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MFDA Bulletin

Compliance

For Distribution to Relevant Parties within your Firm

Mandatory Use of the Electronic Filing System (“EFS”)

This Bulletin supercedes Mutual Fund Dealers Association of Canada (“MFDA”) Bulletin #0054-C *Electronic Filing System*, issued February 9, 2004.

MFDA Rule 3.5.1 requires each Member to file with the MFDA unaudited financial information within 20 business days of its month end. In addition, Rule 3.5.1 requires each Member’s auditor to file with the MFDA audited financial information of the Member within 90 days of the Member’s fiscal year end. Both the unaudited and audited financial information must be reported in the Financial Questionnaire and Report (“FQR”) format.

Please be advised that the MFDA will **no longer accept FQRs in paper format for filings with reporting dates ending January 1, 2005 or later**. In order to comply with MFDA Rule 3.5.1, Members of the MFDA will be required to file their FQRs using the MFDA’s web-based application, the Electronic Filing System (“EFS”). As an example, Members with a fiscal year ending December 31, 2004 may still file their annual audited FQR in paper format. However, their first monthly unaudited FQR for the month ending January 31, 2005 must be submitted using the EFS system.

Coincident with the move to the mandatory use of the EFS, MFDA Members will no longer have to submit the signed Certificate of Partners or Directors to the MFDA as was previously required according to MFDA Bulletin #0054-C. For each unaudited electronically filed FQR, Members are required to perform the following procedures:

- Subsequent to submitting the electronic filing, the Member will be required to print a complete PDF version of the FQR. There will be a date stamp denoted on each page of the FQR that coincides with the time the electronic filing was submitted to the MFDA.
- In accordance with the Notes and Instructions to the Certificate of Partners or Directors, two qualified individuals must sign the Certificate.

- The signed FQR package must be retained in paper format by the Member in accordance with MFDA Rule 5.6. MFDA compliance staff will be assessing compliance with these procedures when performing on-site examinations of Members.

Annual audited FQRs must also be submitted electronically by the due date. In addition to the electronic version, a complete and appropriately signed audited FQR must also be submitted to the MFDA in paper format. If a FQR is not electronically filed by the due dates noted above, late filing penalties will be imposed on the Member. Please refer to MFDA Bulletin #0100-M 2004/2005 *Financial Filing Deadlines*, for a complete list of submission dates and specific details relating to late filing fees.

To use the web-based application, all users must have access to the Internet and browser installed on their office or mobile computer. As with any Internet access, the speed of your connection will affect the speed of navigation and data entry. The following Internet browsers are recommended:

Microsoft Windows (version 98 or better): Internet Explorer 6.0 or Netscape 6.2

Mac OS: Internet Explorer 5.1 or Netscape 6.2

Recommended Internet connection: T1, ISDN, Cable or DSL.

User names and passwords were provided to all MFDA Members in a letter dated October 27, 2003. Firms that have become MFDA Members since that time would have received information concerning the use of the EFS together with their membership acceptance letter. Members requiring guidance in using the EFS should contact the MFDA's Membership Services Department at 1-888-466-6332.

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