

HOUSEKEEPING AMENDMENTS TO FORM 1 TO ADOPT IFRS REPORTING REQUIREMENTS FOR LEASES

CLEAN COPY OF THE HOUSEKEEPING AMENDMENTS TO FORM 1

FORM 1, PART I – STATEMENT A

(Dealer Member Name)

STATEMENT OF FINANCIAL POSITION

at _____

REFERENCE	NOTES	(CURRENT YEAR) C\$'000	(PREVIOUS YEAR) C\$'000
LIQUID ASSETS:			
1.	Cash on deposit with <i>acceptable institutions</i>		
2.	Funds deposited in trust for RRSP and other similar accounts		
3. Stmt. D	Cash, held in trust with <i>acceptable institutions</i> , due to free credit ratio calculation		
4.	Variable base deposits and margin deposits with <i>acceptable clearing corporations</i> [cash balances only]		
5.	Margin deposits with regulated entities [cash balances only]		
6. Sch.1	Loans receivable, securities borrowed and resold		
7. Sch.2	Securities owned - at <i>market value</i>		
8. Sch.2	Securities owned and segregated due to free credit ratio calculation		
9. Sch.4	Client accounts		
10. Sch.5	Brokers and dealers trading balances		
11.	Receivable from carrying broker or mutual fund		
12.	TOTAL LIQUID ASSETS		
OTHER ALLOWABLE ASSETS (RECEIVABLES FROM ACCEPTABLE INSTITUTIONS):			
13. Sch.6	Current income tax assets		
14.	Recoverable and overpaid taxes		
15.	Commissions and fees receivable		
16.	Interest and dividends receivable		
17.	Other receivables [provide details]		
18.	TOTAL OTHER ALLOWABLE ASSETS		
NON ALLOWABLE ASSETS:			
19.	Other deposits with <i>acceptable clearing corporations</i> [cash or <i>market value</i> of securities lodged]		
20.	Deposits and other balances with non- <i>acceptable clearing corporations</i> [cash or <i>market value</i> of securities lodged]		
21.	Commissions and fees receivable		
22.	Interest and dividends receivable		
23.	Deferred tax assets		
24.	Intangible assets		
25.	Property, plant and equipment		
26.	Investments in subsidiaries and affiliates		
27.	Advances to subsidiaries and affiliates		
28.	Other assets [provide details]		
29.	TOTAL NON-ALLOWABLE ASSETS		
30.	Finance lease assets		
31.	TOTAL ASSETS		

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT A [Continued]

REFERENCE	NOTES	(CURRENT YEAR) C\$'000	(PREVIOUS YEAR) C\$'000
CURRENT LIABILITIES:			
51. Sch.7	Overdrafts, loans, securities loaned and repurchases		
52. Sch.2	Securities sold short - at <i>market value</i>		
53. Sch.4	Client accounts		
54. Sch.5	Brokers and dealers		
55.	Provisions		
56. Sch.6	Current income tax liabilities		
57.	Bonuses payable		
58.	Accounts payable and accrued expenses		
59.	Finance leases and lease-related liabilities		
60.	Other current liabilities [provide details]		
61.	TOTAL CURRENT LIABILITIES		
NON-CURRENT LIABILITIES:			
62.	Provisions		
63.	Deferred tax liabilities		
64.	Finance leases and lease-related liabilities		
65.	Other non-current liabilities [provide details]		
66.	Subordinated loans		
67.	TOTAL NON-CURRENT LIABILITIES		
68.	TOTAL LIABILITIES [Line 61 plus Line 67]		
CAPITAL AND RESERVES:			
69. Stmt. F	Issued capital		
70. Stmt. F	Reserves		
71. Stmt. F	Retained earnings or undivided profits		
72.	TOTAL CAPITAL		
73.	TOTAL LIABILITIES AND CAPITAL		

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT A
NOTES AND INSTRUCTIONS

Accrual basis of accounting

Dealer Members are required to use the accrual basis of accounting.

Line 2 - The trustee for RRSP or other similar accounts must qualify as an *acceptable institution*. Such accounts must be insured by the Canada Deposit Insurance Corporation (CDIC) or Autorité des marchés financiers (AMF) to the full extent insurance is available. If not, then the Dealer Member must report 100% of the balance held in trust as non-allowable assets on Line 28 (Non-allowable assets – other assets).

RRSP and other similar balances held at such trustee, but for which CDIC or the AMF insurance is not available, such as foreign currency accounts, can be classified as allowable assets.

The name of the RRSP trustee used by the Dealer Member must also be provided on Schedule 4.

Line 4 - For definition of “*acceptable clearing corporations*”, see General Notes and Definitions.

Securities on deposit (and related margin) should be included in balances reported on Inventory Schedule 2 and disclosed separately on the supplementary information Line 11 of Schedule 2.

Line 5 - For definition of “*regulated entities*”, see General Notes and Definitions.

Securities on deposit (and related margin) should be included in balances reported on Inventory Schedule 2 and disclosed separately on the supplementary information Line 11 of Schedule 2.

Line 11 - For an introducing broker (pursuant to an approved introducing/carrying broker agreement), unsecured balances receivable from its carrying broker, such as gross commissions and deposits in the form of cash, should be reported on this line.

Unsecured balances should only be included to the extent they are not being used by the carrying broker to reduce client margin requirements.

Securities on deposit (and related margin) should be included in balances reported on Inventory Schedule 2 and disclosed separately on the supplementary information Line 11 of Schedule 2.

In the case of the salesperson’s portion of gross commissions and fees receivable, as recorded on Line 21 (Commissions and fees receivable), to the extent that there is written documentation that the broker does not have a liability to pay the salesperson’s commission until it is received, the salesperson’s portion of the gross commission receivable is an allowable asset.

Line 13 - Include only overpayment of prior years’ income taxes or current year installments. Taxes recoverable due to current year losses may be included to the extent that they can be carried back and applied against taxes previously paid.

Line 14 - Include the recoverable portion of capital tax, Part VI tax, property taxes and any federal or provincial sales taxes.

Include only to extent receivable from *acceptable institutions* (for definition, see General Notes and Definitions).

Line 18 - Allowable assets are those assets which due to their nature, location or source are either readily convertible into cash or from such creditworthy entities as to be allowed for capital purposes.

Include only to extent receivable from *acceptable institutions* (for definition see General Notes and Definitions).

Line 19 - Report the cash and *market value* of securities lodged with *acceptable clearing corporations* that represent fixed base deposits.

Line 20 - To the extent receivable from other than *acceptable clearing corporations*, include all deposits whether margin deposits or variable and fixed base deposits.

Line 21 - To the extent receivable from parties other than *acceptable institutions*.

Line 22 - To the extent receivable from parties other than *acceptable institutions*.

Line 24 - Start-up and organizational costs cannot be capitalized. Examples of intangible assets include goodwill and client lists.

Line 26 - Investments in subsidiaries and affiliates must be valued at cost.

Line 27 - A Dealer Member must report non-trading inter-company receivables on a gross basis unless the criteria for netting are met.

Line 28 - Including but not limited to such items as:

Dec-2020

FORM 1, PART I – STATEMENT A
NOTES AND INSTRUCTIONS [Continued]

- prepaid expenses
- cash surrender value of life insurance
- advances to employees (gross)
- other receivables from other than *acceptable institutions*
- cash on deposit with non *acceptable institutions*

Line 29 - Non-allowable assets mean those assets that do not qualify as allowable assets.

Line 30 - Assets arising from a finance lease (also known as a capitalized lease).

Line 55 - Recognize a liability to cover specific expenditures relating to legal and constructive obligations.

A Dealer Member cannot hold provisions as a general reserve to be applied against some other unrelated expenditure.

Line 57 - Include discretionary bonuses payable and bonuses payable to shareholders in accordance with share ownership.

Line 60 - Include unclaimed dividends and interest.

Line 66 - Subordinated loans mean approved loans, pursuant to an agreement in writing in a form satisfactory to the Corporation, obtained from a chartered bank or any other lending institution, industry investor approved as such by the Corporation, or non-industry investor subject to the Corporation's approval, the payment of which is deferred in favor of other creditors and is subject to regulatory approval.

A Dealer Member must not pay a debt owed to any of its creditors contrary to any subordination or other agreement to which it and the Corporation are parties.

Line 70 - Reserve is an amount set aside for future use, expense, loss or claim – in accordance with statute or regulation. It includes an amount appropriated from retained earnings – in accordance with statute or regulation. It also includes accumulated other comprehensive income (OCI).

Line 71 - Retained earnings represent the accumulated balance of income less losses arising from the operation of the business, after taking into account dividends and other direct charges or credits.

FORM 1, PART I – STATEMENT B

(Dealer Member Name)

STATEMENT OF NET ALLOWABLE ASSETS AND RISK ADJUSTED CAPITAL

at _____

REFERENCE	NOTES	(CURRENT YEAR) C\$'000	(PREVIOUS YEAR) C\$'000
1. A-72	Total Capital	-----	-----
2.	Add: Non-refundable leasehold inducements	-----	-----
3. A-66	Add: Subordinated loans	-----	-----
4.	REGULATORY FINANCIAL STATEMENT CAPITAL	-----	-----
5. A-29	Deduct: Total Non allowable assets	-----	-----
6.	NET ALLOWABLE ASSETS	-----	-----
7.	Deduct: Minimum capital	-----	-----
8.	SUBTOTAL	-----	-----
Deduct - Margin required:			
9. Sch.1	Loans receivable, securities borrowed and resold	-----	-----
10. Sch.2	Securities owned and sold short	-----	-----
11. Sch.2A	Underwriting concentration	-----	-----
12. Sch.4	Client accounts	-----	-----
13. Sch.5	Brokers and dealers	-----	-----
14. Sch.7	Loans and repurchases	-----	-----
15.	Contingent liabilities [provide details]	-----	-----
16. Sch.10	Financial institution bond deductible [greatest under any clause]	-----	-----
17. Sch.11	Unhedged foreign currencies	-----	-----
18. Sch.12	Futures contracts	-----	-----
19. Sch.14	Provider of capital concentration charge	-----	-----
20.	Securities held at non-acceptable securities locations	-----	-----
21. Sch.7A	Acceptable counterparties financing activities concentration charge	-----	-----
22.	Unresolved differences [provide details]	-----	-----
23.	Other [provide details]	-----	-----
24.	TOTAL MARGIN REQUIRED [Lines 9 to 23]	-----	-----
25.	SUBTOTAL [Line 8 less Line 24]	-----	-----
26. Sch.6A	Add: Applicable tax recoveries	-----	-----
27.	Risk Adjusted Capital before securities concentration charge [Line 25 plus Line 26]	-----	-----
28. Sch.9	Deduct: Securities concentration charge of _____	-----	-----
Sch.6A	less tax recoveries of _____	-----	-----
29.	RISK ADJUSTED CAPITAL [Line 27 less Line 28]	-----	-----

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT C

DATE: _____

(Dealer Member Name)

STATEMENT OF EARLY WARNING EXCESS AND EARLY WARNING RESERVE

at _____

REFERENCE	NOTES	(CURRENT YEAR) C\$'000
1. B-29 RISK ADJUSTED CAPITAL		_____
LIQUIDITY ITEMS -		
DEDUCT:		
2. A-18 Other allowable assets	_____	_____
3. Sch.6A Tax recoveries	_____	_____
4. Securities held at non-acceptable securities locations	_____	_____
ADD:		
5. A-67 Non-current liabilities	_____	_____
6. A-66 Less: Subordinated loans	_____	_____
7. A-64 Less: Finance leases and lease-related liabilities	_____	_____
8. Adjusted non-current liabilities for Early Warning purposes	_____	_____
9. Sch.6A Tax recoveries - income accruals	_____	_____
10. EARLY WARNING EXCESS		_____
DEDUCT: CAPITAL CUSHION -		
11. B-24 Total margin required \$_____ multiplied by 5%	_____	_____
12. EARLY WARNING RESERVE [Line 10 less Line 11]		_____

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT C
NOTES AND INSTRUCTIONS

The Early Warning system is designed to provide advance warning of a Dealer Member encountering financial difficulties. It will anticipate capital shortages and/or liquidity problems and encourage Dealer Members to build a capital cushion.

Line 1 - If Risk Adjusted Capital of the Dealer Member is less than:

- (a) 5% of total margin required (Line 11 above), then the Dealer Member is designated as being in Early Warning category **Level 1**, or
- (b) 2% of total margin required (Line 11 above), then the Dealer Member is designated as being in Early Warning category **Level 2**,

and the applicable sanctions outlined in the Corporation rules will apply.

Lines 2 and 3 - These items are deducted from RAC because they are illiquid or the receipt is either out of the Dealer Member's control or contingent.

Line 4 - Pursuant to the Notes and Instructions for the completion of Statement B, Line 20, where the entity would otherwise qualify as an acceptable securities location except for the fact that the Dealer Member has not entered into a written custodial agreement with the entity, as required by Corporation rules, the Dealer Member will be required to deduct an amount up to 10% of the *market value* of the securities held in custody with the entity, in the calculation of its Early Warning Reserve. Please refer to the detailed calculation formula set out to the Notes and Instructions for the completion of Statement B, Line 20 to determine the capital requirement to be reported on Statement C, Line 4.

Lines 5, 6, 7 and 8 - Non-current liabilities (other than subordinated loans, and non-current portion of finance leases and lease-related liabilities) are added back to RAC as they are not current obligations of the Dealer Member and can be used as financing.

Line 9 - This add-back ensures that the Dealer Member is not penalized at the Early Warning level for accruing income.

Line 10 - If Early Warning Excess is negative, the Dealer Member is designated as being in Early Warning category Level 2 and the sanctions outlined in the Corporation rules will apply.

Line 12 - If the Early Warning Reserve is negative, the Dealer Member is designated as being in Early Warning category Level 1 and the sanctions outlined in the Corporation rules will apply.

FORM 1, PART I – STATEMENT D

(Dealer Member Name)

STATEMENT OF FREE CREDIT SEGREGATION AMOUNT

at _____

REFERENCE	NOTES	(CURRENT YEAR) C\$'000
A. AMOUNT REQUIRED TO SEGREGATE BASED ON GENERAL FREE CREDIT LIMIT		
General client free credit limit		
1. C-12	Early warning reserve of \$_____ multiplied by 12 [Report NIL if amount is negative]	_____
Less client free credit balances:		
2. Sch.4	Dealer Member's own [see note]	_____
3.	Carried For Type 3 Introducers	_____
4.	Total client free credit balances [Section A, Line 2 plus Section A, Line 3]	_____
5.	AMOUNT REQUIRED TO SEGREGATE BASED ON GENERAL CLIENT FREE CREDIT LIMIT [Section A, Line 4 minus Section A, Line 1; report NIL if result is negative; see note]	_____
B. AMOUNT REQUIRED TO SEGREGATE BASED ON MARGIN LENDING ADJUSTED CLIENT FREE CREDIT LIMIT		
Client free credit limit for margin lending purposes		
1. C-12	Early warning reserve of \$_____ multiplied by 20 [Report NIL if amount is negative]	_____
Less client free credit balances used to finance client margin loans:		
2.	Total settlement date client margin debit balances	_____
3.	Total client free credit balances [Include amount from Section A, Line 4 above]	_____
4.	Subtotal - Client free credit balances used to finance client margin loans [Lesser of Section B, Line 2 and Section B, Line 3]	_____
5.	Amount required to segregate relating to margin lending [Section B, Line 4 minus Section B, Line 1; report NIL if result is negative]	_____
Free credit limit for all other purposes		
6. C-12	Early warning reserve [Report NIL if amount is negative]	_____
7.	Total settlement date client margin debit balances divided by 20	_____
8.	Portion of early warning reserve available to support all other uses of client free credits [Section B, Line 6 minus Section B, Line 7; report NIL if result is negative]	_____
9.	Client free credit limit for all other purposes [Section B, Line 8 multiplied by 12]	_____
10.	Client free credits not used to finance margin loans [Section A, Line 4 minus Section B, Line 4]	_____
11.	Amount required to segregate relating to all other purposes [Section B, Line 10 minus Section B, Line 9; report NIL if result is negative]	_____
12.	AMOUNT REQUIRED TO SEGREGATE BASED ON MARGIN LENDING ADJUSTED CLIENT FREE CREDIT LIMIT [Section B, Line 5 plus Section B, Line 11]	_____
C. AMOUNT REQUIRED TO SEGREGATE		
1.	Amount required to segregate based on general client free credit limit [Section A, Line 5]	_____
2.	Amount required to segregate based on margin lending adjusted client free credit limit [Section B, Line 12]	_____
3.	AMOUNT REQUIRED TO SEGREGATE [Lesser of Section C, Line 1 and Section C, Line 2 if Section B completed; otherwise Section C, Line 1]	_____

Dec-2020

FORM 1, PART I – STATEMENT D

D. AMOUNT IN SEGREGATION:

1.	A-3	Client funds held in trust in an account with an <i>acceptable institution</i> [see note]	_____	_____
2.	Sch.2	Market value of securities owned and in segregation [see note]	_____	_____
3.		AMOUNT IN SEGREGATION [Section D, Line 1 plus Section D, Line 2]	_____	_____
4.		NET SEGREGATION EXCESS (DEFICIENCY) [Section D, Line 3 minus Section C, Line 3, see note]	_____	_____

NOTES:

General – The client free credit limit and segregation requirements must be calculated at least weekly, but more frequently if required, consistent with the monitoring requirements for the early warning tests.

Section A, Lines 2 and 3 - Free credit balances in RRSP and other similar accounts should not be included. Refer to Schedule 4 - Notes and Instructions for discussion of trade versus settlement date reporting of free credit balances. For purposes of this statement, a free credit is:

- (a) For cash and margin accounts - the credit balance less an amount equal to the aggregate of the *market value* of short positions and regulatory margin on those shorts.
- (b) For futures accounts - any credit balance less an amount equal to the aggregate of margin required to carry open futures contracts and/or futures contracts option positions less equity in those contracts plus deficits in those contracts, provided that such aggregate amount may not exceed the dollar amount of the credit balance.

Section A, Line 5 - If Nil, no further calculation on this Statement need be done.

Section B, Line 2 - Client margin debit balances reported on this line must be determined on a settlement date basis in order to exclude margin debit amounts relating to pending trades that have not yet settled.

Section D, Line 1 - The trust must be an obligation binding the Dealer Member (the trustee) to deal with the free credits over which it has control (the trust property), for the benefit of the client (the beneficiary). The trust property must be clearly identified as such even if residing with an *acceptable institution*.

FUNDS HELD IN TRUST FOR RRSP AND OTHER SIMILAR ACCOUNTS ARE NOT TO BE INCLUDED IN THIS CALCULATION.

Section D, Line 2 - The securities to be included are Canadian bank paper with an original term of 1 year or less and bonds, debentures, treasury bills and other securities with a term of 1 year or less, of or guaranteed by the Government of Canada or a Province of Canada, the United Kingdom, the United States of America and any other national foreign government (provided such other foreign government is a member of the Basel Accord and that the securities are currently rated Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively) which are segregated and held separate and apart from the Dealer Member's property.

Section D, Line 4 - If negative, then a segregation deficiency exists, and the Dealer Member must correct the segregation deficiency within 5 business days following the determination of the deficiency. The Dealer Member must provide an explanation of how the deficiency was corrected as well as the date of correction.

FORM 1, PART I – STATEMENT E

(Dealer Member Name)

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

for the period ended _____

REFERENCE	NOTES	(CURRENT YEAR / MONTH) C\$'000	(PREVIOUS YEAR / MONTH) C\$'000
COMMISSION REVENUE			
1. Listed Canadian securities	_____	_____	_____
2. Other securities	_____	_____	_____
3. Mutual funds	_____	_____	_____
4. Listed Canadian options	_____	_____	_____
5. Other listed options	_____	_____	_____
6. Listed Canadian futures	_____	_____	_____
7. Other futures	_____	_____	_____
8. OTC derivatives	_____	_____	_____
PRINCIPAL REVENUE			
9. Listed Canadian options and related underlying securities	_____	_____	_____
10. Other Equities and options	_____	_____	_____
11. Debt	_____	_____	_____
12. Money market	_____	_____	_____
13. Futures	_____	_____	_____
14. OTC derivatives	_____	_____	_____
CORPORATE FINANCE REVENUE			
15. New issues – equity	_____	_____	_____
16. New issues – debt	_____	_____	_____
17. Corporate advisory fees	_____	_____	_____
OTHER REVENUE			
18. Interest	_____	_____	_____
19. Fees	_____	_____	_____
20. Other [provide details]	_____	_____	_____
21. TOTAL REVENUE	_____	_____	_____
EXPENSES			
22. Variable compensation	_____	_____	_____
23. Commissions and fees paid to third parties	_____	_____	_____
24. Bad debt expense	_____	_____	_____
25. Interest expense on subordinated debt	_____	_____	_____
26. Financing cost	_____	_____	_____
27. Corporate finance cost	_____	_____	_____
28. Unusual items [provide details]	_____	_____	_____
29. Pre-tax profit (loss) for the period from discontinued operations	_____	_____	_____

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT E

30.	Operating expenses	_____	_____	_____
31.	Profit [loss] for Early Warning test	_____	_____	_____
32.	Income – Asset revaluation	_____	_____	_____
33.	Expense – Asset revaluation	_____	_____	_____
34.	Interest expense on internal subordinated debt	_____	_____	_____
35.	Bonuses	_____	_____	_____
36.	Net income/(loss) before income tax	_____	_____	_____
37. S-6(5)	Income tax expense (recovery), including taxes on profit (loss) from discontinued operations	_____	_____	_____
38.	PROFIT [LOSS] FOR PERIOD	_____	_____	_____
			F-11	
Other comprehensive income				
39.	Gain (loss) arising on revaluation of properties	_____	_____	_____
			F-5a	
40.	Actuarial gain (loss) on defined benefit pension plans	_____	_____	_____
			F-5b	
41	Other comprehensive income for the period, net of tax [Lines 39 plus 40]	_____	_____	_____
			For MFR reporting E-41 is the net change to A-70 Reserves	
42.	Total comprehensive income for the period [Lines 38 plus 41]	_____	_____	_____
Note: The following lines must also be completed when filing the MFR:				
43.	Payment of dividends or partners drawings	_____	_____	_____
44.	Other [provide details]	_____	_____	_____
45.	NET CHANGE TO RETAINED EARNINGS [Lines 38, 43 and 44]	_____	_____	_____

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT F

(Dealer Member Name)

STATEMENT OF CHANGES IN CAPITAL AND RETAINED EARNINGS (CORPORATIONS) OR
UNDIVIDED PROFITS (PARTNERSHIPS)

for the year ended _____

A. CHANGES IN ISSUED CAPITAL

		SHARE CAPITAL OR PARTNERSHIP CAPITAL			SHARE PREMIUM	ISSUED CAPITAL
		NOTES	[a] C\$'000		[b] C\$'000	[c] = [a] + [b] C\$'000
1.	Beginning balance	_____	_____	_____	_____	_____
2.	Increases (decreases) during the period [provide details]					
	(a)	_____	_____	_____	_____	_____
	(b)	_____	_____	_____	_____	_____
	(c)	_____	_____	_____	_____	_____
3.	Ending balance		=====		=====	=====

A-69

B. CHANGES IN RESERVES

		GENERAL		PROPERTIES REVALUATION	EMPLOYEE BENEFITS	EMPLOYEE DEFINED BENEFIT PENSION	TOTAL RESERVES
		NOTES	[a] C\$'000	[b] C\$'000	[c] C\$'000	[d] C\$'000	[e] = [a] + [b] + [c] + [d] C\$'000
4.	Beginning balance	_____	_____	_____	_____	_____	_____
5.	Changes during the period						
	(a) Other comprehensive income for the year – properties revaluation	_____	_____	_____	_____	_____	_____
	(b) Other comprehensive income for the year – actuarial gain (loss) on defined benefit pension plans	_____	_____	_____	_____	_____	_____

E-39

[See notes and instructions]

Dec-2020

FORM 1, PART I – STATEMENT F

					E-40	
(c)	Recognition of share-based payments					
				E-30		
(d)	Transfer from/to retained earnings					
		F-12				
(e)	Other [provide details]					
6.	Ending balance					A-70

C. CHANGES IN RETAINED EARNINGS

	NOTES	RETAINED EARNINGS (CURRENT YEAR) C\$'000	RETAINED EARNINGS (PREVIOUS YEAR) C\$'000
7.	Beginning balance		
8.	Effect of change in accounting policy [provide details]		
	(a)	N/A	
	(b)	N/A	
9.	As restated	N/A	
10.	Payment of dividends or partners drawings		
11.	Profit or loss for the year		
		E-38	
12.	Other direct charges or credits to retained earnings [provide details]		
	(a)		
	(b)		
	(c)		
13.	Ending balance		
		A-71	

[See notes and instructions]

Dec-2020

FORM 1, PART II – SCHEDULE 6A

DATE: _____

(Dealer Member Name)

TAX RECOVERIES

C\$'000

A. TAX RECOVERY FOR RISK ADJUSTED CAPITAL

1. Sch. 6, Income tax expense (recovery) [must be greater than 0, else N/A]
Line 5 _____
2. A-21 Commission and/or fees receivable (non allowable assets) of \$_____ multiplied
by an effective corporate tax rate of _____% _____
3. TAX RECOVERY - ASSETS [100% of lesser of Lines 1 and 2] _____
4. Balance of current income tax expense available for margin and securities
concentration charge tax recovery [Line 1 minus Line 3] _____
5. Recoverable taxes from preceding three years of \$_____ net of current year tax
recovery (if applicable) of \$_____ _____
6. Total available for margin tax recovery [Line 4 plus Line 5] _____
7. B-24 Total margin required of \$_____ multiplied by an effective corporate tax rate of
_____% _____
8. TAX RECOVERY - MARGIN [75% of lesser of Lines 6 and 7] _____
9. TOTAL TAX RECOVERY BEFORE TAX RECOVERY ON SECURITIES CONCENTRATION CHARGE [Line
3 plus Line 8] _____
10. Balance of taxes available for securities concentration charge tax recovery [Line 6
minus Line 8, must be greater than 0, else N/A] _____
11. Sch. 9 Total securities concentration charge of \$_____ multiplied by an effective
corporate tax rate of _____% _____
12. TAX RECOVERY - SECURITIES CONCENTRATION CHARGE [75% of lesser of Lines 10 and 11] _____
13. TOTAL TAX RECOVERY RAC [Line 3 plus Line 8 plus Line 12] _____

B-26

B-28

C-3

B. TAX RECOVERY FOR EARLY WARNING CALCULATION:

1. Sch. 6, Income tax expense (recovery) [must be greater than 0, else N/A]
Line 5 _____
2. A-15 Commission and/or fees receivable (allowable assets) _____
3. A-21 Commission and/or fees receivable (non allowable assets) _____
4. SUBTOTAL [Line 2 plus Line 3] _____
5. Line 4 multiplied by an effective corporate tax rate of _____% _____
6. TAX RECOVERY - INCOME ACCRUALS [100% of lesser of Lines 1 and 5] _____

C-9

[See notes and instructions]

Dec-2020

FORM 1, PART II – SCHEDULE 13

DATE: _____

(Dealer Member Name)

EARLY WARNING TESTS - LEVEL 1

C\$'000

A. LIQUIDITY TEST

Is Early Warning Reserve (Stmt. C, Line 12) less than 0?

YES/NO

B. CAPITAL TEST

1. Risk Adjusted Capital (RAC) [Stmt. B, Line 29] _____
2. Total Margin Required [Stmt. B, Line 24] multiplied by 5% _____

Is Line 1 less than Line 2?

YES/NO

C. PROFITABILITY TEST #1

	Months	Profit or loss for 6 months ending with current month [note 2] C\$'000	Profit or loss for 6 months ending with preceding month [note 2] C\$'000
1. Current month	_____	_____	_____
2. Preceding month	_____	_____	_____
3. 3rd month	_____	_____	_____
4. 4th month	_____	_____	_____
5. 5th month	_____	_____	_____
6. 6th month	_____	_____	_____
7. 7th month	_____	_____	_____
8. TOTAL [note 3]		_____	_____
9. AVERAGE multiplied by -1		_____	_____
10A. RAC [at Form 1 date]		_____	
10B. RAC [at preceding month end]			_____
11A. Line 10A divided by Line 9		_____	
11B. Line 10B divided by Line 9			_____

Are both of the following conditions true:

1. Line 11A is greater than or equal to 3 but less than 6, and
2. Line 11B less than 6?

YES/NO

D. PROFITABILITY TEST #2

1. Loss for current month [notes 2 and 4] multiplied by -6 _____
2. RAC [at Form 1 date] _____

Is Line 2 less than Line 1?

YES/NO

[See notes and instructions]

Dec-2020

FORM 1, PART II – SCHEDULE 13A

DATE: _____

(Dealer Member Name)

EARLY WARNING TESTS - LEVEL 2

C\$'000

A. LIQUIDITY TEST

Is Early Warning Excess (Stmt. C, Line 10) less than 0?

YES/NO

B. CAPITAL TEST

1. Risk Adjusted Capital (RAC) [Stmt. B, Line 29]

2. Total Margin Required [Stmt. B, Line 24] multiplied by 2%

Is Line 1 less than Line 2?

YES/NO

C. PROFITABILITY TEST #1

Is Schedule 13, Line 11A less than 3 AND
Schedule 13, Line 11B less than 6?-----
YES/NO

D. PROFITABILITY TEST #2

1. Loss for current month [notes 2 and 4] multiplied by -3

2. RAC [at Form 1 date]

Is Line 2 less than Line 1?

YES/NO

E. PROFITABILITY TEST #3

Months

Profit or loss for 3
months ending
with current
month
[note 2]

C\$'000

1. Current month

2. Preceding month

3. 3rd month

4. TOTAL [note 5]

5. RAC [at Form 1 date]

Is loss on Line 4 greater than Line 5?

YES/NO

F. FREQUENCY PENALTY

Has Dealer Member:

1. Triggered Early Warning at least 3 times in the past 6 months or is RAC less than 0?

YES/NO

2. Triggered Liquidity or Capital Tests on Schedule 13?

YES/NO

3. Triggered Profitability Tests on Schedule 13?

YES/NO4. Are Lines 2 and 3 both YES?-----
YES/NO

[See notes and instructions]

Dec-2020

FORM 1, PART II – SCHEDULE 14
NOTES AND INSTRUCTIONS

1. The purpose of this schedule is to measure the exposure a Dealer Member has to each of its providers of capital (as defined below). As such is the case, a separate copy of this schedule should be completed for each *provider of capital* where the capital provided is in excess of \$10 million.
2. For the purposes of this schedule:
 - (a) A “provider of capital” is an individual or entity and its affiliates that provides capital to a Dealer Member
 - (b) “Regulatory financial statement capital” is comprised of:
 - Total Capital (Statement A, Line 72); plus
 - Non-refundable leasehold inducements (Statement B, Line 2); plus
 - Subordinated loans (Statement A, Line 66).
 - (c) “Regulatory financial statement capital provided by the provider of capital” is the portion of the *regulatory financial statement capital* that has been provided to the Dealer Member by the *provider of capital*

CALCULATION OF CASH AND UNDERSECURED LOANS WITH PROVIDER OF CAPITAL

Section A, Line 3 – The undersecured amount to be reported on this line refers to any deficiency between the *market value* of the collateral received for the loan and the amount of the loan receivable that is greater than the percentage [the percentage is determined by dividing the deficiency by the *market value* of the collateral received] deficiency required under normal commercial terms.

Section A, Line 4 – The amount to be reported on this line refers to the entire loan receivable balance if the only collateral received for the loan is securities issued by the *provider of capital*.

Section A, Line 5 – The undersecured amount to be reported on this line refers to any deficiency between the *market value* of the collateral received for the loan and the amount of the loan receivable or the *market value* of the securities delivered as collateral that is greater than the percentage [the percentage is determined by dividing the deficiency by the *market value* of the collateral received] deficiency required under normal commercial terms.

Section A, Line 6 – The amount to be reported on this line refers to the entire loan receivable balance or the *market value* of the securities delivered as collateral if the only collateral received for the loan is securities issued by the *provider of capital*.

Section A, Line 7 – The undersecured amount to be reported on this line refers to any deficiency between the *market value* of the security received pursuant to the resale agreement and the amount of the loan receivable that is greater than the percentage [the percentage is determined by dividing the deficiency by the *market value* of the security received] deficiency required under normal commercial terms. If the security received is a security issued by the *provider of capital* the collateral is assumed to have no value for the purposes of the above calculation.

Section A, Lines 8, 9 and 10 – The amount to be reported on these lines refers to the amount of the loan receivable less any collateral provided other than securities issued by the *provider of capital*.

Section A, Line 11 – The overcollateralized amount to be reported on this line refers to any deficiency between the *market value* of the collateral delivered for the loan and the amount of the loan payable that is greater than the percentage [the percentage is determined by dividing the deficiency by the amount of the loan payable] deficiency required under normal commercial terms.

Section A, Line 12 – The overcollateralized amount to be reported on this line refers to any deficiency between the *market value* of the collateral delivered pursuant to the securities lending agreement and the amount of the loan payable or the *market value* of the securities received as collateral that is greater than the percentage [the percentage is determined by dividing the deficiency by the amount of the loan payable] deficiency required under normal commercial terms.

Section A, Line 13 – The overcollateralized amount to be reported on this line refers to any deficiency between the *market value* of the collateral delivered pursuant to the repurchase agreement and the amount of the loan payable that is greater than the percentage [the percentage is determined by dividing the deficiency by the amount of the loan payable] deficiency required under normal commercial terms.

CALCULATION OF INVESTMENTS IN SECURITIES ISSUED BY THE PROVIDER OF CAPITAL

Section B, Line 1 – Include all investments in securities issued by the *provider of capital*.

Dec-2020

FORM 1, PART II – SCHEDULE 14

NOTES AND INSTRUCTIONS [Continued]

Section B, Line 2 – Include only those loans where the agreement executed includes the industry standard wording set out in the Limited Recourse Call Loan Agreement.

Section B, Line 3 – Include only those security positions that are otherwise eligible for offset pursuant to the Corporation's capital requirements.

CALCULATION OF FINANCIAL STATEMENT CAPITAL PROVIDED BY THE PROVIDER OF CAPITAL

Section C, Line 1 – Include the face amount of subordinated debt provided by the *provider of capital*, plus the book amount of equity capital provided by the *provider of capital* plus a pro-rata share of reserves and retained earnings.