

**INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**  
**AMENDMENTS TO REMOVE STATEMENT G OF FORM 1 AND COROLLARY AMENDMENTS TO FORM 1**  
**CLEAN COPY OF AMENDMENTS TO FORM 1**

The following documents have been removed from Form 1:

- 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

A clean copy of the amended Table of Contents and General Notes and Definitions is as follows:

**FORM 1 - TABLE OF CONTENTS**

_____		
(Dealer Member Name)		
_____		
(Date)		
		<i>Updated</i>
GENERAL NOTES AND DEFINITIONS		May-2017
CERTIFICATE OF UDP AND CFO		Jan-2013
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
Notes to the Form 1 financial statements		Feb-2011
PART II <sup>1</sup>		
REPORT ON COMPLIANCE FOR INSURANCE, SEGREGATION OF SECURITIES, AND GUARANTEE/GUARANTOR RELATIONSHIP RELIED UPON TO REDUCE MARGIN REQUIREMENTS DURING THE YEAR		Feb-2011
SCHEDULE		
1 Analysis of loans receivable, securities borrowed and resale agreements		Oct-2015
2 Analysis of securities owned and sold short at market value		Mar-2017
2A Margin for concentration in underwriting commitments		Feb-2011
2B Underwriting issues margined at less than the normal margin rates		Feb-2011
4 Analysis of clients' trading accounts long and short		Mar-2017
4A List of ten largest value date trading balances with acceptable institutions and acceptable counterparties		Feb-2011
5 Analysis of brokers' and dealers' trading balances		Feb-2011
6 Income taxes		Feb-2011
6A Tax recoveries		Jul-2013
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
10 Insurance		Feb-2011
11 Unhedged foreign currencies calculation		Feb-2011
11A Details of unhedged foreign currencies calculation for individual currencies with margin required greater than or equal to \$5,000		Jul-2013
12 Margin on futures concentrations and deposits		Apr-2017
		<i>May-2017</i>

***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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13	Early warning tests - Level 1	Jul-2013
13A	Early warning tests - Level 2	Jul-2013
14	Provider of capital concentration charge	Jan-2013
15	Supplementary information <sup>2</sup>	Feb-2011

Note 1: Schedules 2C, 2D, 3, 3A, 4B, 8 and 12A have been eliminated.

Note 2: "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.

**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.

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

	<b>Prescribed IFRS departure</b>
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.
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.
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:

	<b>Prescribed accounting treatment</b>
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

May-2017

**FORM 1 - GENERAL NOTES AND DEFINITIONS** [Continued]

	(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.
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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