon which the trade took place, or marketplace disclosure language acceptable to the Corporation; the fee or other charge, if any, levied by any securities regulatory authority in connection with the trade; the name of the salesman, if any, involved in the transaction; the name of the dealer, if any, used by the Dealer Member as its agent to effect the trade, the settlement date of the trade;

And,

- (i) In the case of trades in securities:
  - (A) The quantity and description of the security;
  - (B) The consideration;
  - (C) Whether or not the person or company that executed the trade acted as principal or agent;
  - (D) If acting as agent in a trade upon a stock exchange the name of the person or company from or to or through whom the security was bought or sold.

And

- (ii) In the case of trades in commodity futures contracts:
  - (A) The commodity and quantity bought or sold;
  - (B) The price at which the contract was entered into; and
  - (C) The delivery month and year.

And

- (iii) In the case of trades in commodity futures contract options:
  - (A) The type and number of commodity futures contract options;
  - (B) The premium;
  - (C) The delivery month and year of the commodity futures contract that is the subject of the commodity futures contract option;
  - (D) The declaration date; and
  - (E) The striking price.

And

- (iv) In the case of trades in mortgage-backed securities, and subject to the proviso below:
  - (A) The original principal amount of the trade;
  - (B) The description of the security (including interest rate and maturity date);



- (C) The remaining principal amount (RPA) factor;
- (D) The purchase/sale price per \$100 of original principal amount;
- (E) The accrued interest;
- (F) The total settlement amount; and
- (G) The settlement date

provided that in the case of trades entered into from the second clearing day before month end to the fifth clearing day of the following month, inclusive, a preliminary confirmation shall be issued showing the trade date and the information in sub-clauses 200.2(1)(iv)(A), (B), (D) and (G) and indicating that the information in sub-clauses 200.2(1)(iv)(C), (E) and (F) cannot yet be determined and that a final confirmation will be issued as soon as such information is available. After the remaining principal amount factor for the security is available from the central payor and transfer agent, a final confirmation shall be issued including all of the information required above.

And

- (v) In the case of confirmations other than confirmations relating to trades involving debt securities and other over the counter traded securities:
  - (A) Where the confirmation is sent to a Retail Customer:
    - (I) The amount of each [transaction charge](#), deferred sales charge or other charge in respect of the transaction; and
    - (II) The total amount of all charges in respect of the transaction.
  - (B) Where the confirmation is sent to an Institutional Customer:
    - (I) The commission, if any, charged in respect of the transaction.

And

- (vi) In the case of debt securities:
  - (A) In the case of a purchase, where the debt security is a stripped coupon or a residual debt instrument:
    - (I) The yield thereon calculated on a semi-annual basis in a manner consistent with the yield calculation for the debt instrument which has been stripped,
    - (II) The yield thereon calculated on an annual basis in a manner consistent with the yield calculation for other debt securities which are commonly regarded as being competitive in the market with such coupons or residuals such as guaranteed investment certificates, bank deposit receipts and other indebtedness for which the term and interest rate is fixed.
  - (B) In the case of a purchase, where the debt security is neither a stripped coupon nor a residual debt instrument:

- (I) The yield to maturity calculated in a manner consistent with market conventions for the security traded,
  - (II) Where the debt security is subject to call prior to maturity through any means, the notation of “callable” must be included,
  - (III) Where the debt security has a variable coupon rate, the notation “The coupon rate may vary.” must be included.
- (C) Where the debt security trade is not a primary market transaction and the trade confirmation is being sent to a Retail Customer, either of the following:
- (I) The total amount of any mark-up or mark-down, commission or other service charges the Dealer Member applied to the transaction;
  - (II) The total amount of any commission charged to the client by the Dealer Member and, if the Dealer Member applied a mark-up or mark-down or any service charge other than a commission, the following notification or a notification that is substantially similar:

“Dealer firm remuneration has been added to the price of this security (in the case of a purchase) or deducted from the price of this security (in the case of a sale). This amount was in addition to any commission this trade confirmation shows was charged to you.”

And

- (vii) In the case of all over-the-counter traded securities other than debt securities, including contracts for difference and foreign exchange contracts, but excluding primary market transactions and over-the-counter derivatives with non-standardized contract terms that are customized to the needs of a particular client and for which there is no secondary market, and the trade confirmation is being sent to a Retail Customer, either of the following:
- (A) The total amount of any mark-up or mark-down, commission or other service charges the Dealer Member applied to the transaction;
  - (B) The following notification or a notification that is substantially similar:

“Dealer firm remuneration has been added to the price of this security (in the case of a purchase) or deducted from the price of this security (in the case of a sale).”

And

- (viii) In the case of transactions involving securities of the Dealer Member or a related issuer of the Dealer Member, or in the course of a distribution to the public, securities of a connected issuer of the Dealer Member, such trade confirmation shall state that the securities are securities of the Dealer Member, a related issuer of the Dealer Member or a connected issuer of the Dealer Member, as the case may be. For the purposes of this clause, the terms “related issuer” and “connected issuer” shall have the same meaning as ascribed to them in the Regulation made under the Securities Act (Ontario).

And

- (ix) In the case of a Dealer Member controlled by or affiliated with a financial institution, the relationship between the Dealer Member and the financial institution shall be disclosed on each trade confirmation issued in connection with a trade in securities of a mutual fund sponsored by the financial institution or a corporation controlled by or affiliated with the financial institution.

And

- (x) Notwithstanding the provisions of this subsection 200.2(1), a Dealer Member shall not be required to provide a confirmation to a client in respect of a trade:
  - (A) In a managed account, provided that:
    - (I) Prior to the trade, the client has consented in writing to waive the trade confirmation requirement;
    - (II) The client may terminate a waiver by notice in writing. The termination notice shall be effective upon receipt of the written notice by the Dealer Member, for trades following the date of receipt;
    - (III) The provision of a confirmation is not required under any applicable securities law, regulation or policy of the jurisdiction in which the client resides or the Dealer Member has obtained an exemption from any such law, regulation or policy by the responsible securities regulatory authority; and
    - (IV) Where:
      - (a) A person other than the Dealer Member manages the account
        - (i) A trade confirmation has been sent to the manager of the account, and
        - (ii) The Dealer Member complies with the requirements of subsection 200.2(d); or
      - (b) The Dealer Member manages the account:
        - (i) The account is not charged any commissions or fees based on the volume or value of transactions in the account;
        - (ii) The Dealer Member sends to the client a monthly statement that is in compliance with subsection 200.2(d) and contains all of the information required to be contained in a confirmation under this subsection 200.2(1) except:
          - (A) The day and the marketplace or marketplaces upon which the trade took place, or marketplace disclosure language acceptable to the Corporation;

- (B) The fee or other charge, if any, levied by any securities regulatory authority in connection with the trade;
  - (C) The name of the salesman, if any, in the transaction;
  - (D) The name of the dealer, if any, used by the Dealer Member as its agent to effect the trade; and,
  - (E) If acting as agent in a trade upon a stock exchange the name of the person or company from or to or through whom the security was bought or sold,
- (iii) The Dealer Member maintains the information not required to be in the monthly statement pursuant to subparagraph 200.2(1)(x)(A)(iv)(b)(ii) and discloses to the client on the monthly statement that such information will be provided to the client on request.
- (B) In delivery against payment (DAP) and receipt against payment (RAP) trade accounts, provided that:
- (I) The trade is either subject to or matched in accordance with broker-to-broker or institutional trade matching requirements under *the Corporation's* Rules or securities legislation;
  - (II) The *Dealer Member* maintains an electronic audit trail of the trade under *the Corporation's* Rules or securities legislation;
  - (III) Prior to the trade, the client has agreed in writing to waive receipt of trade confirmations from the *Dealer Member*;
  - (IV) The client is either:
    - (a) another Dealer Member who is reporting or affirming trade details through an acceptable trade matching utility in accordance with section 800.49; or
    - (b) An Institutional Customer who is matching DAP/RAP account\_trades (either directly or through a custodian) in accordance with National Instrument 24-101- Institutional Trade Matching and Settlement;
  - (V) The Dealer Member and the client have real-time access to, and can download into their own system from the acceptable trade matching utility's or the matching service utility's system, trade details that are similar to the prescribed information under subsection 200.2(1);
  - (VI) For the suppression of trade confirmations that relate to section 800.49 trades, the Dealer Member for the last four quarters:
    - (a) has not filed more than two reports under subsection

800.49(6) informing the *Corporation* that it has not met the quarterly compliant trade percentage; and

- (b) none of the reports it filed under subsection 800.49(6) informing the *Corporation* that it has not met the quarterly compliant trade percentage has a quarterly compliant trade percentage of less than 85%.

(VII) For the suppression of sending trade confirmations that relate to National Instrument 24-101 - Institutional Trade Matching and Settlement trades, the Dealer Member for the last four quarters:

- (a) has not filed more than two trade matching exception reports under securities legislation relevant to the trade; and
- (b) none of the trade matching exception reports it filed under securities legislation relevant to the trade has a quarterly compliant trade percentage of less than 85%.

A client may terminate their trade confirmation waiver, referred to in sub-clause 200.2(1)(x)(B), by providing a written notice confirming this fact to the Dealer Member. The termination notice takes effect upon the Dealer Member's receipt of the notice.

(m) **Records of cash and margin accounts**

A record in respect of each cash and margin account:

- (i) The name and address of the beneficial owner (and guarantor, if any) of such account,
- (ii) In the case of a margin account a properly executed margin agreement containing the signature of such owner (and guarantor, if any), and
- (iii) Where trading instructions are accepted from a person or corporation other than the client, written authorization or ratification from the client naming the person or company,

But, in the case of a joint account or an account of a corporation, such records are required only in respect of the person or persons authorized to transact business for such account;

(n) **Puts, calls and other options**

A record of all puts, calls, spreads, straddles and other options in which the Dealer Member has any direct or indirect interest or which the Dealer Member has granted or guaranteed, containing at least an identification of the security and the number of units involved;

(o) **Money trial balances and capital computations**

A record of the proof of money balances of all ledger accounts in the form of trial balances and a record of the computation of risk adjusted capital. Such trial balances and computations shall be prepared currently at least once a month;

(p) **Margin call records**

A record of all margin calls whether such calls are made in writing, by telephone or other means of communication;

(q) **Money trial balances and capital computations**

A record of the proof of money balances of all ledger accounts in the form of trial balances and record of a reasonable calculation of minimum risk adjusted capital prepared for each month within a reasonable time after each month end; and

(r) **Account transfer records**

A record of all communications required or made in respect of account transfers pursuant to Rule 2300.

**200.3. Option of earlier date**

(a) Dealer Members have the option of providing clients with the following position [cost](#) and performance information:

- (i) Position [cost](#) information included in client account statements [*Subsections 200.1(b) and sub-clauses 200.2(d)(ii)(F) and 200.2(d)(ii)(H)*];
- (ii) Position [cost](#) information included in the report on client positions held outside of the Dealer Member [*Subsections 200.1(b) and sub-clauses 200.2(e)(ii)(C) and 200.2(e)(ii)(E)*];

that is prepared as at a date earlier than December 31, 2015.

(b) Dealer Members have the option of providing clients with the following position [cost](#) and performance information:

- (i) Activity information included in the annual performance report [*Sub-clauses 200.2(f)(ii)(A) through 200.2(f)(ii)(D)*]; and
- (ii) Percentage return information included in the annual performance report [*Sub-clause 200.2(f)(ii)(E)*];

that is prepared as at a date earlier than July 15, 2015.

(c) Where the option in subsection 200.3(a) is pursued, all of the position [cost](#) information referenced in clauses 200.3(a)(i) and 200.3(a)(ii) must be prepared for all similar clients as at the same date.

(d) Where the option in subsection 200.3(b) is pursued, all of the activity and percentage return information referenced in clauses 200.3(b)(i) and 200.3(b)(ii) must be prepared for all similar clients as at the same date.

**200.4. Timing of the sending of documents to clients**

(a) All confirmations, statements, reports and other documents that are required to be sent to clients pursuant to section 200.2 shall be sent promptly to clients.

(b) The following documents shall be sent to Retail Customers together:

- (i) Performance report [*Subsection 200.2(f)*]; and
- (ii) Fee / charge report [*Subsection 200.2(g)*].

(c) The following documents shall be sent to Retail Customers within 10 days after the client account statement for the monthly or quarterly period ending on the same date is sent:

- (i) Report on client positions held outside of the Dealer Member [*Subsection 200.2(e)*]; and
- (ii) Performance report and fee/charge report [*Subsections 200.2(f) and 200.2(g)*].

### **Guide to interpretation of Section 200.2**

Section 200.2 specifies the various items of information which must be reflected on the firm's books as required by the applicable provincial securities legislation. The Rule does not require the various books and records to be kept in any prescribed form. It is expected, however, that the means of recording the information will be complemented by appropriate internal controls to guard against the risk of falsification and will make available clear and accurate information to the Corporation within a reasonable length of time.

(a) **“Trade Blotters”**

This term was historically used to describe a dealer's or broker's books of original entry of daily transactions as principals or on behalf of clients. Larger firms now maintain separate data files and daily reports to record each type of transaction such as purchases versus sales, unlisted securities, bonds, cash receipts, cash disbursements and stock record journals.

Blotters generally should record on purchases and sales the party on the other side, security description, quantity, price, accrued interest, commission, settlement amount, trade date, settlement date and the account for which the transaction was done.

(b) **“General ledger of accounts”**

The general ledger is the primary financial record of the company in which all assets, liabilities, capital, income and expense accounts are summarized. The general ledger is the basis for preparing financial statements and regulatory reports as required by the self-regulatory organizations. Entries made to the general ledger are derived from the various blotters and sub ledgers referred to in subsection 200.2(a).

(c) **“Itemized client ledger accounts”**

Accounts must show all trades, settlement dates, cash disbursements and receipts and deliveries or receipts of securities or commodities. This section requires that client account sub ledgers be kept for each client cash and margin account and firm inventory account.

(d) **“Client account statements”**

Monthly and quarterly statements must be produced for each active account showing a date column, quantity of securities bought or sold, security description and cash debits or credits.

In addition, statements must show the dollar balance carried forward from the previous monthly or quarterly statement; all entries shown in the account since the previous statement date; and the final dollar balance and the security position as of the statement date. The statements must also indicate the items included in the final security position which are held in safekeeping.

Where the [market value](#) for a particular position is not determinable, a notification shall be included in the statement informing the client that the [market value](#) of the position cannot be determined.

Where the [cost](#) for a particular position is not determinable, a notification shall be included in the statement informing the client that the [cost](#) of the position cannot be determined.

For purposes of section 200.2 only, the definition of “client” includes the investing public, financial institutions, other investment dealers and stock brokers, affiliates and partners, shareholders, directors, officers and employees of a Dealer Member firm and its affiliates.

Dealer Members not depositing clients' free credit balances in a trust bank account should refer to section 1200.1 for details of the special notation that must be affixed to all statements sent to clients.

(e) **“Report on client positions held outside of the Dealer Member”**

A quarterly report must be produced for any client positions held off-book by the client, either in book-based client name or physical client name:

- in securities issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the security or the records of the issuer's investment fund manager; and
- in any other security or other investment product on which the Dealer Member receives continuing compensation payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party.

Where the [market value](#) for a particular position is not determinable, a notification shall be included in the statement informing the client that the [market value](#) of the position cannot be determined.

Where the [cost](#) for a particular position is not determinable, a notification shall be included in the statement informing the client that the [cost](#) of the position cannot be determined.

(f) **“Performance report”**

The combined performance information included in the performance report must be determined based on:

- all client account security and other investment product positions held by the Dealer Member for the client in nominee name or physically in client name; and
- positions held off-book by the client, either in book-based client name or physical client name:
  - in securities issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the security or the records of the issuer's investment fund manager; and
  - in any other security or other investment product on which the Dealer Member receives continuing compensation payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party,

subject to the exceptions below.

Where there are one or more positions held in the client account for which the current [market value](#) is not determinable, the position(s) shall be considered to have no value in the determination of cumulative account performance. In such instance, a disclosure in the performance report shall inform the client that the value of certain positions has been set at nil for the purposes of calculating performance information and why.

Where multiple accounts of the same client have the same investment objectives, clients may be offered the alternative of portfolio level (portfolio level being a consolidation of all account positions and debit/credit money balances of the same client) consolidated account performance information. Where the client consents to this alternative, the Dealer Member would not be required to provide performance information for each of the accounts included in the portfolio level reporting.



At the option of the Dealer Member, clients may instead be provided with combined performance information that delineates between recommended and non-recommended positions.

(g) **“Fee / charge report”**

The combined fee/charge information included in the fee / charge report must be determined based on the fee/charges the Dealer Member charges the client, directly or indirectly, on:

- all client account security and other investment product positions held by the Dealer Member for the client in nominee name or physically in client name; and
- security and other investment product positions held off-book by the client, either in book-based client name or physical client name on which the Dealer Member receives continuing compensation payments related to the client’s ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party.

(h) **“Secondary or subsidiary records”**

These records are made up from the blotters or other records of original entry. A brief description of such subsidiary records follows:

(i) **“Securities in transfer”**

The purpose of this item of subsection 200.2(h) is to require the keeping of a record showing all securities “sent to and held by transfer agents”. This record usually shows the number of shares or the par value, name of security, name in which it was registered, new name, date sent out to transfer, old certificate number, date received back from transfer, new certificate numbers and date on new certificate.

(ii) **“Dividends and interest received”**

For the purpose of this item of subsection 200.2(h) it is necessary that a record be maintained by the firm with respect to interest or dividends paid on bonds or stocks, held by the Dealer Member for the clients but registered in some name other than that of the client. The general practice, which would represent compliance with the rule, is to record on a ledger the security, the record date, the ex-dividend date, the payable date and the entitlement rate. The information is then recorded on the dividend sub ledger. All clients who are “long” are credited with their share of the funds received by the firm on account of the dividend or interest. All clients who are “short” on the dividend record date or the interest payable date are charged with the amount payable on their short position. All bearer securities in the firm's possession or in hypothecation on the record or interest date must be examined to determine against whom the firm must claim for payment.

(iii) **“Securities borrowed and securities loaned”**

In borrowing securities or in lending securities to other dealers or brokers, it is necessary to enter such transactions in borrowed or loaned accounts set up for each client. The securities borrowed or loaned account records the date borrowed or date loaned, name of firm from whom borrowed or to whom loaned, quantity, name of security, certificate numbers and the date returned. In some cases, these records also provide an additional column showing the interest rate or premium on stock borrowed or loaned and any collateral provided or received.

(iv) **“Monies borrowed and monies loaned, etc.”**

A record must be kept of all borrowings. This record should show the name of the client, the date, the interest rate, the amount of the loan, terms of the loan, and the date when the loan is made and when repaid. The number of shares, or principal amount in the case of bonds, name of the security, and certificate numbers of securities pledged as collateral must be recorded.

(v) **“Securities failed to receive or deliver”**

These are subsidiary records and are based on information contained on the blotters or other records of original entry. Upon learning that a dealer or broker will fail to deliver on the settlement day, either under the agreement between the buyer and the seller or under clearing house rules, this item requires that records must be kept which show the “fail date” (i.e. the date on which delivery was due but not made), name of security, purchase price, broker or dealer from whom delivery is due, and date received.

Conversely, when the firm fails to deliver, it must record the date on which delivery was due, number of shares or principal amount of bonds, name of security, to whom sold, sales price and date on which delivery is made. The total dollar amount of open items on the “fail to receive” and “fail to deliver” records should agree with the “fail to receive” and “fail to deliver” accounts in the firm's general ledger kept pursuant to subsection 200.2(b).

(i) & (j) **“Securities and commodity record or ledger”**

These sections require that the securities and commodity record be posted currently to show all positions no later than the settlement date. The record may, of course, be posted on the “trade” or execution date or any other date prior to the settlement date. Dealer Members may keep separate “securities and commodity records” or “position records” as they are often called, for equities, debt, options and for commodities. The record should show the name of the security, the clients' and other accounts which are “long” and “short” that security, the daily changes in their position, the location of each security, and the total of the long or short position for the account of clients and the firm and partners. This record should be reviewed frequently to ensure it is “in balance” (i.e. for each security or commodity the total long positions should equal the total short positions).

(k) **“Memoranda of orders”**

In this section the term “instruction” shall be deemed to include instructions between partners or directors and employees of a Dealer Member. The term “time of entry” is specified to mean the time when the Dealer Member transmits the order or instruction for execution, or if it is not so transmitted, the time when it is received.

(l) **“Trade confirmations”**

The provincial securities commissions require that every person or company registered for trading in securities who has acted as principal or agent in connection with any trade in a security shall promptly send or deliver to the client a written confirmation of the transaction, setting forth the details required in this subsection 200.2(l). A person or company or a salesperson may be identified in a written confirmation by means of a code or symbols if the written confirmation also contains a statement that the name of the person, company or salesperson will be furnished to the client on request.

(m) **“Records of cash and margin accounts”**

A margin agreement between a Dealer Member and a client shall define at least the following:

- (i) The obligation of the client in respect of the payment of his or her indebtedness to the Dealer Member and the maintenance of adequate margin and security;
- (ii) The obligation of the client in respect of the payment of interest on debit balances in his or her account;
- (iii) The rights of the Dealer Member in respect of raising money on and pledging securities and other assets held in the client's account;
- (iv) The extent of the right of the Dealer Member to make use of free credit balances in the client's account;
- (v) The rights of the Dealer Member in respect of the realization of securities and other assets held in the client's account and in respect of purchases to cover short sales, and whether any prior notice is required, and if notice be required, the nature and extent of it and the obligations of the client in respect of any deficiency;
- (vi) The extent of the right of the Dealer Member to utilize a security in the client's account for the purpose of making a delivery on account of a short sale;
- (vii) The extent of the right of the Dealer Member to use a security in the client's account for delivery on a sale by the Dealer Member for his or her or its own account or for any account in which the Dealer Member, any partner therein or any director thereof, is directly or indirectly interested;
- (viii) The extent of the right of the Dealer Member to otherwise deal with securities and other assets in the client's account and to hold the same as collateral security for the client's indebtedness; and
- (ix) That all transactions entered into on behalf of the client shall be subject to the Rules of the Investment Industry Regulatory Organization of Canada and/or any securities exchange if executed thereon.

(n) **“Puts, calls, and other options”**

Such a record may be kept in any suitable form which shows the date, details regarding the option, name of security, number of shares, and the expiration date; letters pertaining to such options, including those received from and addressed to clients, should be kept together with the record.

(o) & (q) **“Money trial balances and capital computations”**

Such trial balances and computations will serve as a check upon the current status and accuracy of the ledger accounts which Dealer Members are required to maintain and keep current and will also help to keep Dealer Members currently informed of their capital positions as required under section 17.1.

A Dealer Member must keep currently informed as to the excess capital position and make a computation as often as necessary to ensure that there is adequate capital at all times; but Dealer Members must preserve only the monthly computation mentioned above. On the other hand, Dealer Members whose capital position is substantially in excess of that required, may omit detailed schedules and analyses in support of the computation if they apply a more stringent application of the Rule governing the computation.

For example, when calculating risk adjusted capital, inventories can be grouped into broader margin categories and maximum margin rates applied; offsetting provisions such as those contained in section 100.4 can be ignored; and assets partly allowable or of questionable value can be excluded in their entirety.

When a Dealer Member cannot prove that adequate capital exists, the firm must notify the Corporation immediately.

(r) **“Account transfer records”**

Documentation required pursuant to Rule 2300 in respect of client account transfers is expected to be by means of electronic communication. In order to protect Dealer Members and clients on account transfers and to ensure that such transfers are effected expeditiously, Dealer Members must ensure that copies of all communications sent or received in respect of account transfers are maintained in an accurate, secure and readily accessible format.