

## **Appendix A – Audit Form 1**

The number of trades identified on Form 1 is used to calculate the number of **closed and terminated transaction files** required for the audit sample.

Below are examples of how closed and terminated transaction files are to be counted for audit purposes:

1. When your brokerage facilitates a transaction for the seller and another brokerage facilitates the transaction for the buyer, this counts as one trade.
2. When another brokerage facilitates a transaction for the seller and your brokerage facilitates the transaction for the buyer, this counts as one trade.
3. When your brokerage facilitates a transaction for both the seller **AND** the buyer (i.e. transaction brokerage or seller client and buyer customer or seller customer and buyer client etc.), this counts as two trades.
4. When your brokerage facilitates a **Mere Posting Service Agreement**, this constitutes as one trade.
5. When your brokerage facilitates a transaction for a client or a customer (Seller/Landlord and/or Buyer/Tenant), each facilitation per consumer counts as one trade.

NOTE: For audit purposes, do **NOT** count referrals as a closed or terminated transaction file.

When completing Audit Form 1, question 5, you are required to report the following:

- i) *Your brokerage facilitated \_\_\_ trades **in total** (This number includes closed and terminated transactions);*
- ii) *Your brokerage facilitated \_\_\_ trades **in which trust funds were held** (This number includes the closed and terminated transactions).*

\* Please contact the Compliance Auditor if you require further clarification.