

### EMD selling related party products

- The mind and management of the EMD is similar to that of the investment products marketed
- There is an on-going relationship with the investors
  - Through subsequent investments
  - Periodic reports to investors

Typically: Mortgage investment entities, mortgage investment corporations, payroll loan companies.



---

---

---

---

---

---

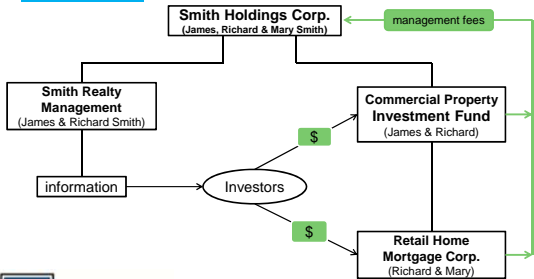
---

---

### EMD selling related-party products

EMD Registrant

Related Issuers



---

---

---

---

---

---

---

---

### Current disclosure requirements

Relationship Disclosure Document must describe:

- Relationship between the EMD & Issuers
- transaction costs – if any
- operating costs for the account – if any
- compensation it receives for client purchases (i.e. commissions or management fees)



---

---

---

---

---

---

---

---

### July 2014 disclosure requirements

- **Benchmarks**
  - General explanation of benchmarks
  - If used – benchmarks must be relevant
- **Pre-trade disclosure of any charges**
  - Transaction and other potential charges
    - in the RDI document
    - and before or at the time of the trade
- RDI disclosure to permitted clients who are **Individuals**



---

---

---

---

---

---

---

---

### July 2015 disclosure requirements

- Quarterly client statements must include:
- **Cost of holding securities**
    - original cost (including transaction costs) OR
    - book cost (adjusted for reinvestment, return of capital)
  - **Holdings to which early redemption costs apply**
  - **If account has investor protection**
    - Certain RSP accounts may have CDIC coverage



---

---

---

---

---

---

---

---

### July 2016 disclosure requirements

- **Annual compensation report**
- **Investment performance report**
  - Dollar-weighted performance



---

---

---

---

---

---

---

---

CMR2 Transition Scenarios  
Registration Outreach Workshop  
February 20, 2014

Questions?



---

---

---

---

---

---

---

---