

FAQs re: Former CIPF Disclosure Policy, effective February 10, 2021

(Note: The CIPF Disclosure Policy, effective February 10, 2021 , has been superseded by the CIPF Disclosure Policy, effective January 1, 2023. CIPF member firms are required to comply with the CIPF Disclosure Policy, effective January 1, 2023, no later than December 31, 2024. Until then, CIPF member firms must continue to comply with the disclosure requirements that were applicable to the CIPF member firm immediately prior to January 1, 2023 namely, the CIPF Disclosure Policy, effective February 10, 2021, or MFDA Rule 5.3.2(e) and MSN-0083. All references in a CIPF's member firm's disclosure, website and documentation to a predecessor of the former CIPF will be deemed to be a reference to the CIPF.

See FAQs regarding the CIPF Disclosure Policy, effective January 1, 2023, for more information.)

General

1. What is the relationship between the IIROC rules on CIPF disclosure and the CIPF Disclosure Policy?

IIROC Dealer Member Rule 29.28 (IIROC Rule 2284 as of December 31, 2021) requires member firms to disclose to their customers, in accordance with the CIPF Disclosure Policy, membership in CIPF and the coverage available.

2. What does the CIPF Disclosure Policy mean when it says that “where practical, communication about CIPF coverage must be done in the same language as other communication from the member firm to the customer”?

This means that where it is practical to do so, a member firm must communicate about CIPF in the language that it usually uses in its dealings with a customer. For example, if the member firm usually communicates to a customer in French, communication about CIPF coverage must also be done in French.

3. Can a member firm, who enters into an agreement with a portfolio manager (PM) to provide custodial services to the PM and its customers, provide the PM's contact information on its account statements?

Yes, PM contact information may be included on an account statement. If a member firm includes PM contact information on the account statement, it must appear on the statement as follows:

Portfolio Manager contact information:

- + [Individual representative name and contact details]
- + [Firm name and contact details]

However, a member firm must not place the PM's contact information near the IIROC logo or CIPF Membership Identifier (such as directly above, below or beside it), or in a manner that suggests or implies that CIPF coverage applies to losses arising from the insolvency of a PM.

Where a member firm has entered into a service arrangement with a PM to provide custodial services to the PM and its customers, the following CIPF disclosure must be placed prominently on the front page of the account statement:

This statement is being issued to you by [Dealer Member name].
[Dealer Member name] has agreed to act as the custodian for the assets disclosed on this statement. The assets that may be eligible for CIPF coverage, within specified limits, are limited to those disclosed in this account statement.

This disclosure on the front page is required in addition to the general requirement for member firms to include the CIPF Membership Identifier on the front page and the CIPF Explanatory Statement in all account statements.

Member firms should note that CIPF coverage applies only if the member firm becomes insolvent, not the PM. In accordance with the CIPF Disclosure Policy, member firms must not make any false, misleading, or deceptive statements about the nature or scope of coverage provided by CIPF. This includes suggesting or implying that CIPF coverage applies to losses arising from the insolvency of a PM.

4. What does the CIPF Disclosure Policy mean when it says that “any disclosure about CIPF created by a member firm for broad distribution, other than what is permitted under this Policy, must be approved by CIPF in advance”?

This means that prior approval from CIPF is required for any disclosure that:

- i. Was not created by CIPF,
- ii. Contains disclosure about CIPF other than what is permitted under the CIPF Disclosure Policy (i.e. disclosure other than the CIPF Membership Identifier, CIPF Explanatory Statement, or the disclosure described in s. 4(b)(i) of the CIPF Disclosure Policy), and
- iii. Will be broadly distributed.

Disclosure about CIPF on electronic business sites, including websites and social media, physical business premises, and advertisements are considered by CIPF to be created by a member firm for broad distribution. We would be happy to work with you regarding any disclosure about CIPF that you wish to distribute broadly. Please complete and submit the CIPF Exemption and Approval Request Form available on our website [here](#) to info@cipf.ca.

5. Do I have to notify CIPF if I find out that a related or affiliated non-member firm is making statements about CIPF that are false, misleading or deceptive (collectively referred to as 'false statements')?

Yes. A member firm must notify CIPF if it discovers that any non-member firm with which it has a relationship is making any false statements about the nature or scope of coverage provided by CIPF, including disclosure about CIPF membership. This requirement is only triggered if the member firm becomes aware that the non-member firm is making false statements. A member firm is not required to actively review or monitor statements about CIPF made by related or affiliated non-member firms.

A non-member firm includes a financial services entity regulated by a securities regulatory authority or by another Canadian financial services regulatory regime such as banking, mutual funds, insurance, deposit-taking, or mortgage brokerage activities. For example, a non-member firm in this context could include a portfolio manager (PM) that has a service arrangement with a member firm.

6. Has there been a change to the CIPF Explanatory Statement with the adoption of the current CIPF Disclosure Policy (Current Policy) that came into effect on February 10, 2021?

The two versions of the CIPF Explanatory Statement set out in the prior CIPF Disclosure Policy (effective January 1, 2017 and amended May 1, 2017) remain unchanged and available for use by member firms under the Current Policy.

However, in the Current Policy, CIPF has added the version of the CIPF Explanatory Statement provided in *IIROC Notice 18-0242 – Service arrangements between Dealer Members and Portfolio Managers* (December 20, 2018). All member firms now have the option of using this version of the CIPF Explanatory Statement, which was previously only available for inclusion in account statements where a member firm had a service arrangement with a portfolio manager.

7. How do I request an exemption from a requirement(s) in the CIPF Disclosure Policy? How long will it take for CIPF to review my exemption request?

Please complete and submit the CIPF Exemption and Approval Request Form available [here](#) to info@cipf.ca. CIPF will generally confirm receipt of your request within 2 to 3 business days of receiving a completed form. CIPF may request additional information or clarification from a member firm at any time during its review.

CIPF aims to provide a final determination on an exemption request generally within 4 to 5 weeks of receiving a completed form, or within 4 to 5 weeks from the date on which, in CIPF's view, complete information regarding the request has been received by CIPF.

Additional time may be required by CIPF to review requests that are more complex or that would entail a significant departure from the requirements in the CIPF Disclosure Policy. In such instances, CIPF will advise you that the review will take longer and will provide an estimate regarding the timing for completion of the review.

CIPF Official Brochures

8. How do I order an electronic CIPF Official Brochure?

Electronic versions of the CIPF Official Brochures are available exclusively for member firms and must be purchased directly from CIPF's designated printer using the order form located [here](#). The printer will provide the PDF to the member firm for distribution.

9. Can a member firm's trade name or division name be imprinted, stamped or printed on the CIPF Official Brochure?

No. Only the legal name of the IIROC-regulated firm can be imprinted, stamped or printed on the CIPF Official Brochure.

10. Are trade names or divisions of member firms required to distribute the CIPF Official Brochure?

Trade names or divisions of member firms are not obligated to distribute the CIPF Official Brochure to customers under the CIPF Disclosure Policy. If the member firm's trade name or division distributes a CIPF Official Brochure, that brochure must be imprinted, stamped or printed with the name of the legal entity that is the IIROC member.

11. Is a print-out of the PDF version of the CIPF Official Brochure considered to be an official version?

Yes. A print-out of the PDF version purchased from CIPF's printer of the CIPF Official Brochure can be provided to customers and is considered to be an official version of the CIPF Official Brochure. Please note that you must not change any aspect of the PDF received from CIPF's designated printer.

12. Can I provide customers with an electronic or hard copy of the CIPF Official Brochure as part of a customer application package?

Yes. The most current CIPF Official Brochure may be included in a customer application package only if:

1. You do not change any aspect of the CIPF Official Brochure

2. The pages of the CIPF Official Brochure are not presented on the same page as other content in the customer application package (for example, in a double-sided package, the CIPF Official Brochure cannot be imprinted on the back of a document that is not the CIPF Official Brochure), and
3. The CIPF Official Brochure is imprinted, stamped or printed with the legal name of the IIROC-regulated firm.

Websites

13. Is a disclosure about CIPF on a website and social media considered to be disclosure “created by a member firm for broad distribution”?

Yes. Any disclosure about CIPF on websites and social media, other than what is permitted under the CIPF Disclosure Policy, must be approved by CIPF in advance. See also FAQ 35.

We would be happy to work with you regarding any disclosures about CIPF that you wish to create for broad distribution. Please complete and submit to info@cipf.ca the CIPF Exemption and Approval Request Form available [here](#).

14. Can a member firm’s trade name display the CIPF Membership Identifier on its website?

Yes. The CIPF Membership Identifier is permitted on a member firm’s trade name’s website provided that:

1. It is not a separate legal entity from the member firm,
2. The full legal name of the member firm is also clearly visible, and
3. The use of the CIPF Membership Identifier is in compliance with the General Principles of the CIPF Disclosure Policy.

15. If the member firm’s website is part of a combined financial institution group website, can the CIPF Membership Identifier be displayed throughout the website?

If a member firm’s website is part of a combined financial institution group website or if a member firm employs dually employed representatives, the CIPF Membership Identifier is to be displayed only on the webpages within the website that relate to activities for which CIPF coverage is available.

However, there is one exception to this rule. The CIPF Membership Identifier can be displayed as part of a banner that is included across multiple or all webpages within the combined financial group website, provided that those webpages that relate to activities for which CIPF coverage is not available include clear and visible disclosure indicating that CIPF coverage does not apply. Member firms do not need to provide this disclosure to CIPF for approval.

CIPF Membership Identifier

16. How can I obtain a higher quality version of the CIPF Membership Identifier?

The Chief Financial Officer or Chief Compliance Officer that is registered with IIROC should email us at info@cipf.ca to request the file, or be copied on the email request.

Please specify the desired format (eps, jpeg or gif) and language (English, French, bilingual) in your request. For the graphic version of the CIPF Membership Identifier, please also specify the colour variant (black, reverse white, or black and taupe).

17. What are the format, colour and size requirements for the CIPF Membership Identifier?

The CIPF Membership Identifier is available as a graphic and text version. See Appendix A of the CIPF Disclosure Policy for the prescribed formats of the graphic and text versions.

Although there are no specific size requirements for the CIPF Membership Identifier (graphic or text versions), it must be displayed so that it is clearly visible and legible, with:

- Good contrast to the background to ensure maximum impact and accessibility, and
- A clear surrounding area without graphic elements or text.

The graphic version of the CIPF Membership Identifier:

- Must be produced from a digital master reference available from CIPF, and
- Must not have its design altered in any way, but may be altered with respect to its overall size, provided that the relative proportions and colours are maintained and the content is clearly visible and legible. The graphic version is available in three colour variants (black, reverse white, or black and taupe).

The text version of the CIPF Membership Identifier does not have any font, minimum point size or colour requirements.