



Application for Financial Institution Bond Standard Form No.14

Application is hereby made by _____

(Please Attach a List of All Insureds, Including Employee Benefit Plans)

Principal Address _____

City _____ Province _____ Postal Code _____

Policy Effective Period _____ to _____ Date Insured was Established _____

Name of Prior Carrier _____ In the Aggregate limit of Liability of _____

1. Description of Organization

1. Insured is a (Check all that apply):

- ☐ Stock Broker ☐ Investor Advisor ☐ Foundation ☐ Investment Banker
☐ Mutual Fund ☐ Investment Trust ☐ Private Equity Firm ☐ Dealer in Securities
☐ Other (Please Specify) _____

	Yes	No
2. Do you or any of your subsidiaries operate in any capacity differently than what is listed above? If yes, please describe.	<input type="checkbox"/>	<input type="checkbox"/>

3. Are you registered as an advisor with a provincial or territorial securities regulator? If no, do you plan on registering within the next 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
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4. Do you maintain Registered Representatives? If yes, please complete Section Registered Representative Controls.	<input type="checkbox"/>	<input type="checkbox"/>
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5. Has there been any change in ownership or management within the past three years?	<input type="checkbox"/>	<input type="checkbox"/>
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Current or Requested Coverage:

Insuring Agreement	Limit	Deductible
Basic Bond Coverage		
Insuring Agreement (D) Forgery or Alteration		
Insuring Agreement (E) Securities		
Computer Systems Fraud		
Partner Coverage		
Fraudulent Transfer Instructions		
Other (Please Specify) _____		

2. Exposure Information

1. Employees and Locations

Domestic Employees _____ Domestic Locations _____

Foreign Employees _____ Foreign Locations _____

Grand Total Employees _____ Grand Total Locations _____

FINRA Registered Representatives Not Included Above (if applicable) _____

Total Number of Partners _____

For any yes answers below, please provide an explanation on a separate page, unless otherwise indicated.**Yes****No**

2. Do you or your subsidiaries ever take physical custody of client funds?

☐☐3. **If yes**, is custody maintained through agreements with third party custodians?☐☐

4. Do you maintain the ability to deduct fees on the behalf of your clients?

☐☐

5. Do you or any subsidiary handle, store, or use for manufacturing any valuable or precious and/or non-precious metals?

☐☐

6. Do you or any subsidiary, or any of your funds or investment vehicles hold, invest in, or accept for payment any form of cryptocurrencies?

☐☐

7. Do you or any subsidiary, or any of your funds or investment vehicles hold or invest in any Non-Fungible Tokens (NFTs)?

☐☐**3. Audit Procedures****Yes****No****Please explain any no answers below, unless otherwise indicated.**

1. Is there an annual audit by an independent CPA?

☐☐**If the answer is no**, please explain the scope of the CPA's examination.

2. Is the audit rendered directly to all partners if a partnership or to the Board of Directors if a corporation?

☐☐

3. Name and Location of CPA.

4. Date of completion of last audit by CPA _____

5. Is there a continuous internal audit by an internal audit department?

☐☐

6. Is there a full time professional staff auditor?

☐☐

7. Are foreign locations audited at least annually by an external CPA?

☐☐

8. Are your wire transfer procedures audited?

☐☐

9. Do you participate in a Central Securities Depository?

☐☐10. Are accounts insured by SIPC (*Securities Investors Protection Corporation*)?☐☐**4. Internal Controls****Yes****No****Please explain any no answers below on a separate page, unless otherwise indicated.**

1. Do you have a documented system of internal control policies/procedures?

☐☐

2. Do you require annual vacations of at least two consecutive weeks for all personnel?

☐☐

4. Internal Controls Continued

	Yes	No
3. Are bank accounts reconciled monthly?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are bank accounts reconciled by someone not authorized to deposit or withdraw?	<input type="checkbox"/>	<input type="checkbox"/>
5. Do all cheques require countersignatures? If yes, above what amount? _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Are internal controls designed so that no employee can control a process from beginning to end? (e.g. request a cheque, approve a voucher and sign the cheque)	<input type="checkbox"/>	<input type="checkbox"/>
7. Are monthly or quarterly statements (whether or not there was activity in the account) sent directly to all customers?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is an authorized vendor list utilized and updated annually for all purchases, and is competitive bidding required?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are background checks performed on vendors in order to determine ownership and financial capability?	<input type="checkbox"/>	<input type="checkbox"/>
10. Are the procedures for authorizing vendors, approving invoices and processing payments segregated among different employees?	<input type="checkbox"/>	<input type="checkbox"/>
11. Please confirm if internal control and audit procedures are consistent throughout all domestic and foreign locations.	<input type="checkbox"/>	<input type="checkbox"/>
12. Are background checks provided on all new hires?	<input type="checkbox"/>	<input type="checkbox"/>
13. Is Positive Pay used with your financial institution?	<input type="checkbox"/>	<input type="checkbox"/>

5. Computer and Fund Transfer Controls

	Yes	No
Please explain any no answers below on a separate page, unless otherwise indicated.		
1. Do you have procedures to verify the identity and authenticity of new customers or vendors prior to entering into transactions with them? If yes, please outline your screening procedures:	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you accept funds transfer instructions from customers, vendors, and employees over the telephone, fax, email, or some other electronic communications method? If yes, please outline your procedures to authenticate the instructions:	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you verify the legitimacy of all requests made by the following to establish or change the transfer funds (banking instructions) procedures by calling them back at a predetermined telephone number:		
1. Customers	<input type="checkbox"/>	<input type="checkbox"/>
2. Vendors	<input type="checkbox"/>	<input type="checkbox"/>
3. Employees	<input type="checkbox"/>	<input type="checkbox"/>
(Employees also include any employee or owner at any level requesting either a change in funds transfer instructions or new funds transfer instructions, for whatever reason.)		
If no, please explain alternative methods used to authenticate customer, vendor, or employee requests:		

5. Computer and Fund Transfer Controls *Continued***Yes No**

4. Please describe the verification details and fraud training awareness procedures you have in place to authenticate the identity of the requestor and verify the establishment of/or revisions to payment instructions:

5. Does the Applicant perform funds transfers to companies outside of the United States?

☐☐

If yes, please attach list of countries.

6. Registered Representative Controls**Yes No**

Please complete this section if your operations contain any Broker-Dealer Entities registered with FINRA. Please explain any No answers below on a separate page, unless otherwise indicated.

- | | | |
|--|--------------------------|--------------------------|
| 1. Are all cheques made payable to a firm or mutual fund being purchased, and never in the name of an employee or registered representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are customers reminded in writing to send all cheques to a central location and never to a registered representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are customers mailed confirmations of all business activity/trades within 48 hours of execution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are customer and/or shareholder statements mailed at least quarterly? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do customer and shareholder statements provide specific instructions as to whom to contact to report an error or make a complaint? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are all employees and registered representatives screened for prior acts of dishonesty or a violation of Securities Laws prior to employment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does the review of prospective representatives include an examination of all U-4 Documents? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. How frequently are compliance reviews conducted on registered representatives to see that securities violations do not occur and there is adherence to your designated internal control procedures? | | |
| 9. Is your firm self-clearing or fully disclosed clearing through an investment bank or stockbrokerage firm?
If you are a fully disclosed firm, whom do you clear your trades through? _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Who has the authority to clear trades on your behalf? _____
Please describe your segregation of duties and limits? _____ | | |

7. Loss History

Please explain any losses below on a separate page, along with corrective measures implemented.

List all losses sustained during the past three years, whether reimbursed or not:

☐ Check here if none

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from Other than Insurance	Amount of Loss Pending

NOTICE TO APPLICANTS:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concealing any fact material thereto, commits a fraudulent insurance act, which is a crime.

The Insured represents that the information furnished in this questionnaire is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this questionnaire or otherwise, shall be grounds for the rescission of any Financial Institution Bond or Policy issued in reliance upon such information.

This document was issued or made by the Company in the course of its insurance business in Canada.

Dated at _____ this _____ day of _____, 20_____ Insured _____

Name _____ Title _____