

SCHEDULE K:  
POLICIES AND  
PROCEDURES  
MANUAL



## POLICIES AND PROCEDURES MANUAL MINIMUM REQUIREMENTS

Pursuant to Rule 2.10, every Member must establish and maintain written policies and procedures (that have been approved by senior management) for dealing with clients and ensuring compliance with the Rules, By-laws, Policies and applicable securities legislation.

The Applicant's Policies and Procedures Manual ("PPM") should address, at minimum, the following areas outlined in Member Regulation Notice *MR-0008 – Policies and Procedures Manual*. The applicant should check each section as addressed in the PPM, include the page reference where the topic is addressed and submit this schedule with the membership application:

- Compliance Function and Process (page reference: \_\_\_\_\_)
- Branches and Sub-branches (page reference: \_\_\_\_\_)
- Registration Requirements (page reference: \_\_\_\_\_)
- Dual Occupations (page reference: \_\_\_\_\_)
- Trade Names (page reference: \_\_\_\_\_)
- Client Accounts (page reference: \_\_\_\_\_)
  - ✓ New Accounts – including annual written request for updates per Rule 2.2.4 and procedures regarding transfers of account per Rule 2.12
  - ✓ Account Types
  - ✓ Account Supervision
  - ✓ Account Transfers
  - ✓ Money Laundering – refer also to Member Regulation Notice #0029
  - ✓ Transaction Processing
- Business Conduct (page reference: \_\_\_\_\_)
  - ✓ Advertising, Sales Communications and Other Client Communications
  - ✓ Complaints – including complaints reporting per MFDA Policy No. 3 and Bulletin #0050
  - ✓ Referral Arrangements
  - ✓ Limited Trading Authorizations
  - ✓ Borrowing for Securities Purchases
  - ✓ Conflicts of Interest
- Capital Requirements (page reference: \_\_\_\_\_)
- Bonding and Insurance (page reference: \_\_\_\_\_)
- Dealer Trust Accounts (page reference: \_\_\_\_\_)
- Books and Records (page reference: \_\_\_\_\_)

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Other topics not specifically addressed in MR-0008 that should also be addressed include, *but are not limited to*, the following:

- Requirement for all existing and new Approved Persons to sign a Schedule G (page reference:\_\_\_\_\_)
- Requirement to submit Notification of Termination (for cause) to the MFDA within required timeframe, pursuant to Rule 1.2.6 (for further guidance refer to MFDA Bulletin #0058 – *Rule 1.2.6 –Notification of Termination of Approved Persons*) (page reference:\_\_\_\_\_)
- Compliance Officer report, at least on an annual basis, on status of compliance to the Board of Directors or partners; format of report, policies and procedures for acting on the annual report and rectifying compliance deficiencies noted in the report, pursuant to Rule 2.5.2(b). (page reference:\_\_\_\_\_)
- 90-Day Training Program pursuant to MFDA Policy No. 1 and Rule 1.2.1(c) (page reference:\_\_\_\_\_)
- Client Reporting (refer to Rule 5.3, Member Regulation Notice *MR-0024*) (page reference:\_\_\_\_\_)