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## GUIDE TO COMPLETING AND FILING A VOLUNTARY SURRENDER APPLICATION

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This guide provides information about how a registered firm can apply for voluntary surrender with the Ontario Securities Commission (**OSC**). The guide also provides references to certain links and documents that may assist during the process.

### Instructions to begin the voluntary surrender process:

We expect a registered firm to file an application to surrender its registration when it ceases (or intends to cease) conducting registerable activities.

When considering a firm's voluntary surrender application, we seek to ensure that satisfactory evidence exists that:

- a) all financial obligations of the person or company to his, her or its clients have been discharged;
- b) all requirements, if any, prescribed by the regulations for the surrender of registration have been fulfilled or the Director is satisfied that they will be fulfilled in an appropriate manner; and
- c) the surrender of the registration is not prejudicial to the public interest.

Please include the following information as part of the voluntary surrender application:

1. An **application letter** *applying* for the voluntary surrender. **\*NB** Applications filed without this letter will not be processed and returned.

There is no specific form or template for the letter. However, please include **all** the following information in the letter:

- (a) a written "**consent to suspension**" of the firm's registration in Ontario;
- (b) the correct categories of the firm
- (c) why the firm has ceased or plans to cease registerable activities
- (d) the date that the firm ceased registerable activities;
- (e) the business activities of the firm in the past (**BOTH** registerable and non-registerable activities);
- (f) description of what happened to the firm's clients (e.g. accounts transferred to another registrant firm, assets liquidated, returned to clients and accounts closed, etc).
- (g) confirmation whether the firm holds or has ever held client assets;
- (h) if operating a fund, whether the fund has been liquidated and assets returned to clients, management of the fund transferred to another registrant, etc.)

- (i) future plan of the firm and its principals (including non-registerable activities)

This letter should be filed through our online portal, which can be accessed [here](#) (scroll down to the "Voluntary surrender" section - see screen shot below)

Please identify the type of document you are filing:

31-103F3 Use of Mobility Exemption  
Delivery of new subordination agreements in the form set out in Appendix B of NI 31-103  
31-103, s. 8.18 and 8.26 notification that an unregistered exempt firm is no longer relying on an exemption from registration  
Notice of reliance on exemption in respect of investment fund trades by advisor to managed account  
32-102F1 Submission to Jurisdiction and Appointment of Agent for Service for International Investment Fund Manager  
32-102F2 Notice of Regulatory Action  
32-102, s. 4 notification that an unregistered exempt firm is no longer relying on an exemption from registration  
32-102, s. 4(3) notification by international IFM of its reliance on exemption from registration under s. 4(1) of MI 32-102 and total Ontario AUM (in CAD)  
32-505F1 Information Report for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario  
33-109F5 Change of Registration Information (Firm Registrant - no fee due, or fee to be paid on NRD)  
33-109F5 Change of Registration Information (Firm Registrant - EFT-exempt registrant)  
33-109F6 Firm Registration (Fee to be paid on NRD)  
33-109F6 Firm Registration (EFT-exempt registrant)  
33-506F5 Change of Registration Information (Firm Registrant - no fee due, or fee to be paid on NRD)  
33-506F5 Change of Registration Information (Firm Registrant - EFT-exempt registrant)  
33-506F6 Firm Registration (Fee to be paid on NRD)  
33-506F6 Firm Registration (EFT-exempt registrant)  
35-101F1 Form of Submission to Jurisdiction and Appointment of Agent for Service of Process by Broker-Dealer  
35-101F2 Form of Submission to Jurisdiction and Appointment of Agent for Service of Process by Agents of the Broker-Dealer  
Custodian compliance reports delivered pursuant to s. 14.6(3) of NI 41-101 General Prospectus Requirement  
Delivery of an offering memorandum or any amendment pursuant to s. 5.4 of OSC Rule 45-501 Ontario Prospectus and Registration Exemptions  
Notice given by a mutual fund manager pursuant to s. 5.8(1) of NI 81-102 Investment Funds  
Custodian compliance reports delivered pursuant to s. 6.7(3) of NI 81-102 Investment Funds  
Compliance reports as required by Part 12 of NI 81-102 Investment Funds  
Notice that a mutual fund is relying on the exemption not to file its financial statements in s. 2.11 of NI 81-106 Investment Fund Continuous Disclosure  
Financial statements filed by non-reporting investment fund issuers as required by Part 2 of NI 81-106 Investment Fund Continuous Disclosure  
Notice given by a manager pursuant to s.3.10(4) of NI 81-107 Independent Review Committee for Investment Funds  
Notice given by an independent review committee pursuant to s.4.5(1) of NI 81-107 Independent Review Committee for Investment Funds  
**Application for voluntary surrender of registration**  
Reports filed by management companies pursuant to s.117(1) of the Securities Act  
Request to Amend Terms or Conditions  
Form or document required to be filed or delivered with respect to terms and conditions imposed or a Commission Order

2. An **Officer's/Director's Certificate**. A sample template is attached.

3. As part of the surrender review process, the firm may also be required to provide the following **additional information**:

- audited financial statements or unaudited interim financial information
- an auditor's comfort letter (see sample attached) dated after registerable activities have ceased OR specified procedures report performed by a licensed public accountant/audit firm to provide evidence that all financial obligations to clients have been discharged.

**To help contribute to a successful and efficient voluntary surrender process, firms should:**

- provide all of the information described above that is required for removing one or more categories of registration;
- ensure that one of either the registrant's key principals (Chief Compliance Officer (**CCO**) or Ultimate Designated Person (**UDP**)) remains with the registrant to complete the surrender;
- ensure that any outstanding fees owing to the OSC have been paid; and
- provide additional information as requested by CRR staff.

All surrender applications are reviewed individually, and the information required in order to accept the firm's voluntary surrender may vary on a case-by-case basis. We will not recommend that the Director approve an application to surrender registration if the information that we

require is not provided to us. Further, where a firm refuses to provide the required information or is otherwise non-cooperative, this may be considered when assessing future firm and/or individual registration applications.

Most voluntary surrender applications take at least **60 working days** to process from the time that a complete application is provided to staff. Please file your complete application as early as possible to avoid delays.

**Officer's Certificate**

I, [Insert name of UDP], the ultimate designated person of [Insert name of firm] (the Firm) represent and provide the following information and documents to the directors of the Commissions listed below as part of the firm's surrender of registrations:

- [Insert Commission name] (the Principal Regulator)
  - [Insert Commission name]
  - [Insert Commission name]
  - [Insert Commission name]  
(collectively, the Commissions)
1. The Firm ceased registrable activities as [Insert registration categories] on [Insert date].
  2. The Firm has discharged its financial obligations to its clients, including to the [Insert as applicable - investment funds/managed accounts etc.] that it formerly managed.
  3. The Firm does not hold client assets.
  4. There are no existing or potential claims or liabilities against the Firm by its clients.
  5. There are no unresolved complaints against the Firm by its clients.
  6. The Firm's [Insert as applicable - audited financial statements / unaudited interim financial information] submitted as part of this surrender application present fairly the financial position of the Firm in accordance with International Financial Reporting Standards or U.S. GAAP.

I represent that the above representations, evidence, information and documents are true, they are not misleading, and they do not omit any fact that is required to be stated or that is necessary to make them not misleading.

I understand that it is an offence under the *Securities Act* or other securities laws applicable to the Commission(s) to make a statement to the Commission(s) that is misleading or untrue.

\_\_\_\_\_  
[Insert name of UDP]

Signed at [Insert city \_\_\_\_\_], in  
the province of [Insert province \_\_\_\_\_]  
on this day of [Insert date \_\_\_\_\_]

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone or email

**Auditor's comfort letter  
(TEMPLATE)**

**Auditor's Report  
on Compliance with the Securities Act**

To the Ontario Securities Commission

We have audited [company name]'s compliance as at December 31, 20xx with the requirement established under section 30 of the *Securities Act* to have discharged all of its financial obligations to its clients. Compliance with the requirement established by the provisions of the *Securities Act* is the responsibility of the management of [company name]. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether [company name] complied with the requirement established by the *Securities Act* referred to above. Such an audit includes examining on a test basis, evidence supporting compliance, evaluating the overall compliance with the *Securities Act*, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, [company name] is in compliance, in all material respects, with the requirement established under section 30 of the *Securities Act*, to have discharged all of its financial obligations to its clients.

(signed) ..... Chartered Accountant

City .....

**Report on Specified Auditing Procedures  
(TEMPLATE)**

To the Shareholders of ABC Investment Management Ltd. (“Registrant”) and the Ontario Securities Commission (“OSC”) [and list other jurisdictions as applicable].

As specifically agreed, we have performed the specified auditing procedures enumerated below in connection with subsection 30 (1) (a) of the *Securities Act* as to the discharge of all financial obligations to clients of the “Registrant” as at [insert date]. The specified auditing procedures are summarized, along with the findings, as follows:

<b>Specified Auditing Procedures Performed<sup>1</sup></b>	<b>Findings<sup>2</sup></b>
We confirmed and obtained from management the list of clients the Registrant serves.	[no exceptions / list exceptions]
We confirmed with ABC Fund [if the Registrant has clients which are investment funds <sup>3</sup> ] and all other clients that all obligations owing to them have been paid up to and as of [insert date].	[no exceptions / list exceptions]
We inspected all legal invoices to determine if any legal claims or actions are in progress.	[no exceptions / list exceptions]
We confirmed with the Registrant’s legal firm that there are no claims or possible claims with respect to which the legal firm’s advice or representation has been sought and which are outstanding.	[no exceptions / list exceptions]
We obtained written representation from management of the Registrant that all obligations to clients have been discharged as at [insert date].	[no exceptions / list exceptions]

Our engagement was performed in accordance with Canadian generally accepted standards for specified auditing procedures engagements.

We make no representation regarding the appropriateness and sufficiency of the specified auditing procedures. These specified auditing procedures do not constitute an audit or review of financial obligations to the Registrant’s clients, and therefore we are unable to and do not provide any assurance as to if the Entity has discharged all of its financial obligations to its clients. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported. The above listed findings relate only to the elements, accounts, items or financial information specified above and does not extend to any of the Registrant’s financial statements taken as a whole.

<sup>1</sup> Outline in detail the procedures performed, including the sample sizes selected and who inquiries were made to (if applicable).

<sup>2</sup> Provide details of any exceptions identified and, if applicable, include a description of any additional procedures performed (e.g. obtain management explanations, etc.). An appendix to the report can be included.

<sup>3</sup> “Investment fund” as defined within the *Securities Act*.

Our report is intended solely for the Shareholders of the Registrant and the OSC and should not be distributed or used by parties other than Shareholders of the Registrant or the OSC.

Chartered Accountants

[Date<sup>4</sup>]

[City], Canada

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<sup>4</sup> Date of the report refers to the completion date of the specified procedures.