

Client Relationship Model

Amendments to Rule 200.1 – Minimum records

1. Rule 200 is amended by renumbering existing subsections 200.1(d) through (n) as subsections 200.1(g) through (q).
2. Rule 200 is amended by adding new subsections 200.1(d), 200.1(e) and 200.1(f) as follows:
 - “(d) Client account cost reports for all accounts other than those held by institutional clients, itemizing security position cost information as follows:
 - (1) For all new security positions added to the account on or after the latest of:
 - (i) [Date of implementation],
 - (ii) The date the account was opened or
 - (iii) If applicable, the date the account was received in by the Dealer Member as a transferred account,the original cost of the position.
 - (2) For all existing security positions in the account as of [Date of implementation], the original cost of the position. Where original cost information is unavailable or is known to be inaccurate, Dealer Members may elect to provide market value information as at [Date of implementation], or as at an earlier date (referred to as “point in time market value”) instead of original cost information, provided that it is done for all similar accounts and as at the same date.

Where the account was received in by the Dealer Member as a transferred account, the market value of the positions as at the date the account was received in via transfer (also referred to as “point in time market value”) may be used instead of original cost.

For each security position, the current market value as at the report date shall be provided as a comparison to the cost information. The basis for costing each position (either original cost or point in time market value) must be disclosed.Client account cost reports shall be sent to clients annually, at a minimum.
 - (e) For all accounts other than those held by institutional clients, client account performance information disclosing the annual and cumulative realized and unrealized income and capital gains in the client’s account. This account performance information shall be sent to clients annually, at a minimum.
 - (f) For all accounts other than those held by institutional clients, client account performance reports itemizing account annualized compound percentage returns for the net performance of the client’s account.

Account annualized compound percentage return information

Where the account has existed for more than one year, account annualized compound percentage return information shall be provided indicating the account’s net performance for the past one, three, five and ten year periods and for the period since account

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inception. Where the account has existed for less than one year, account annualized compound percentage return information shall not be provided.

The report containing the annualized compound percentage return information shall also contain:

- (1) A definition of the term “compound percentage return”; and
- (2) A description of the computational method used in determining the annualized compound percentage return information.

The computational method used in determining annualized compound percentage return information shall be a method acceptable to the Corporation. The report containing account annualized compound percentage return information shall be sent to clients annually, at a minimum.”

3. The Guide to Interpretation of Rule 200.1 is amended by renumbering guide items (d) through (n) as guide items (g) through (q).
4. The Guide to Interpretation of Rule 200.1 is amended by adding new guide items (d) through (f) as follows:

“(d) **“Client account cost reports”**

Reports must include all client account security and other investment product positions held by the Dealer Member for the client in nominee name or physically in client name and all other client account positions for which the Dealer Member continues to receive compensation, subject to the exceptions below.

Where, pursuant to Rule 200.1(d)(2), the original cost information is unavailable and the point in time market value amount cannot be reliably measured for an individual position held, the cost information for the position shall be reported as not determinable.

Where the market value for a particular position cannot be reliably measured, the current market value information for the position shall be reported as not determinable. In such instance, a disclosure in the client account cost report shall inform the client that the information is not determinable and why the information is not determinable.

The information provided in the client account cost report may be provided to the client on either a dollar amount or dollar amount per share basis.

The client account cost report may be provided to the client as part of the client account statement, referred to in Rule 100.2(c), or separately.

(e) **“Cumulative account performance information”**

The cumulative account performance information must be determined based on all client account security and other investment product positions held by the Dealer Member for the client in nominee name or physically in client name and all other client account positions for which the Dealer Member continues to receive compensation, subject to the exceptions below.

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Where there are one or more positions held in the client account for which the current market value is not determinable, the position(s) shall be considered to have no value in the determination of cumulative account performance. In such instance, a disclosure in the cumulative account performance information shall inform the client that the value of the positions has been set at nil for account performance calculation purposes and why. Where multiple accounts of the same client have the same investment objectives, clients may be offered the alternative of portfolio level (portfolio level being a consolidation of all account positions and debit/credit money balances of the same client) cumulative account performance information. Where the client consents to this alternative, the Dealer Member would not be required to provide performance information for each of the accounts included in the portfolio level reporting.

At the option of the Dealer Member, clients may instead be provided with cumulative account performance information that delineates advised/non-advised account positions. The cumulative account performance information may be provided to the client as part of the client account statement, referred to in Rule 100.2(c), or separately.

(f) **“Account annualized compound percentage return information”**

The account annualized compound percentage return information must be determined based on all client security and other investment product positions held by the Dealer Member for the client in nominee name or physically in client name and all other client account positions for which the Dealer Member continues to receive compensation, subject to the exceptions below.

Where there are one or more positions held in the client account for which the current market value is not determinable, the position(s) shall be considered to have no value in the determination of annualized compound percentage returns. In such instance, a disclosure in the annualized compound percentage return information shall inform the client that the value of the position(s) has been set at nil for percentage calculation purposes and why.

At the option of the Dealer Member, clients may be provided with portfolio level (portfolio level being a consolidation of all account positions and debit/credit money balances of the same client) annualized compound percentage return information.

At the option of the Dealer Member, clients may instead be provided with annualized compound percentage return information that delineates advised/non-advised account positions.

Account annualized compound percentage return information may be provided to the client as part of the client account statement, referred to in Rule 100.2(c), or separately.”