

NRD IMPROVEMENTS

(applicable only to FIRMS in SECURITIES - *Act respecting the distribution of financial products and services*)

A number of improvements intended for NRD users have been made since the beginning of 2006. Those in effect since January 1, 2006 are discussed below. Québec joined NRD in 2004 as part of AMF's efforts in support of Canada-wide harmonization.

2006 refund concerning NRD submissions

Please note that the *Autorité des marchés financiers* (AMF) will no longer refund fees paid following an NRD submission.

Before sending a submission to the regulator, you should therefore ensure that the individual for whom you are sending a submission will in fact be attached to your firm.

Once the submission has been sent to the regulator, fees will not be refunded.

** Refunds are possible in the event of an NRD technical problem.

Liability insurance

Evidence of liability insurance must be furnished when a new representative is attached to your firm where such representative acts on behalf of the firm without being an employee.

To accelerate the process, you may e-mail the liability insurance contract in PDF format or fax it directly to the analyst handling your submission.

Disclosure 13 2a)

Self-regulatory organizations

"Have you, or has any firm (other than your sponsoring firm or a firm that is or was registered in a Canadian jurisdiction and identified in response to Item 13(1)(b)), when you were a partner, director, officer or holder of voting securities carrying more than 10 percent of the votes carried by all outstanding voting securities of that firm, been a member or participating organization of any stock exchange or other self-regulatory organization in any province, territory, state or country?"

You must answer "yes" to this question for representatives under the *Act respecting the distribution of financial products and services* ("Distribution Act") because they are members of the *Chambre*

de la sécurité financière (CSF) as soon as they are issued a certificate from the AMF.

When filling out a new application for a new registration, answer "yes" and, as part of the description, enter "will be a member of the *Chambre de la sécurité financière* (CSF) as soon as certificate is issued and according to the certificate's period of validity."

When filling out a reactivation submission, enter "yes" if the representative has already operated in sectors under the Distribution Act and specify "Based on valid periods. Refer to questions 13 1a) and 13 3a)."

Standards regarding NRD submissions

Submissions should be processed by the regulator based on a standard set by all jurisdictions:

	Delay
New application	10 business days
Material change (disclosure changes such as financial, civil, etc.)	5 business days
Non-material change (other than disclosure changes such as name, personal information, etc.)	10 business days
Incomplete submission	20 business days (if no response from the firm, submission is considered abandoned by regulator).

Open a location

The normal process for opening a location is to:

1. Send the Branch Manager registration submission (with Branch Manager in Item 6 – Individual categories).

AND

2. Submit the application to open a location.

The regulator must approve the Branch Manager registration submission before approving the opening of a location.

This process was not followed in 2005 because of special circumstances related to the transition year. However, we must now follow the same procedures as in other jurisdictions.

Close a location – Note

You must be sure that no representative is attached to the location that you plan to close.

- Under “Work in progress”
- Under “Sent to Regulators”

To close a location in NRD, there must be no outstanding submissions for any representative attached to the location, nor any submissions sent to the regulator or submissions in the permanent record (already approved).

NRD DISCLOSURE

**** NOTE – You must accurately answer ALL subquestions when filing an NRD submission. For instance, if you answer “yes” to the following question:**

“Under the law of any province, territory, state, or country have you, or has any firm (other than your sponsoring firm or a firm that is or was registered in a Canadian jurisdiction and identified in response to Item 13(1)(b)), when you were a partner, director, officer or holder of voting securities carrying more than 10 percent of the votes carried by all outstanding voting securities of that firm: had a petition in bankruptcy issued against you or the firm or made a voluntary assignment in bankruptcy?”

You must answer **ALL** subquestions, which in this case is 1 to 6 inclusively.

And likewise for all disclosures as well as all submissions with subquestions such as the Notice of Termination. If any information is missing, the analyst assigned to the file will return the submission to you for completion.

For each event, indicate:

1. the party about whom the disclosure is being made;
2. any amounts currently owing;
3. the creditors;
4. the status of the matter;
5. a summary of any disposition or settlement; and
6. any other information that you think is relevant or that is requested by the regulator.

REMINDER

1. Notice of termination

A firm is required to send us the notice of termination in respect of its representatives within 5 business days. Moreover, if a representative is transferred, the end date in item 11 (previous employment) must correspond to the Effective Date of Termination in NRD with the previous employer.

2. Item 8 in Form 33-109F4 – Proficiency

Please refer to page 1 of NRD SHIFT, dated February 2005: *“In order to avoid delaying the registration process, a temporary number may be used. This makes it possible to continue with the registration while indicating to other jurisdictions that the number is temporary. In Québec, “123” is the temporary number to use. Since the number is only temporary, corrections must be made to the file of the persons concerned no later than November 30, 2005.”*

If these corrections have not been made in NRD, your firm will have to send us the information without delay.