2014 Risk Assessment Questionnaire

FAQ and User Guide
Ontario Securities Commission
2014 Risk Assessment Questionnaire

Frequently Asked Questions and User Guide

The Compliance and Registrant Regulation Branch of the Ontario Securities Commission (OSC) has developed a list of frequently asked questions (FAQ) and a User Guide to help you complete the 2014 risk assessment questionnaire (Questionnaire).

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1. Where is the Questionnaire?
You can access the interactive electronic Questionnaire through a secure URL link that was sent to your chief compliance officer (CCO) and ultimate designated person (UDP) in an email on June 10, 2014. Each firm is provided with a link to a Questionnaire that is tailored to the firm’s registration category(ies).

In addition, a copy of the Questionnaire in PDF format is attached to the email and is also available on the OSC website at www.osc.gov.on.ca. The PDF version of the Questionnaire is for reference only. Many interactive features of the Questionnaire (e.g. responses that are located in drop down menus) are not available in PDF format or in a printed version of the Questionnaire. You must complete and submit the Questionnaire online.

2. What is the purpose of the Questionnaire?
The Questionnaire gathers information from portfolio managers, restricted portfolio managers, investment fund managers, exempt market dealers and restricted dealers about their business operations, practices and procedures. The information gathered through this process will be used for risk ranking, selection of firms for compliance reviews as well as other regulator purposes.

3. Do I have to complete the Questionnaire?
Yes, all firms must complete and submit a Questionnaire. Your firm will receive a general set of questions, plus a section for each of its OSC registration categories. For example, if you are registered only as a portfolio manager with the OSC, you are required to complete the general and the portfolio manager sections of the Questionnaire, and only these sections will be sent to you. The questions in each of the registration specific sections relate to your activities for that registration category.

Regardless of whether you are relying on each of your registration categories for your current business activities, if you are registered in any of the categories, you must complete the related section of the Questionnaire. If your firm was recently registered, respond to each question with the information you have available, and provide comments where applicable.

4. How do I complete the Questionnaire?
Answer the questions online by accessing the Questionnaire through the secure URL link. Detailed instructions for completing the Questionnaire are in the User Guide. We strongly suggest that you review the User Guide before you begin completing the Questionnaire as it will assist you with getting started and knowing what to expect.
5. What is the Excel spreadsheet that was part of the June 10, 2014, email message?

   a. Do I have to complete the spreadsheet?
   The spreadsheet that was attached to the email sent to your firm’s CCO and UDP on June 10, 2014, must be completed by investment fund managers that manage non-prospectus qualified funds. For example, if you manage hedge funds, then you are required to submit the spreadsheet.

   When you have completed the spreadsheet, follow the instructions provided in question 1 in the investment fund manager section of the Questionnaire to attach it for submission.

   b. What is the purpose of collecting the information in the spreadsheet?
   The OSC is interested in collecting data that captures a broad area of the investment fund universe, especially non-prospectus qualified funds for which limited information is available through other sources. The purpose of collecting this information is to better understand the operations of investment fund managers operating in Ontario and the types of funds that are made available to investors.

   c. How are we going to use the information?
   The OSC will use the information collected for internal analysis and a better understanding of the size and composition of the prospectus-exempt space.

   d. Will the information be shared with other parties? If yes, with whom?
   This information will be shared on a confidential basis with other Canadian regulators with whom we are working to monitor and assess risks in the Canadian financial system. It is also anticipated that some of the information gathered through this spreadsheet may be shared with the International Organisation of Securities Commissions (IOSCO), but this will be done strictly on an aggregated basis with no identifying information included.

6. What do the attestation statements mean?
   At the beginning of the Questionnaire, there is an attestation statement that must be completed by your UDP. We recognize that some responses to the Questionnaire may require professional judgment. By signing the attestation statement, you acknowledge that the information provided to us is complete and accurate.

   Your UDP must also attest that information submitted in the spreadsheet for investment fund managers of non-prospectus qualified funds, if applicable. This attestation is located at the beginning of the investment fund manager section of the Questionnaire.
7. I am having difficulty accessing and completing the Questionnaire online. What should I do?

First, review the instructions for accessing and completing the Questionnaire in the User Guide. In particular, keep the following in mind:

a. The URL link is case sensitive
Copy and paste the entire URL link into the Internet address line to avoid typing errors.

b. Software and system requirements
The Questionnaire supports Internet Explorer 8, Firefox 3.6 and Safari 4.

c. Save the Questionnaire frequently to avoid timing out
Save your work in progress every 10 to 15 minutes to minimize the impact of any Internet disruptions. If you close the Questionnaire and log in later, the system will retrieve the last saved version of your Questionnaire. A dialog box will appear after you have successfully saved the Questionnaire. After 120 minutes of inactivity, the Questionnaire will be closed automatically and any unsaved data will be lost.

If you’re still having difficulty, contact us for assistance.

8. What should I do if the choices for a response do not adequately describe our business operations?

The responses are designed to apply to the majority of registered firms and may not cover all situations. If this is the case, select the response that best describes your business and provide an explanation in the comment box. If a comment box is not available for a question, use the final overall feedback box for your comments. Please include the section and question number along with your comments.

9. What if my firm is located outside of Canada, but is registered with the OSC – do I provide information about my worldwide operations?

For the general section of the Questionnaire, respond to questions based on your firm’s global operations. Questions specific to registration categories should include information related only to your Canadian operations.

10. How do I submit the Questionnaire?

Please ensure that you are satisfied with your answers prior to clicking the “Submit” button at the top of the page. Once the Questionnaire has been submitted, changes can no longer be made.

You can print a copy of the Questionnaire at any time by clicking the “Print” button.
11. I am unable to submit my Questionnaire. What should I do?
You will not be able to submit your Questionnaire if you have not completed all the questions, including required information in comment boxes. The system will prevent you from submitting the Questionnaire if it detects any fields with missing information.

If you attempt to submit the Questionnaire without completing it, you will automatically be brought back to the page where the question or the comment box is incomplete. You may have to scroll down the page to find the question where information is missing.

Fields highlighted in yellow are mandatory. Fields will turn red if you have entered an inappropriate response to the question, including a field in a table. An example of this would include where a column total that must equal 100%. If your responses total more than 100% or less than 100%, the total field will turn red, and you will be unable to submit your Questionnaire. Another example would be if a question requires a numeric response, and you have entered letters (i.e. one million, instead of 1,000,000). When a field turns red, a related message will be shown, indicating the reason for the red field.

12. How do I know if the OSC has received my completed Questionnaire?
A confirmation will appear on your screen to inform you that you have successfully submitted the Questionnaire to the OSC, including an identification number of the submission for your future reference.

13. Why did I not receive my submission confirmation?
You should receive a confirmation indicating that the OSC has received your Questionnaire shortly after you click the “Submit” button. However, if the server is busy processing a large number of Questionnaires at once, there may be a delay in receiving your confirmation. In the meantime, the “Submit” and “Save” buttons will disappear as you can no longer make changes to the Questionnaire. This process may take up to a few minutes, depending on how busy the server is. Do not close the browser until you receive your confirmation with an identification number.

14. Will the information submitted be kept confidential?
Subject to section 153 of the Securities Act (Ontario), information that you provide to the OSC in the Questionnaire will be treated in strict confidence to the fullest extent permitted by law. However, the OSC is subject to the Freedom of Information and Protection of Privacy Act (FOIPPA). Therefore, it is possible that this information could be requested under the FOIPPA.

Although the FOIPPA protects business information that has been supplied to an institution in confidence, the final decision on whether information falls within the relevant exemption provisions resides with the Information and Privacy Commissioner. Before any information could be disclosed under an access request, you would be notified and given the opportunity to make written submissions on whether or not the information should be disclosed.
15. Who do I contact if I have questions?

Email us at: ComplianceSurvey@osc.gov.on.ca

You can also contact any of the individuals listed below:

**Portfolio Manager Team**
Chris Caruso  Scott Laskey  Susan Pawelek  
Accountant  Accountant  Accountant  
416-204-8993  416-263-3790  416-593-3680

**Exempt Market Dealer Team**
Maria Carelli  Denise Morris  Georgia Striftobola  
Senior Accountant  Legal Counsel  Accountant  
416-593-2380  416-595-8785  416-593-8103

**Investment Fund Manager Team**
Dena Di Bacco  Jeff Sockett  Estella Tong  
Accountant  Accountant  Senior Accountant  
416-593-8058  416-593-8162  416-593-8219

**Spreadsheet to collect fund level information**
Nevena Pencheva  Paul Redman  
Analyst – Research and Economics  Principal Economist  
416-204-8977  416-593-2396
Part B - User Guide

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ABOUT THE USER GUIDE

The User Guide provides you with detailed instructions of how to access, complete, and submit the Questionnaire. It also provides other helpful information and troubleshooting instructions.

GETTING STARTED

Accessing the Questionnaire
To access the Questionnaire, click the secure URL link that was emailed to your chief compliance officer (CCO) and ultimate designated person (UDP). Once you have opened the Questionnaire by clicking the secure URL link, you can start completing the Questionnaire. The following address is an example of the link that was sent to you:

https://eforms.osc.gov.on.ca/raq/ProcessForm?id=08X08XXXXX

Software and system requirements
The OSC’s electronic filing portal currently supports the following web browsers:
- Internet Explorer version 8.0
- Firefox 3.6
- Safari 4 (Mac OS X/ iPad)

If you are not using any of these web browsers, the Questionnaire may be supported in your browser’s ‘compatibility view’. See, for example, http://windows.microsoft.com/en-CA/internet-explorer/use-compatibility-view or consult the Help tab of your web browser for further information on how to resolve compatibility issues.

If you continue to have technical difficulties, please contact any one of the individuals listed on page five of the FAQ.

User Access
Only one user at a time should enter information into the Questionnaire. If multiple users enter information into the Questionnaire at the same time, the system will maintain only the last saved copy of the Questionnaire.

Anyone who has access to your firm’s URL link will have access to your firm’s Questionnaire and will be capable of responding to questions, saving and/or submitting the Questionnaire. Ensure that you provide the URL link only to individuals you wish to have access to the Questionnaire.
Pop-up windows
You will have to allow pop-up windows from our site in order to save or submit the Questionnaire. If your browser requests permission to allow pop-up windows, click Yes or OK.

120-minute inactivity limit
After 120 minutes of inactivity, the Questionnaire will be closed automatically and any unsaved data will be lost. Save your Questionnaire frequently and before you leave your computer!

Returning to the Questionnaire
Click on the same URL link to return to the Questionnaire. The system will retrieve the last saved version of the Questionnaire.
BASICS FOR COMPLETING THE QUESTIONNAIRE

All Registrants are required to complete the general section of the Questionnaire along with each section that is relevant to their OSC registration category(ies). The UDP must complete the certification before submitting the Questionnaire to the OSC.

General section - Certification

The Questionnaire that was sent to you through the secure URL link has been pre-populated with your firm’s name, NRD Number and registration category(ies). Please verify that the pre-populated information presented on the first page of the general section is correct. If the information is incorrect, call any of the listed individuals immediately.

Your firm’s registration category(ies) determines which sections of the Questionnaire you have to complete. For example, if your firm is registered in the categories of portfolio manager (PM) and investment fund manager (IFM), you will have to complete the general, PM and IFM sections of the Questionnaire. Your Questionnaire will not contain the exempt market dealer (EMD) section as it is not applicable to you.

Pre-populated firm’s information
Excel spreadsheet
If you manage any non-prospectus qualified funds, you have to complete and submit to us the Excel spreadsheet that was sent to you along with the Questionnaire.

The spreadsheet can be saved on your computer (i.e. local drive) until it is completed. Once you are ready to submit the spreadsheet, click on the paperclip button in Question 1 in the IFM section of the Questionnaire to attach the spreadsheet for submission. **You can only attach the document in Excel format and we ask that you do not alter the format of the spreadsheet.** If you want to delete your attachment, click on the trash can button. To view your attachment, click on the eyeglasses button.

Attestations
You will find two attestation statements in the Questionnaire. The first attestation statement is in the general section of the Questionnaire and the second attestation statement is in the IFM section of the Questionnaire. The attestations must be completed by the firm’s UDP.
You are required to complete the following attestation statement only if your firm manages non-prospectus qualified funds as indicated in question 1 in the IFM section of the Questionnaire.
GETTING AROUND

At the top of each page, there are navigation buttons to help you navigate throughout the Questionnaire.

To navigate to the general, IFM, PM or EMD sections, click on the General, IFM, PM or EMD tabs.

To move to the next page, click on the button that appears to the right of the navigation bar. To go the the previous page, click the button.

Navigation bar
To print and save the Questionnaire, click on the [Print] and [Save] buttons. Refer to page 13 of this User Guide for Printing/Saving/Exiting the Questionnaire.

Comment tab

The comment tab is located in the navigation bar. The comment tab should either be used when a comment box is not available for a question, or when a comment box is available but not enough space is provided to enter your complete response. In these instances, you can provide us with additional information or comments to questions in the Questionnaire by clicking on the Comment tab. When entering your response, ensure that you identify the question number and its respective section (e.g. PM Q2, IFM Q1, EMD Q7).
TYPES OF QUESTIONS

This section provides you with examples of the types of questions you will come across in the Questionnaire.

Multiple choice question - one response
The answers appear as radio buttons. You can only select one choice for this type of question.

Multiple choice question - multiple responses
For this type of question, you can make one or more choices by clicking on each box that is applicable to you. For example, if you select box “h) None”, you will not be able to select boxes “a)” through “g)”. If you select box “h) None” in error, you must click on it again to deselect before you are permitted to select any of the other boxes “a)” through “g)”. 
**Multiple field question**

In this type of question, you must enter information in the applicable fields. In some of the multiple field questions, the whole chart may be highlighted in yellow (as shown below), and you must make an entry in every field. You must enter zero in the rows and/or columns that are not applicable to you, so the system can confirm that you have completed this question.

To move to the next field, use the mouse or press the Tab button on your keyboard. Do not use the Enter button.

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**Multiple field question with drop-down menus**

In this type of question, you must use the drop down menu to select your response. Click on the inverse triangle to open the drop down menu and select the most appropriate response.
Comment box

Some answers require you to provide additional information in a comment box. For example, if you select box “g) Other – provide details in comment box below”, the comment box field will change to yellow to prompt you to enter the information. Once you enter the information in the comment box, the comment box will turn white. If you do not enter any information, the system will mark the question as incomplete.
PRINTING/SAVING/EXITING

Printing the Questionnaire

You can print the Questionnaire at any time using the button. It may take some time to print as the system needs to generate a PDF image of the Questionnaire prior to printing.

Saving the Questionnaire

Use the button to save your work-in-progress. Your Questionnaire will be saved to our secured server.

Once the Questionnaire is saved successfully, you will get the message below:
Exiting the Questionnaire

You can **exit** the Questionnaire at any time by closing the browser window. Make sure you save your work before you exit.
SUBMITTING

Submitting the Questionnaire

Use the button to send your completed Questionnaire to the OSC.

The button is found on the navigation bar of the Questionnaire. If you have not completed all the questions, including mandatory information in comment boxes, the system will require you to enter the missing information before it will accept the submission.
Once the submission is successful, you will get a successful submission message similar to the following:

![OSC logo]

Thank you for your submission.
Submission ID: RAQ1401472772800-174.
Submission date and time: 2014-06-03 09:58

Please save a copy of your submission in PDF for your records by clicking.

Receiving your identification number

If the server is busy, there may be a delay in receiving your confirmation. You will notice that the and buttons will disappear and the hourglass appears. This could take up to a few minutes depending on how busy the server is. **Do not close the browser until you receive your confirmation with an identification number.**

Viewing the Questionnaire

After you submit the Questionnaire, you can still view or print the Questionnaire by using the same secure URL link.
TROUBLESHOOTING

Below are examples of some of the error messages that you may encounter as you are completing or submitting the Questionnaire.

Error message 1 – Text values are not permitted for these fields

Error message 2 - Numeric value entered exceeds permitted dollar range
Error message 3 - Numeric value entered exceeds permitted percentage range

Question 10 – Receipt of trade orders
How do you receive trade orders from investors? Indicate the approximate volume of trades based on the 2013 calendar year.
Enter zero in the rows that are not applicable to you.

<table>
<thead>
<tr>
<th>a) FundSERV</th>
<th>1000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Fax</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>c) Email</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>d) Phone</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>e) Mail</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>f) Other – provide details in comment box below</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>g) Not applicable – trades are processed directly through a stock exchange</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

Total volume %

Error message 4 - Mandatory information is not complete

Question 5 – Access to Client Assets
Check all of the boxes below that apply to your firm’s dealer client assets.

☐ a) you hold clients’ securities certificates for any period of time (e.g. physical possession of securities)
☐ b) you receive and hold clients’ cash for any period of time (e.g. cash pending investments)
☐ c) you accept client cash from a custodian (e.g. client’s money is deposited in a trust account)
☐ d) you have, in any capacity, legal ownership of clients’ cash or securities
☐ e) you have the authority to withdraw cash or securities from client accounts (e.g. under a power of attorney)
☐ f) you act in the capacity of a trustee or executor for clients
☐ g) you hold client assets in your firm’s name in an omnibus account at a third party custodian
☐ h) you have signing authority on bank accounts for related/connected issuers
☐ i) you have access in any other ways not described above, provide details in comment box
☐ j) not applicable – none of the above apply to our firm
Error message 5 – Submitting Questionnaire with incomplete responses

In order to complete the Questionnaire, all questions must be answered, including required information in the comment boxes. If you attempt to submit the Questionnaire without completing it, a message will appear on your screen indicating that one or more questions have not been correctly completed (as shown below). After clicking “Ok”, you will then be brought back to the page where the question or the comment box is incomplete. You may have to scroll down the page to find the question where information is missing, i.e. fields that are highlighted in yellow.