



Ontario
Securities
Commission

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CIRO DISCIPLINE: WHAT IT MEANS FOR YOUR REGISTRATION AS A MUTUAL FUND DEALING REPRESENTATIVE

(To be distributed by CIRO to all individuals whose authority to conduct securities related business as an Approved Person of a mutual fund dealer has been suspended, revoked, or prohibited by a CIRO Hearing Panel)

A CIRO Hearing Panel has ordered that your authority to conduct securities related business on behalf of any CIRO Member that is registered as a mutual fund dealer is suspended, revoked, or prohibited. Here is what you need to know:

1. You must be registered under Ontario securities law to sell mutual funds in this province or to residents of this province. CIRO is a self-regulatory organization that establishes rules to govern the conduct of the individuals (known as “Approved Persons” under CIRO rules) and the member firms it oversees, but the OSC is the government agency responsible for the registration of securities professionals under Ontario securities law (sometimes referred to as “licensing”).
2. The Order against you has resulted in the immediate suspension of your registration to sell mutual funds.
3. To regain your registration, you will have to reapply to the OSC once your period of suspension, revocation, or prohibition is over.
4. If you reapply to the OSC within three months of the end of your suspension, revocation, or prohibition period, you will be eligible for a streamlined review process.

Streamlined review process:

- (a) Your application will generally be processed within five business days of it being received by the OSC.
- (b) The OSC will not re-examine the facts that led to your CIRO discipline.
- (c) The OSC will send you a letter proposing that terms and conditions be imposed on your registration that require your sponsoring firm to closely supervise your trading activities, typically for at least one year. These terms and conditions are standard for dealing representatives of mutual fund dealers following a suspension, revocation, or prohibition by CIRO.

- (d) If you and your sponsor firm accept the terms and conditions, your registration will be granted.
- (e) If you contest the terms and conditions, additional time will be required to conduct an administrative proceeding to determine whether they should be imposed, and your application will not be processed within five business days. More information about your options regarding the terms and conditions will be set out in the letter you will receive from the OSC once you have applied.
- (f) Your application to the OSC may be submitted in advance of the end of your suspension, revocation, or prohibition period, but no more than 10 calendar days in advance of that date. You may be instructed to resubmit the application if submitted more than 10 calendar days in advance.

You will not be eligible for the streamlined review process if:

- (a) you do not reapply to the OSC within three months of the end of your suspension, revocation or prohibition;
- (b) your application is incomplete, false, or otherwise misleading;
- (c) you have not complied with all terms and conditions in the CIRO Hearing Panel's Order against you, such as requirements to pay fines or costs, or to complete an education course; or
- (d) information comes to the attention of the OSC that you have engaged in misconduct other than that for which you were disciplined by CIRO.

The OSC will follow the process described above whenever possible. There may be reasons why a streamlined review process cannot be used in a particular case, even if the application otherwise meets the criteria.

All questions regarding the reapplication process must be directed to your sponsoring firm. Please do not direct any questions about the reapplication process to CIRO.