

Dual Registered Firm - Guide

Introduction

This is a guide to assist with the application by existing firm(s) or new applicants to become registered as both an investment dealer (**ID**) and a mutual fund dealer (**MFD**) (**dual registered firm**). The guide focuses primarily on the filing obligations associated with National Instrument 33-109 *Registration Information* (**NI 33-109**) and its associated forms on the National Registration Database (**NRD**).

There are separate steps associated with becoming a Member Firm and Approved Person of the New SRO. For further information regarding these steps, please consult the New SRO Interim Rules Frequently Asked Questions ([New SRO FAQ](#)) and Dual-Registration [Questionnaire](#).

The process to become a dual registered firm with the CSA and a member with the New SRO involve separate requirements:

- registration requirements under NI 33-109 and NI 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), and
- firm membership and individual approval under the Investment Dealer and Partially Consolidated Rules (**New SRO Rules**).

Please note that, due to limitations with the current NRD system, a dual registered firm will be required to operate with two NRD numbers even though the dual registered firm is a single legal entity. It will have one NRD number for the ID business and another for the MFD business.

This guide is divided into two parts. **Part A** discusses the process of becoming a dual registered firm under various scenarios:

- firms combining operations (an existing ID and an existing MFD, each with an existing NRD number),
- firms with one registration adding another registration (i.e., an existing ID or existing MFD with an existing NRD number that would like to add the other registration category), and
- new firms (no existing registration or NRD number).

Part B discusses making subsequent filings once a firm has become a dual registered firm.

PART A. INITIAL STEPS – BECOMING A DUAL REGISTERED FIRM

For firms combining operations (an existing ID and an existing MFD, each with an existing NRD number)

Step	Firm Action
SRO Membership Process for Dual Registered Firms	<p>Firms will be required to submit a membership questionnaire that provides information on their plans to operate as both an ID and an MFD, along with their business plan and applicable supporting documents to the New SRO.</p> <p>Note that the submission to the New SRO is a separate process from the CSA registration processes required by NI 33-109.</p>
Update Registration Information	<p>The firms should contact the ID and MFD’s principal regulator (PR) via letter indicating that they intend to become a dual registered firm, including a timeline of key events and a description of the manner in which the firms will combine. A copy of the letter can be sent to both PRs if they are not the same regulator.</p> <p>The dual registered firm may need to update their registration information depending on the details surrounding the combination. For example, the firm may need to update ownership charts, changes in address or agent for service, or a change in head office.</p> <p>These updates should be made under the ID’s NRD number using Form 33-109F5 <i>Change of Registration Information (F5)</i> and filed with the ID PR.</p> <p>In the F5 filing, the firm should also make the following changes to the information in the firm’s Form 33-109F6 <i>Firm Registration (F6)</i>:</p> <p>Under item 1.1 <i>Firm’s full legal name</i>, the firm should list two division names as follows:</p> <ul style="list-style-type: none"> • ABC INC. (Investment dealer division) • ABC INC. (Mutual fund dealer division) <p>For administrative purposes, the ID division should be listed first.</p> <p>Under item 1.2 <i>Firm’s NRD Number</i>, the firm should list the two NRD numbers with the ID’s NRD number being listed first.</p> <p>Under item 3.2 <i>Other Names</i>, the firm should list both division names.</p> <p>Firms that are combining through statutory amalgamation will not be required to add an additional category of registration for the amalgamated entity to become a dual registered firm.</p> <p>For firms that are not combining by statutory amalgamation, the ID firm should submit an F6 to their PR, pursuant to item 1.3 <i>Why are you submitting this form</i>, box #3, to add one or more categories to the firm’s registration as well as any required supporting documents.</p>

Step	Firm Action
	<p>In accordance with item 1.3, box #3, the firm is only required to complete questions 1.1, 1.2, 1.4, 1.5, 5.1, 5.4, 5.5, 5.6, 5.7, 5.8, and Part 6 of the F6 (an abbreviated F6).</p> <p>The firm should make the same changes described above with respect to item 1.1 <i>Firm’s full legal name</i>, 1.2 <i>Firm’s NRD Number</i>, and item 3.2 <i>Other Names</i> in the abbreviated F6.</p>
Two NRD Numbers and Updates to NRD Enrollment Information	<p>A dual registered firm will operate with two NRD numbers, one for the ID business and another for the MFD business.</p> <p>For administrative purposes, and to assist with oversight of a dual registered firm’s NRD information, we ask that the ID and MFD’s NRD enrollment information in Forms 1, 2 and 3¹ be updated to reflect the firm’s legal name as indicated below.</p> <p>The NRD enrollment information associated with the ID’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as: “ABC Inc. (investment dealer division)” <p>The NRD enrollment information associated with the MFD’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as: “ABC Inc. (mutual fund dealer division)” <p>The dual registered firms must also have one Chief Authorized Firm Representative (CAFR) and the same NRD account information (NRD Account) for both NRD numbers.</p> <p>If the existing ID and MFD do not already have the same CAFR and/or NRD Account, they must update the applicable NRD enrollment information using NRD Enrollment Form 2 and/or NRD Form 3, as well as the corresponding updates to NRD Enrollment Form 1.²</p> <p>For example, if the dual registered firm would like to use the CAFR and NRD Account of the ID, the MFD’s NRD enrollment information will be updated and vice versa. If the dual registered firm would like to use a new CAFR and NRD Account, both sets of NRD enrollment information will be updated.</p>

¹ NRD Form 1 – *Enrolment of Firm Filer*; NRD Form 2 – *Enrolment of Chief Authorized Firm Representative*, NRD Form 3 – *NRD Account Holder Authorization for Pre-Authorized Debit*

² NRD Form 1 requires that certain sections correspond to the information provided in Forms 2 and/or 3.

Step	Firm Action
Registered Individuals	<p>The NRD Enrollment Forms can be found here: https://www.nrd-info.ca/enrolment/enrl_index.jsp?lang=en#forms</p> <p>Note that at the time the firms become registered, investment dealer dealing representatives (ID DRs) will remain registered under the ID’s NRD number and mutual fund dealer dealing representatives (MFD DRs) will remain registered under the MFD’s NRD number.</p> <p>In NRD, there will not be a separate New SRO approval category selection under Schedule C of Form 33-109F4 <i>Registration of Individuals and Review of Permitted Individuals (F4)</i> for MFD DRs who are already registered with the dual registered firm as an MFD DR.</p> <p>For further information, please consult the New SRO FAQ.</p> <p>In the event of a firm combination by way of an asset acquisition, where one firm acquires the assets (<i>i.e.</i>, accounts and representatives) of the other firm, each acquired individual should submit a “reportable activities” update on NRD (item 10 – <i>reportable activities</i> of the F4) indicating their registerable activity with the dual registered firm. The individual should use the date that the dual registered firm becomes a dual registered firm as the start date for this activity.</p> <p>The individual should also submit a “previous employment” update on NRD (item 11 – <i>previous employment and other activities</i> of the F4) for their activity as either an ID DR or MFD DR with their prior firm whose assets were acquired. The individual should indicate that the reason why the individual ceased the activity is that the predecessor firm was acquired by the dual registered firm on a specified date.</p> <p>For example, if the individual was registered previously with the MFD and is acquired by the ID, they would update the reportable activities information to indicate their role at “ABC Inc. (mutual fund dealer division)”. Under the previous employment filing, they would indicate their role under the MFD business prior to it becoming part of the dual registered firm.</p> <p>Note that item 10 - <i>reportable activities</i> and item 11- <i>previous employment and other activities</i> updates can be made under one filing on NRD.</p> <p>Individuals currently registered with the acquiring firm are not required to file an item 10/11 update, unless there are changes to the reportable activity information already provided.</p> <p>Where the firms combine through statutory amalgamation, neither set of registered individuals (ID DRs or MFD DRs) are required to file an item 10/11 update, unless there are changes to the reportable activity information already provided.</p> <p>See PART B below for adding new registered individuals.</p>
Investment Dealer – Dealing	<p>An existing ID may have sponsored individuals who are registered as ID DRs, dealing in mutual funds only (ID DR Mutual Funds Only). These individuals are in the process of becoming an ID DR who trades in product types other than mutual funds.</p>

Step	Firm Action
Representatives – Mutual Funds Only ³	<p>Once a firm becomes a dual registered firm, it can no longer sponsor an ID DR Mutual Funds Only. These individuals will need to either upgrade to an ID DR (who is not restricted to mutual funds only) or transfer to the MFD’s NRD number as an MFD DR.</p> <p>An individual can become an ID DR who trades in product types other than mutual funds if they are eligible under the New SRO Rules and file a Form 33-109F2 <i>Change or Surrender of Individual Category (F2)</i> to remove the “mutual funds only” selection under products of Schedule C of the F4 and select the new type of product they will be dealing in.</p> <p>In order to transfer an ID DR Mutual Funds Only to the MFD’s NRD number, the individual must first file a “registration with an additional sponsoring firm” application on NRD. Once this is ready to be approved by the PR, the individual must file a Form 33-109F1 <i>Notice of End of Individual Registration Status or Permitted Individual Status (NOE)</i> terminating their registration with the ID’s NRD number.</p> <p>The firm can take these steps prior to applying for dual registered firm status or during the process of application.</p>
Permitted Individuals (including Ultimate Designated Persons (UDPs) and Chief Compliance Officers (CCOs) (PI)	<p>A PI that is already associated with one of the firm’s NRD numbers must submit a “registration with an additional sponsoring firm” application on NRD to add the other NRD number.</p> <p>See PART B below for adding new PIs.</p>
Additional Considerations	<p><i>Notice under 11.9 or 11.10 of NI 31-103</i></p> <p>If the firm combines through a share or asset acquisition, a section 11.9 or 11.10 filing under NI 31-103 may be required depending on the structure of the combination.</p> <p><i>Surrender of Registration</i></p> <p>If the firms do not combine via statutory amalgamation and one of the firms will cease to exist or no longer require registration, a surrender of registration application must be submitted to the surrendering firm’s PR. We will generally accept the surrender if all financial obligations to clients have been met and it is not contrary to the public interest.</p> <p><i>More than one CCO or UDP</i></p>

³ See Schedule C – Individual Categories (Item 6) of the F4

Step	Firm Action
	<p>If the dual registered firm intends to have more than one CCO or UDP, the firm must apply for exemptive relief under NI 31-103. In this case, the dual registered firm may not be required to take the “add sponsoring firm” step described above under ‘Permitted Individuals (including UDP and CCOs)’ if the intention is that the UDP and/or CCO will only be associated with an ID or MFD division.</p> <p><i>Terms and Conditions</i></p> <p>If either firm is subject to terms and conditions (T&Cs), the T&Cs will be added to both firm’s NRD profiles and appear on the National Registration Search.</p>

For firms with one registration adding another registration (i.e., an existing ID or MFD with an existing NRD number that would like to add the other registration category)

Step	Firm Action
SRO Membership Process for Dual Registered Firm	Firms will be required to submit a membership questionnaire that provides information on their plans to operate as both an ID and an MFD, along with their business plan and applicable supporting documents to the New SRO.
Update Registration Information	<p>The firm should contact its PR via letter indicating that it intends to become a dual registered firm by adding an additional category, including a timeline of key events.</p> <p>The firm should submit an abbreviated F6 to add the additional category of registration.</p> <p>The abbreviated F6 should indicate any changes to the firm’s registration information associated with adding the additional registration category. The dual registered firm may need to make further updates to their registration information depending on the details of the business decision to add an additional category.</p> <p>Under item 1.1 <i>Firm’s full legal name</i>, the firm should list two division names as follows:</p> <ul style="list-style-type: none"> • ABC INC. (Investment dealer division) • ABC INC. (Mutual fund dealer division) <p>For administrative purposes, the ID division should be listed first.</p> <p>Under item 1.2 <i>Firm’s NRD Number</i>, the firm should list the two NRD numbers with the ID’s NRD Number being listed first.</p> <p>Under item 3.2 <i>Other Names</i>, the firm should list both division names.</p>
NRD Enrollment	The firm must update their NRD enrollment information and submit new NRD enrollment forms to add a second NRD number for the second registration category.

Step	Firm Action
	<p>The dual registered firms must have one CAFR and the same NRD Account for both NRD numbers.</p> <p>The dual registered firm can reflect this in the new NRD enrollment form it submits for its second NRD number by using its current CAFR and/or NRD Account. If the dual registered firm wants to use a new CAFR or NRD Account, it will need to update this information in its existing NRD enrolment information.</p> <p>For administrative purposes, and to assist with oversight of a dual registered firm’s NRD information, we ask that both sets of NRD enrollment information in Forms 1, 2 and 3 be updated to reflect the firm’s legal name as indicated below.</p> <p>The NRD enrollment information associated with the ID’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as: “ABC Inc. (investment dealer division)” <p>The NRD enrollment information associated with the MFD’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as “ABC Inc. (mutual fund dealer division)”
Registered Individuals	<p>Initially, when the firm becomes a dual registered firm, their existing DRs will remain registered under their applicable NRD Number (<i>i.e.</i>, MFD DRs will remain registered under the MFD NRD number and vice versa).</p> <p>In NRD, there will not be a separate New SRO approval category selection under Schedule C of the F4 for MFD DRs who are already registered with the dual registered firm as an MFD DR.</p> <p>For further information, please consult the New SRO FAQ.</p> <p>See PART B below for adding new registered individuals.</p>
Investment Dealer – Dealing Representatives – Mutual Funds Only	<p>An existing ID that is adding the MFD category may have sponsored individuals who are registered as ID DR Mutual Funds Only.</p> <p>Once a firm becomes a dual registered firm, it can no longer sponsor an ID DR Mutual Funds Only. These individuals will need to either upgrade to an ID DR (who is not restricted to mutual funds only) or transfer to the MFD’s NRD number as an MFD DR.</p>

Step	Firm Action
	<p>Note that the firm will need to complete their NRD enrollment, as described above. The individuals being transferred to the MFD's NRD number will be in a pending state until the dual registered firm application is finalized.</p> <p>In order to transfer an ID DR Mutual Funds Only to the MFD's NRD number, the individual must first file a "registration with an additional sponsoring firm" application on NRD. Once this is ready to be approved by the PR, the individual must file an NOE terminating their registration with the ID's NRD number.</p> <p>The firm can take these steps prior to applying for dual registered firm status or during the process of application.</p>
Permitted Individuals	<p>A PI that is already associated with the firm's NRD number must submit a "registration with an additional sponsoring firm" application on NRD to add the other NRD number.</p> <p>See PART B below for adding new PIs.</p>

For new firms (no existing registration or NRD number)

Step	Firm Action
SRO New Membership Application	Firms will be required to submit a Membership Application and applicable supporting documents to the New SRO for membership as a dual registered firm.
Registration Information	<p>The firm should submit anF6 in its entirety, as well as any supporting documents to the PR, and provides a copy to the New SRO Staff.</p> <p>The firm must indicate that it is seeking initial registration, and under item 1.4, indicate the jurisdictions that the firm will be operating in as an ID and/or MFD.</p> <p>Under item 1.1 <i>Firm's full legal name</i>, the firm should list two division names as follows:</p> <ul style="list-style-type: none"> • ABC INC. (Investment dealer division) • ABC INC. (Investment dealer division) <p>For administrative purposes, the ID division should be listed first.</p> <p>Under item 1.2 <i>Firm's NRD Number</i>, the firm should list the two NRD numbers, with the ID's NRD number coming first after completing their NRD enrollment forms (see below).</p> <p>Under item 3.2 <i>Other Names</i>, the firm should list both division names.</p>

Step	Firm Action
NRD Enrollment	<p>The firm must file two sets of NRD enrollment forms. One for each of the ID and MFD divisions.</p> <p>The NRD enrollment information associated with the ID’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as: “ABC Inc. (investment dealer division)” <p>The NRD enrollment information associated with the MFD’s NRD number should indicate the firm’s legal name as follows:</p> <ul style="list-style-type: none"> • Firm legal name: “ABC Inc.” • Appears on NRD as: “ABC Inc. (mutual fund dealer division)” <p>The dual registered firms must have one CAFR and one NRD Account which should be reflected on both sets of NRD enrollment forms.</p>
Registered Individuals	See PART B below for adding new registered individuals.
Permitted Individuals	See PART B below for adding new PI.

PART B. MAINTAINING A DUAL REGISTERED FIRM REGISTRATION – ONGOING STEPS FOR DUAL REGISTERED FIRMS

Step	Firm Action
Adding a New Registered Individual	<p>Depending on their eligibility, an individual may be sponsored by the firm via filing an F4 or Form 33-109F7 <i>Reinstatement of Registered Individuals and Permitted Individuals (F7)</i>.</p> <p>Applicants for registration as an ID DR should apply for registration under the ID’s NRD number. Applicants for registration as an MFD DR should apply for registration under the MFD’s NRD Number.</p> <p>Under “reportable activities”, each applicant should indicate their roles with the dual registered firm division.</p> <p>An individual cannot be registered as both an ID DR and MFD DR. However, a PI can be registered as either an ID DR or MFD DR.</p>

Step	Firm Action
	<p>A dual registered firm cannot sponsor an ID DR Mutual Funds Only on NRD. Individuals who intend to trade only in mutual funds must be registered as an MFD DR under the dual registered firm’s MFD NRD number.</p> <p>If an MFD DR decides to trade in other product types at a later date, the individual must become an ID DR by applying under the ID’s NRD number using the F4 and selecting the appropriate product type under Schedule C of the F4 and then filing an NOE on NRD under the MFD’s NRD Number.</p> <p>In order to be eligible to trade in other product types, the individual must comply with the proficiency requirements set out in the New SRO Rules.</p>
Adding a New Permitted Individual	<p>Depending on their eligibility, a PI may be sponsored by the firm using the F4 or F7. For administrative purposes, a PI must submit the F4 or F7 under the ID’s NRD number first and wait for the PI to be approved under the ID’s NRD number.</p> <p>After approval under the ID’s NRD number, the PI must submit a “registration with an additional sponsoring firm” application on NRD to add the PI to the MFD’s NRD number.</p>
IIROC Executives	<p>Some individuals may be considered an Executive within the meaning of the New SRO Rules. For such individuals, an F4 application as an Executive needs to be filed under the ID’s NRD number of the firm, for review and approval by the New SRO.</p>
IIROC Supervisors	<p>MFD Branch Managers who are Supervisors within the meaning of the New SRO Rules may need to apply for approval as a Supervisor. For any such individuals, an F4 application as a Supervisor needs to be filed under the ID’s NRD number of the firm for review and approval by the new SRO. Please refer to question 33 of the New SRO FAQ and the relevant interim rules.</p>
Updating Firm Information	<p>The firm should make updates to their previously provided registration information contained in the F6 by filing an F5 under their ID registration (NRD number) with their PR.</p> <p>Under the section “NRD Number” in the F5, the firm should list both of their NRD numbers with the ID NRD number listed first.</p> <p>The information contained in the update will be used to update both the ID and MFD firm information on NRD by the regulators.</p> <p>If the firm becomes subject to T&Cs, such T&Cs will be added to both firm NRD profiles.</p>
Updating Individual Information	<p>Individuals are expected to update their information by filing an F5 on NRD. ID DR updates are filed under the firm’s ID NRD number and MFD DR updates are filed under the firm’s MFD NRD number.</p> <p>PIs should update their information under the ID’s NRD number and their permanent record will be updated for both NRD numbers</p>
Change or Surrender Individual Registration Categories	<p>Where an individual wants to change or surrender an individual registration category, the individual must file an F2 with the applicable NRD number. ID DRs will be filed with the ID’s NRD number and MFD DRs will be filed with the MFD’s NRD number.</p>

Step	Firm Action
	<p>Individuals changing New SRO approval categories should also consult the New SRO FAQ with respect to their obligations as an Approved Person.</p> <p>Individuals may transfer between the ID and MFD NRD number. When transferring from an MFD DR to an ID DR, the individual must file an F4 under the ID's NRD number. Once this is ready to be approved by the PR, the individual must file an NOE terminating their registration with the MFD's NRD number. When transferring from an ID DR to a MFD DR, the individual must file a "registration with an additional sponsoring firm" application on NRD under the MFD's NRD number. Once this is ready to be approved by the PR, the individual must file an NOE terminating their registration with the ID's NRD number.</p> <p>For PIs filing an F2 (including CCOs and UDPs), they should file with the NRD number that is being impacted. For example, if the CCO of the dual registered firm is adding ID DR, file the F2 with the ID's NRD number. If the CCO is adding MFD DR, file the F2 with the MFD's NRD number.</p> <p>If the individual is adding the category of PI (including UDP or CCO), they should add it with the ID's NRD number first and wait for the PI to be approved under the ID's NRD number. After approval under the ID's NRD number, the PI must submit a "registration with an additional sponsoring firm" application on NRD to add the PI category to the MFD's NRD number.</p>
Cessation of Registration	<p>If a DR no longer requires registration, they should file an NOE under the applicable NRD number. ID DRs will be filed under the ID's NRD number and MFD DRs will be filed under the MFD's NRD number.</p> <p>If a PI ends their relationship with the dual registered firm, the NOE must be filed under both the ID and MFD NRD numbers.</p>
Adding a Business Location	<p>The firm should add business locations under each applicable NRD number using Form 33-109F3 <i>Business Locations Other Than Head Office</i>.</p> <p>For example, if the business location is only for the ID business, the dual registered firm should add it under ID's NRD number. If the business location is only for the MFD business, the firm should add it under MFD's NRD number. If the business location is for both, the firm should add it under both NRD numbers.</p>