

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
AMENDMENTS TO REMOVE STATEMENT G OF FORM 1 AND COROLLARY AMENDMENTS TO FORM 1
BLACK-LINE COMPARISON OF AMENDMENTS TO CURRENT FORM 1

The Amendments are to the following sections in Form 1:

- Table of Contents
- General Notes and Definitions
- Separate Certificate of UDP and CFO on Statement G of Part I – Opening IFRS Statement of Financial Position and Reconciliation of Equity
- Statement G
- Statement G – Notes to the Reconciliation
- Statement G – Notes and Instructions

The black-line changes are as follows:

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 (Dealer Member Name)

 (Date)

Updated

GENERAL NOTES AND DEFINITIONS

~~Dec-2015~~ [May-2017](#)

CERTIFICATE OF UDP AND CFO

Jan-2013

~~SEPARATE CERTIFICATE OF UDP AND CFO ON STATEMENT G OF PART I¹~~~~Feb-2011~~

INDEPENDENT AUDITOR'S REPORT FOR STATEMENTS A, E AND F [at audit date only]

Jan-2013

INDEPENDENT AUDITOR'S REPORT FOR STATEMENTS B, C AND D [at audit date only]

Jan-2013

PART I

STATEMENT

A	Statement of financial position	Jan-2013
B	Statement of net allowable assets and risk adjusted capital	Jan-2013
C	Statement of early warning excess and early warning reserve	Jul-2013
D	Statement of free credit segregation amount	Mar-2017
E	Statement of income and comprehensive income	Jan-2013
F	Statement of changes in capital and retained earnings (corporations) or undivided profits (partnerships)	Feb-2011
G	Opening IFRS statement of financial position and reconciliation of equity²	Jan-2013
	Notes to the Form 1 financial statements	Feb-2011

PART II^{3,4}

REPORT ON COMPLIANCE FOR INSURANCE, SEGREGATION OF SECURITIES, AND GUARANTEE/GUARANTOR RELATIONSHIP RELIED UPON TO REDUCE MARGIN REQUIREMENTS DURING THE YEAR	Feb-2011
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7	Analysis of overdrafts, loans, securities loaned and repurchase agreements	Oct-2015
7A	Cash and securities borrowing and lending arrangements concentration charge	Oct-2015
9	Concentration of securities	Feb-2011

~~Apr-2017~~ [May-2017](#)

IIROC Notice 17-0102 – Rules Notice – Notice of Approval/Implementation – Housekeeping amendments to remove Statement G of Form 1 and corollary amendments to Form 1

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15	Supplementary information ⁴²	Feb-2011

Note 1: ~~The “Separate Certificate of UDP and CFO on Statement G of Part I” is not part of an audited Form 1 submission and the name of this certificate will not appear in the “Table of Contents” on the electronic or hardcopy version of an audited Form 1 submission.~~

Note 2: ~~“Statement G, Opening IFRS statement of financial position and reconciliation of equity”, is not part of an audited Form 1 submission and the name of this statement will not appear in the Table of Contents on the electronic or hardcopy version of an audited Form 1 submission.~~

~~Note 3:~~ Schedules 2C, 2D, 3, 3A, 4B, 8 and 12A have been eliminated.

Note ⁴²: “Schedule 15, Supplementary information”, is not part of an audited Form 1 submission and the name of this schedule will not appear in the “Table of Contents” on the electronic or hardcopy version of an audited Form 1 submission.

~~Apr-2017~~ May-2017

FORM 1 - GENERAL NOTES AND DEFINITIONS**GENERAL NOTES:**

1. Each Dealer Member must comply with the requirements in Form 1 as approved and amended from time to time by the board of directors of the Investment Industry Regulatory Organization of Canada (the Corporation).

Form 1 is a special purpose report that includes financial statements and schedules, and is to be prepared in accordance with International Financial Reporting Standards (IFRS), except as prescribed by the Corporation.

Each Dealer Member must complete and file all of these statements and schedules.

~~The pre-IFRS changeover Joint Regulatory Financial Questionnaire and Report must be used by Dealer Members who have elected to defer the adoption of IFRS and have received written approval of the deferral from the Corporation.~~

2. The following are Form 1 IFRS departures as prescribed by the Corporation:

	Prescribed IFRS departure
Client and broker trading balances	For client and broker trading balances, the Corporation allows the netting of receivables from and payables to the same counterparty. A Dealer Member may choose to report client and broker trading balances in accordance with IFRS.
One-time transitional relief	As a one-time transitional relief for the first Form 1 prepared under the basis of IFRS with prescribed departures and prescribed accounting treatments, the Corporation does not require comparative financial data. In addition, the Corporation does not require the opening IFRS balance sheet as part of the first Form 1 prepared under the basis of IFRS with prescribed departures and prescribed accounting treatments. And as such, the Dealer Member is not required to provide the reconciliation between previous Canadian GAAP and IFRS. The Corporation requires that the preparation of the opening balance sheet is as at the conversion date (the first day of the first fiscal year under IFRS). A Dealer Member will file the opening balance sheet as Statement G and as stipulated by the Corporation, which is prior to the filing of the first monthly financial report (MFR) prepared under IFRS with prescribed departures and prescribed accounting treatments.
Preferred shares	Preferred shares issued by the Dealer Member and approved by the Corporation are classified as shareholders' capital.
Presentation	Statements A and E contain terms and classifications (such as allowable and non-allowable assets) that are not defined under IFRS. For Statement E, the profit (loss) for the year on discontinued operations is presented on a pre-tax basis (as opposed to after-tax). In addition, specific balances may be classified or presented on Statements A, E and F in a manner that differs from IFRS requirements. The General Notes and Definitions, and the applicable Notes and Instructions to the Statements of Form 1, should be followed in those instances where departures from IFRS presentation exist. Statements B, C, and D are supplementary financial information, which are not statements contemplated under IFRS.
Separate financial statements on a non-consolidated basis	Consolidation of subsidiaries is not permitted for regulatory reporting purposes, except for related companies that meet the definition of a "related company" in Dealer Member Rule 1 and the Corporation has approved the consolidation. Because Statement E only reflects the operational results of the Dealer Member, a Dealer Member must not include the income (loss) of an investment accounted for by the equity method.

~~Dec 2015~~ May 2017

FORM 1 - GENERAL NOTES AND DEFINITIONS [Continued]

Statement of cash flow	A statement of cash flow is not required as part of Form 1.
Subordinated loan	For regulatory reporting purposes, a subordinated loan must be reported at face value. Discounting of the subordinated loan amount is not permitted.
Valuation	The “market value of securities” definition remains unchanged from the pre-IFRS changeover Joint Regulatory Financial Questionnaire and Report.

3. The following are Form 1 prescribed accounting treatments based on available IFRS alternatives:

	Prescribed accounting treatment
Hedge accounting	Hedge accounting is not permitted for regulatory reporting purposes. All security and derivative positions of a Dealer Member must be marked-to-market at the reporting date. Gains or losses of the hedge positions must not be deferred to a future point in time.
Securities owned and sold short as held-for-trading	A Dealer Member must categorize all inventory positions as held-for-trading financial instruments. These security positions must be marked-to-market. Because the Corporation does not permit the use of the available for sale and held-to-maturity categories, a Dealer Member must not include other comprehensive income (OCI) and will not have a corresponding reserve account relating to marking-to-market available for sale security positions.
Valuation of a subsidiary	A Dealer Member must value subsidiaries at cost.

4. These statements and schedules are prepared in accordance with the Dealer Member rules.
5. For purposes of these statements and schedules, the accounts of related companies that meet the definition of a “related company” in Dealer Member Rule 1 may be consolidated.
6. For the purposes of the statements and schedules, the capital calculations must be on a trade date reporting basis unless specified otherwise in the Notes and Instructions to Form 1.
7. Dealer Members may determine margin deficiencies for clients, brokers and dealers on either a settlement date basis or trade date basis. Dealer Members may also determine margin deficiencies for *acceptable institutions, acceptable counterparties*, regulated entities and investment counselors’ accounts as a block on either a settlement date basis or trade date basis and the remaining clients, brokers and dealer accounts on the other basis. In each case, Dealer Members must do so for all such accounts and consistently from period to period.
8. Comparative figures on all statements are only required at the audit date. ~~As a transition exemption for the changeover to International Financial Reporting Standards (IFRS) from Canadian Generally Accepted Accounting Principles (CGAAP), Dealer Members are not required to file comparative information for the preceding financial year as part of the first audited Form 1, which is based on IFRS except for prescribed departures and prescribed accounting treatments stipulated in the general notes and definitions of Form 1.~~
9. All statements and schedules must be expressed in Canadian dollars and must be rounded to the nearest thousand.
10. Supporting details should be provided – as required - showing breakdown of any significant amounts that have not been clearly described on the statements and schedules.
11. **Mandatory security counts.** All securities except those held in segregation or safekeeping shall be counted once a month, or monthly on a cyclical basis. Those held in segregation and safekeeping must be counted once in the year in addition to the count as at the year-end audit date.

DEFINITIONS:

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~~Dec-2015~~ May-2017

**FORM 1—SEPARATE CERTIFICATE OF UDP AND CFO ON STATEMENT G OF PART I—
OPENING IFRS STATEMENT OF FINANCIAL POSITION AND RECONCILIATION OF EQUITY**

(Dealer Member Name)

We have examined the attached Statement G and certify that, to the best of our knowledge, it has been prepared in accordance with its accompanying notes and instructions and represents the opening IFRS financial position and reconciliation of equity between Canadian Generally Accepted Accounting Principles (CGAAP) and International Financial Reporting Standards (IFRS), except for prescribed departures and prescribed accounting treatments as stipulated in the

general notes and definitions of Form 1,

of _____ at _____
(Dealer Member) (IFRS conversion date)

We acknowledge that as management we are responsible for the preparation and fair presentation of the opening IFRS financial position in accordance with our regulatory financial reporting obligations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements. On this basis, certify the following statements are true and complete:

1. We updated the written accounting policies and procedures to reflect the adoption of IFRS, except for prescribed regulatory accounting departures and prescribed accounting treatments, where alternatives exist as stipulated in the general notes and instructions of Form 1.
2. Based on our knowledge and having exercised reasonable diligence, we performed an analysis and financial statement impact assessment of the changeover from CGAAP to IFRS to determine whether we have identified all accounting and reporting changes appropriate for our business and material adverse capital implications.
3. We selected and adopted the appropriate IFRS 1 optional exemptions and mandatory exceptions for a Dealer Member, including the prescribed departures and prescribed accounting treatments as set out in the general notes and instructions of Form 1.
4. Based on our knowledge and having exercised reasonable diligence, we identified and disclosed all of the IFRS adjustments that impact retained earnings. For material adjustments, we provided an explanation of the effect and implications of the transition to IFRS, including any accompanying material impact on risk adjusted capital (RAC), by way of a note disclosure.
5. Based on our knowledge and having exercised reasonable diligence, we identified and disclosed all of the IFRS adjustments that are presentation differences with no impact on total equity. For material presentation adjustments to non-allowable assets, we considered any accompanying adverse capital implication. For material presentation adjustments, we provided an explanation by way of a note disclosure.

(Ultimate Designated Person)

(date)

(Chief Financial Officer)

(date)

(other Executive, if applicable)

(date)

Feb 2011

FORM 1, PART I—STATEMENT G

(Dealer Member Name)

OPENING IFRS STATEMENT OF FINANCIAL POSITION AND RECONCILIATION OF EQUITY

at

CGAAP Line #	IFRS Line #	REFERENCE	NOTES	CGAAP (date) €\$'000	IFRS ADJUSTMENTS €\$'000	IFRS (date) €\$'000
		LIQUID ASSETS:				
1:	1:	Cash on deposit with <i>acceptable institutions</i>				
2:	2:	Funds deposited in trust for RRSP and other similar accounts				
3:	3:	Cash, held in trust with <i>acceptable institutions</i> , due to free credit ratio calculation				
4:	4:	Variable base deposits and margin deposits with <i>acceptable clearing corporations</i> [cash balances only]				
5:	5:	Margin deposits with regulated entities [cash balances only]				
6:	6:	Loans receivable, securities borrowed and resold				
7:	7:	Securities owned <i>at market value</i>				
8:	8:	Securities owned and segregated due to free credit ratio calculation				
10:	9:	Client accounts				
11:	10:	Brokers and dealers trading balances				
12:	11:	Receivable from carrying broker or mutual fund				
13:	12:	TOTAL LIQUID ASSETS				
		OTHER ALLOWABLE ASSETS (RECEIVABLES FROM ACCEPTABLE INSTITUTIONS):				
14:	13:	Current income tax assets				
15:	14:	Recoverable and overpaid taxes				
16:	15:	Commissions and fees receivable				
17:	16:	Interest and dividends receivable				
18:	17:	Other receivables [provide details]				
19:	18:	TOTAL OTHER ALLOWABLE ASSETS				
		NON-ALLOWABLE ASSETS:				
20:	19:	Other deposits with <i>acceptable clearing corporations</i> [cash or <i>market value</i> of securities lodged]				
21:	20:	Deposits and other balances with <i>non-acceptable clearing corporations</i> [cash or <i>market value</i> of securities lodged]				

[See notes and instructions] Jan 2013

IIROC Notice 17-0102 – Rules Notice – Notice of Approval/Implementation – Housekeeping amendments to remove Statement G of Form 1 and corollary amendments to Form 1

FORM 1, PART I—STATEMENT G

22:	21:	Commissions and fees receivable				
23:	22:	Interest and dividends receivable				
	23:	Deferred tax assets				
	24:	Intangible assets				
24:	25:	Property, plant and equipment				
CGAAP Line #	IFRS Line #	Reference	NOTES	CGAAP (DATE)	IFRS ADJUSTMENTS	IFRS (DATE)
		NON-ALLOWABLE ASSETS [Continued]:				
27:	26:	Investments in subsidiaries and affiliates				
	27:	Advances to subsidiaries and affiliates				
28:	28:	Other assets [provide details]				
29:	29:	TOTAL NON-ALLOWABLE ASSETS				
26:	30:	Finance lease asset				
30:	31:	TOTAL ASSETS				
		CURRENT LIABILITIES:				
51:	51:	Overdrafts, loans, securities loaned and repurchases—				
52:	52:	Securities sold short—at market value				
54:	53:	Client accounts				
55:	54:	Brokers and dealers				
	55:	Provisions				
56:	56:	Current income tax liabilities				
58:	57:	Bonuses payable				
59:	58:	Accounts payable and accrued expenses				
60:	59:	Finance leases and lease-related liabilities				
61:	60:	Other current liabilities [provide details]				
62:	61:	TOTAL CURRENT LIABILITIES				
		NON-CURRENT LIABILITIES:				
	62:	Provisions				
63:	63:	Deferred tax liabilities				
64:	64:	Finance leases and lease-related liabilities				
68:	65:	Non-refundable leasehold inducements				
65:	66:	Other non-current liabilities [provide details]				
69., 70:	67:	Subordinated loans				
66:	68:	TOTAL NON-CURRENT LIABILITIES				
67:	69:	TOTAL LIABILITIES				
		CAPITAL AND RESERVES:				
71:	70:	Issued capital				
	71:	Reserves				

[See notes and instructions] _____ Jan 2013

FORM 1, PART I—STATEMENT G

72:	72:	Retained earnings or undivided profits	-----	-----
73:	73:	TOTAL CAPITAL	-----	-----
74:	74:	TOTAL LIABILITIES AND CAPITAL	-----	-----

~~[See notes and instructions]~~ ~~-----~~ ~~Jan 2013~~

**FORM 1, PART I—STATEMENT G
NOTES AND INSTRUCTIONS**

Instructions

One-time transitional reporting requirement

The opening IFRS Statement A provides a starting point for regulatory accounting under IFRS.

For regulatory reporting, a Dealer Member prepares the opening IFRS Statement of financial position (also known as either the opening IFRS Statement A or the opening balance sheet) as at the conversion date. *Example:* For Dealer Members with a December 2010 year-end, the conversion date is January 1, 2011. Therefore, the opening IFRS Statement A is as at January 1, 2011.

Together with the opening IFRS Statement A, Dealer Members are to provide a reconciliation of the equity between previous CGAAP and IFRS. *Example:* For Dealer Members with a December 2010 year-end, the previous CGAAP Statement A is as at December 31, 2010 and as filed on SIRFF as part of the audited Form 1.

Date of the opening IFRS Statement A

For regulatory reporting, the opening IFRS Statement A is dated as at the conversion date. For example, a Dealer Member with a December 2010 year-end will file an opening Statement A as at January 1, 2011.

Due date to file the opening IFRS Statement A

A Dealer Member will file an opening Statement A **on or before** filing its first MFR for the first fiscal year under IFRS. To accommodate this filing requirement, Dealer Members will be provided 10 weeks following their fiscal year end to file the opening IFRS Statement A and the first MFR under IFRS. The filing requirement for the fiscal year-end audited Form 1 under CGAAP remains at 7 weeks. *Example:* For Dealer Members with a December 2010 year-end, the opening IFRS Statement A and reconciliation of equity must be filed **on or before** the filing of the January 2011 MFR. The audited Form 1 as at December 31, 2010 will be filed within the normal period of 7 weeks. The opening IFRS balance sheet as at January 1, 2011 *and* the January 2011 MFR under IFRS will be filed **on or before** March 15, 2011, which is approximately 10 weeks after the December 2010 year-end.

Management certification

Senior management of the Dealer Member will certify that they have planned and executed the changeover from CGAAP to IFRS in accordance with IFRS 1 and the prescribed regulatory accounting departures and treatments as described in the general notes and definitions of Form 1. The purpose of the management certification is to provide IIROC a basis for its reliance on the completeness and reasonability of adjustments in determining the opening retained earnings under IFRS and for subsequent MFR filings under IFRS.

The ultimate designated person (UDP) and the chief financial officer (CFO) must sign. If the CFO is not an executive or if the UDP and CFO are one, one other executive must sign.

The Dealer Member must submit a certificate with original signatures to IIROC.

Feb 2011

IIROC Notice 17-0102 – Rules Notice – Notice of Approval/Implementation – Housekeeping amendments to remove Statement G of Form 1 and corollary amendments to Form 1

FORM 1, PART I—STATEMENT G
NOTES AND INSTRUCTIONS [Continued]

Notes to the reconciliation

There will be two types of IFRS adjustments:

1. Presentation differences with no impact on total equity and
2. Adjustments that will impact retained earnings.

Adjustments made to restate the opening Statement A from previous CGAAP to IFRS are generally made

to retained earnings (or if appropriate, another category of equity).

For material adjustments, Dealer Members will provide an explanation of the effect and implications of the transition to IFRS, including any accompanying material impact on risk adjusted capital (RAC). The explanations will be in the form of note disclosures.

A material adjustment means an adjustment—either individually or in the aggregate—that result in equal to or greater than 10% change (increase or decrease):

- in the retained earnings as filed on SIRFF with the audited Form 1 prepared under CGAAP and/or
- in the risk adjusted capital (RAC) as filed on SIRFF with the audited Form 1 prepared under CGAAP.

Mapping of the line items on Statement A

Statement A has been reformatted to accommodate the required IFRS changes, including new terminology and the addition (as well as the deletion) of line items. To assist Dealer Members in completing the opening IFRS Statement A, a mapping of the line items under the old CGAAP format to the new IFRS format is provided.

Feb 2011