

## **BACKGROUND**

These Mutual Fund Dealer Fund Assessment Appeal Procedures should be read in conjunction with CIPF's Mutual Fund Dealer Fund Assessment Policy. The Mutual Fund Dealer Fund Assessment Policy sets out the basis and rate of assessment that will be levied on Mutual Fund Dealer member firms of the Canadian Investment Regulatory Organization, as it is currently named or may be renamed from time to time (CIRO).

CIPF is authorized to require the CIRO to assess Mutual Fund Dealer member firms (other than firms with operations in Québec only) pursuant to the terms of a services agreement between CIPF and the CIRO dated July 1, 2005, as amended from time to time and modified by a transitional agreement between CIPF and the CIRO dated January 1, 2023.

## **LIMITED APPEALS**

The determination of CIPF's Mutual Fund Dealer Fund Assessment Policy and its application to Mutual Fund Dealer member firms or any individual Mutual Fund Dealer member firm is not subject to review or appeal by a Mutual Fund Dealer member firm except only to the extent of the calculation of the amount of a Mutual Fund Dealer member firm's annual assessment within the formula and methodology adopted by CIPF for determining assessments of Mutual Fund Dealer member firms. In particular, Mutual Fund Dealer Fund size and the basis of Mutual Fund Dealer Fund assessments, as approved by the Board, are not subject to review or appeal.

Appeals must be submitted in writing within 45 calendar days of the payment due date of the assessment amount subject to appeal.

Responsibility for setting the Assessment Appeal Procedures resides with the CIPF Board. However, the Board has delegated responsibility for overseeing compliance with the Mutual Fund Dealer Fund Assessment Appeal Procedures, and for deciding appeals, to the Risk Committee.

During the appeal process Mutual Fund Dealer member firms are required to pay the assessed amount. If the Mutual Fund Dealer member firm is successful in its appeal, CIPF will promptly refund the amount collected in excess of the adjusted Mutual Fund Dealer assessment amount. Any costs incurred by a Mutual Fund Dealer member firm relating to an appeal will not be paid by CIPF.

## **APPEAL PROCEDURES**

1. A Mutual Fund Dealer member firm can appeal the CIPF Mutual Fund Dealer Fund assessment levied to it by submitting a request to the Vice-President, Industry Risk of CIPF, at [assessmentappeal@cipf.ca](mailto:assessmentappeal@cipf.ca). Requests for an appeal must be made to CIPF in writing within 45 calendar days of the payment due date of the assessment amount subject to appeal.
2. Within 10 business days of receiving an appeal request, CIPF will acknowledge receipt of the request to the Mutual Fund Dealer member firm and provide preliminary timelines for the appeal process.
3. For the appeal:
  - a) CIPF staff will prepare an Appeal Summary of Facts to assist the Risk Committee in considering the Mutual Fund Dealer member firm's appeal.
  - b) The Summary of Facts will be provided to the Mutual Fund Dealer member firm for review and comment. Comments received will be incorporated in the document.
  - c) The Mutual Fund Dealer member firm will be asked to confirm that the Summary of Facts is complete and accurate.

- d) The Mutual Fund Dealer member firm will be notified, in writing, of the date, time and place of the appeal meeting.
- e) The Risk Committee and the Mutual Fund Dealer member firm will be provided with:
  - (i) The Summary of Facts
  - (ii) The results of previous appeals
  - (iii) Appeal meeting procedures
- f) The appeal meeting shall be attended by the Chair of the Risk Committee, and at least two other Committee members, of which one must be a Public Director.
- g) Any participant in the appeal can appear in person or by teleconference.
- h) The Mutual Fund Dealer member firm may have legal counsel or other advisors present at the appeal, but it is not necessary to do so.
- i) CIPF staff will also attend the appeal to take minutes, address questions or assist the Risk Committee as required.
- j) The Mutual Fund Dealer member firm, or its legal counsel or other advisors, may take notes or transcripts of the meeting at their own expense.
- k) After the appeal, CIPF staff, the Mutual Fund Dealer member firm and its legal counsel or other advisors will be excused to permit the Risk Committee to deliberate.
- l) The Risk Committee will decide on the appeal, by simple majority, and document the reasons for its decision.
- m) The Mutual Fund Dealer member firm will be advised in writing of the Risk Committee's decision including the reasons for the decision.
- n) If the Mutual Fund Dealer member firm's appeal is successful, CIPF will endeavor to refund any amount that has been paid by the Mutual Fund Dealer member firm in excess of the adjusted assessment within 30 days.