

SCHEDULE C: CAPITAL REQUIREMENTS

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Minimum Capital

Rule 3.1.1 requires Members to maintain minimum capital in the following amounts:

- Level 1 - \$25,000
- Level 2 - \$50,000
- Level 3 - \$75,000
- Level 4 - \$200,000

Financial Filings

Prior to being accepted into membership, applicants must submit an audited MFDA Form 1 Financial Questionnaire and Report (“FQR”) evidencing minimum capital in the amounts outlined above and sufficient risk adjusted capital, calculated in accordance with the FQR, as at a date not more than 90 days prior to the date of the application for membership. The FQR can be found on the MFDA website at www.mfda.ca.

The applicant must also submit unaudited, monthly FQR’s for any month end(s) subsequent to the date of the audited FQR evidencing sufficient risk adjusted capital.

At the time of MFDA staff’s review of the application, staff may request that the applicant complete and submit an additional unaudited FQR. This additional FQR should be prepared as at the applicant’s most recent month end and should evidence the fact that the applicant continues to maintain sufficient risk adjusted capital.

Assistance in Completing the Financial Questionnaire and Report

Please refer to MFDA Bulletin #0057 on the MFDA website. The Bulletin addresses common errors when completing the FQR and provides a list of Frequently Asked Questions. The applicant and the applicant’s auditor should review the complete FQR, including the notes, and this Bulletin *prior to* completing the FQR, as well as after completing the FQR to ensure none of the common errors are contained in the FQR that is to be submitted with the membership application.