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**CIRCULAR**  
July 23, 2007

## **AUDITORS' REPORT**

### **AMENDMENTS TO THE AUDITOR'S REPORTS CONTAINED IN PART I AND PART II OF THE JOINT REGULATORY FINANCIAL QUESTIONNAIRE AND REPORT – POLICY C-3 OF THE BOURSE**

The Special Committee – Regulatory Division of Bourse de Montréal Inc. (the Bourse) has approved amendments to the Auditors' Reports contained in Part I and Part II the Joint Regulatory Financial Questionnaire and Report (Policy C-3 of the Bourse), which make the wording of the Auditors' Reports compliant with recent amendments to Section 5600 of the Canadian Institute of Chartered Accountants (CICA) Assurance Handbook. Furthermore these amendments now allow the auditors to legally express an opinion on approved participants' financial statements which are prepared using a basis of accounting which differs from generally accepted accounting principles. These amendments are effective immediately.

For further information, please contact Mr. Jacques Tanguay, Vice-President, Regulatory Division, at 514 871-3518, or by e-mail at [jtanguay@m-x.ca](mailto:jtanguay@m-x.ca).

Joëlle Saint-Arnault  
Vice-President, Legal Affairs and Secretary

Circular no.: 121-2007  
Amendment no.: 006-2007

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\_\_\_\_\_  
(Firm Name)

\_\_\_\_\_  
(Date)

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*Jun-2007*

**JOINT REGULATORY FINANCIAL QUESTIONNAIRE AND REPORT**  
**PART I – AUDITORS’ REPORT**

TO: The \_\_\_\_\_ and the Canadian Investor Protection Fund  
*(applicable regulatory body)*

We have audited the following Part I financial statements of \_\_\_\_\_ :  
*(firm)*

- Statement A - Statements of assets and of liabilities and shareholder/partner capital as at \_\_\_\_\_ and \_\_\_\_\_ ;  
*(date)* *(date)*
- Statement B - Statements of net allowable assets and risk adjusted capital as at \_\_\_\_\_ and \_\_\_\_\_ ;  
*(date)* *(date)*
- Statement C - Statement of early warning excess and early warning reserve as at \_\_\_\_\_ ;  
*(date)*
- Statement D - Statement of free credit segregation amount as at \_\_\_\_\_ ;  
*(date)*
- Statement E - Summary statements of income for the years ended \_\_\_\_\_ and \_\_\_\_\_ ;  
*(date)* *(date)*
- Statement F - Statement of changes in capital and retained earnings (corporations) or undivided profits (partnerships) for the year ended \_\_\_\_\_ ; and  
*(date)*
- Statement G - Statement of changes in subordinated loans for the year ended \_\_\_\_\_ .  
*(date)*

These financial statements have been prepared for the purpose of complying with the regulations, bylaws and policies of the \_\_\_\_\_ . These financial statements are  
*(applicable regulatory body)*  
the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion,

- (a) The statements of assets and of liabilities and shareholders/partner capital and the summary statements of income present fairly, in all material respects, the financial position of the Company as at \_\_\_\_\_ and \_\_\_\_\_ and the results of its  
*(date)* *(date)*  
operations for the years then ended in accordance with the basis of accounting disclosed in Note 2 to the financial statements.

(b) The statements of net allowable assets and risk adjusted capital as at \_\_\_\_\_  
*(date)*  
and \_\_\_\_\_  
*(date)* and the statements of early warning excess and early  
warning reserve, free credit segregation amount, changes in capital and retained earnings (corporations) or  
undivided profits (partnerships), and changes in subordinated loans, either as at or for the year ended  
\_\_\_\_\_ are presented fairly, in all material respects, in accordance with the  
*(date)*  
applicable instructions of the \_\_\_\_\_  
*(applicable regulatory body)*.

These financial statements, which have not been, and were not intended to be, prepared in accordance with  
Canadian generally accepted accounting principles, are solely for the information and use of the Company, the  
\_\_\_\_\_ and the Canadian Investor Protection Fund to comply  
*(applicable regulatory body)*  
with the regulations, bylaws and policies of the \_\_\_\_\_ . The  
*(applicable regulatory body)*  
financial statements are not intended to be and should not be used by anyone other than the specified users or for  
any other purpose.

\_\_\_\_\_  
*(auditing firm name)*

\_\_\_\_\_  
*(date)*

\_\_\_\_\_  
*(signature)*

\_\_\_\_\_  
*(place of issue)*

## **PART I - AUDITORS' REPORT NOTES AND INSTRUCTIONS**

A measure of uniformity in the form of the auditors' report is desirable in order to facilitate identification of circumstances where the underlying conditions are different. Therefore, when auditors are able to express an unqualified opinion, their report should take the form of the auditors' report shown above.

Alternate forms of Auditors' Reports are available either online from within the web-based Securities Industry Regulatory Financial Filings system (SIRFF) or from the Joint Regulatory Body with primary audit jurisdiction.

Any limitations in the scope of the audit must be discussed in advance with the appropriate regulatory authority. Discretionary scope limitations will not be accepted.

Copies with original signatures must be provided to the Joint Regulatory Body with primary audit jurisdiction.

**JOINT REGULATORY FINANCIAL QUESTIONNAIRE AND REPORT  
PART II - AUDITORS' REPORT**

TO: \_\_\_\_\_ and the  
*(applicable regulatory body)*  
Canadian Investor Protection Fund.

We have audited Part I of the Joint Regulatory Financial Questionnaire and Report (Part I – JRFQR) of  
\_\_\_\_\_ as at \_\_\_\_\_  
*(firm)* *(date)*  
and for the year then ended, and reported thereon as of \_\_\_\_\_.  
*(date)*

The additional information set out in Part II of the Joint Regulatory Financial Questionnaire and Report – Schedules 1 to 14 (Part II – JRFQR) have been subjected to the procedures applied in the audit of Part I – JRFQR and in our opinion, presents fairly the information contained therein, in all material respects, in relation to Part I – JRFQR taken as a whole.

No procedures have been carried out in addition to those necessary to form an opinion on Part I – JRFQR.

The additional information set out in Part II – JRFQR, which has not been, and was not intended to be, prepared in accordance with Canadian generally accepted accounting principles, is solely for the information and use of the Member, the Investment Dealers Association and the Canadian Investor Protection Fund to comply with the regulations, bylaws and policies of the Investment Dealers Association. The additional information set out in Part II – JRFQR is not intended to be and should not be used by anyone other than these specified users or for any other purpose.

\_\_\_\_\_  
*(auditing firm name)* *(date)*

\_\_\_\_\_  
*(signature)* *(place of issue)*

**NOTES:**

A measure of uniformity in the form of the auditors' report is desirable in order to facilitate identification of circumstances where the underlying conditions are different. Therefore, when auditors are able to express an unqualified opinion, their report should take the above form.

Any limitations in the scope of the audit must be discussed in advance with the appropriate regulatory authority. Discretionary scope limitations will not be accepted.

Copies with original signatures must be provided to the Joint Regulatory Body with primary audit jurisdiction.