

## What are the main types of securities firms and representatives?

Firms	
<b>Dealers</b>	<p>Firms that are registered with the AMF for the purchase or sale of securities on behalf of clients. Dealers may be registered with restricted or unrestricted practice.</p> <p><b>Unrestricted practice:</b></p> <p>Firms that offer a full range of investment services, analysis and research on securities, as well as management and advisory services.</p> <p><b>Discount broker:</b></p> <p>Firms that perform low-cost buy and sell investment orders. They do not provide advice.</p> <p><b>Restricted practice:</b></p> <p>Firms that offer only certain types of products and services.</p> <p>Many dealers with a restricted practice specialize in certain types of products. Dealers (commonly referred to as <b>firms</b><sup>1</sup> in Québec) may specialize in:</p> <ul style="list-style-type: none"> <li>• <i>group savings;</i></li> <li>• <i>investment contracts;</i></li> <li>• <i>scholarship plans.</i></li> </ul>
<b>Advisers</b>	<p>Firms whose role is to advise investors in securities matters, without the ability to perform buy and sell orders as done by dealers. Advisers may be with unrestricted or restricted practice.</p> <p><b>Unrestricted practice:</b></p> <p>Firms that provide portfolio management services. They may make investment decisions and trade on your behalf with a dealer (discretionary management).</p> <p><b>Restricted practice:</b></p> <p>Firms that provide advisory services, but not portfolio management services. Some firms disseminate information, analyses and opinions on stock market developments to institutions and investors through periodic publication.</p>

<sup>1</sup> Québec enterprises operating in sectors defined by An Act respecting the distribution of financial products and services (Bill 188), including in group savings and insurance of persons, are known as firms or independent partnerships.

<b>Representatives (natural persons)</b>	
<b>Securities representatives</b>	<p>A securities representative is an individual who works on behalf of a dealer, firm or adviser.</p> <p><b>Categories (<i>Securities Act</i>):</b></p> <ul style="list-style-type: none"> <li>• <i>unrestricted practice</i></li> <li>• <i>discount broker</i></li> <li>• <i>restricted practice</i></li> </ul> <p>Representatives who work on behalf of dealers with unrestricted practice and offer the full range of investment products (except options) are often referred to as investment advisers.</p> <p><b>Categories (<i>An Act respecting the distribution of financial products and services</i>)</b></p> <ul style="list-style-type: none"> <li>• <i>group savings:</i> A natural person who offers shares in mutual funds.</li> <li>• <i>investment contracts:</i> A natural person who offers a participation in investment contracts (equity securities in science research or real estate projects, for instance).</li> <li>• <i>scholarship plans:</i> A natural person who offers units in scholarship plans.</li> </ul>
<b>Financial planners (PI. fin.)</b>	<p>A natural person who helps clients with financial planning by designing a strategic action plan that is fully adapted to their needs and takes into account their constraints and personal goals. Unless they are also registered as securities representatives, they are not authorized to recommend securities or trade in securities</p>