

INVESTOR BULLETIN

Know Your DIY Fees



Retail trading and the use of do-it-yourself (DIY) online trading accounts are on the rise. But even with a low-cost or zero-commission account, there could be other fees and charges that could impact your portfolio. Being aware of what firms charge can also help you choose which firms and what type of account best meets your investment needs.

What Your Firm Must Do

Your IIROC-regulated firm must provide you with documentation that outlines all the service fees, administrative fees and other account charges you pay:

- When you open an account
- In your monthly or quarterly account statement
- Before and after you buy or sell an investment product
- In a year-end fee charge report

Be sure to read your account opening documentation before you begin trading so you understand how much your trade will cost, and never be afraid to ask questions of your IIROC-regulated firm.

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Commissions

Many DIY firms in Canada charge trading commissions. This means that they charge you a certain amount for each trade you place. Firms may charge different commission amounts depending on the type of trade, product or dollar amount.

Additional Resources

[IIROC's Investor Center](#)

[CSA Video: Know What You Pay When You Buy or Sell an Investment](#)

Account Fees

You may be charged fees related to your account without ever placing a trade. Some of these charges may include:

- Annual or monthly fees
- Account closing or de-registering fees
- Inactive account fee for accounts that haven't had trading activity for a certain period of time
- Fees for accounts that don't trade a minimum dollar amount of transactions
- Fees for accounts that don't hold a minimum dollar value in assets

Foreign Exchange Fees

When you place a trade in a security that is listed on a marketplace outside of Canada, your firm may charge you a foreign exchange or currency conversion fee to settle your foreign-denominated trade in Canadian currency. For example, when you buy and sell an equity security that is listed on an exchange in the US, you may be subject to a conversion fee from your Canadian dollar account at the firm for the US dollar amount needed to settle the trade. This foreign exchange conversion charge could be in the form of a set fee, or it could be included in the exchange rate that the firm charges which incorporates a "spread" or a mark-up to the firm.

Other Fees

You may also be charged other fees, including:

- Fees for providing a physical certificate of share ownership
- Fees to provide you with paper statements
- Fees to make wire transfers, or provide services over the phone
- You could even be charged for trading on certain exchanges

Be an informed investor. Understand the fees you will be charged before you invest.