

Notice of

Policy Statement 11-204 respecting Process for Registration in Multiple Jurisdictions

Regulation to amend Regulation 11-102 respecting Passport System

Amendment to Policy Statement to Regulation 11-102 respecting Passport System

Amendment to Policy Statement 11-202 respecting Process for Prospectus Reviews in Multiple Jurisdictions

Amendment to Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions

Introduction — Passport/Interface System

Members of the Canadian Securities Administrators (CSA or we), other than the Ontario Securities Commission (OSC), (passport regulators) will implement the next phase of the passport system for registrants and amend phase II of passport for issuers effective on September 28, 2009 when *Regulation 31-103 respecting Registration Requirements and Exemptions* (Regulation 31-103) is implemented. Phase II of passport for issuers covers continuous disclosure, prospectuses and discretionary exemption applications. The amendments deal with issues that have arisen since implementation in March 2008.

All CSA members, including the OSC, will implement a new national policy setting out the processes for registration in multiple jurisdictions (Policy Statement 11-204) and amend the national policies for the filing and review of prospectuses (Policy Statement 11-202) and exemptive relief applications (Policy Statement 11-203). CSA members will also repeal *Regulation 31-101 respecting National Registration System* (Regulation 31-101) and its related policy.

On December 19, 2008, CSA published a notice that the passport regulators intended to implement the passport for registrants and amend the passport for issuers and CSA intended to adopt Policy Statement 11-204 and amend Policy Statement 11-202 and Policy Statement 11-203. We are republishing the documents because we revised them to reflect the final versions of Regulation 31-103 and the various registration rules.

Passport system

The amendments to *Regulation 11-102 respecting Passport System* (Regulation 11-102) and *Policy Statement to Regulation 11-102 respecting Passport System* (Policy Statement 11-102) are initiatives of the passport regulators.

Each of the passport regulators will make the amendments to Regulation 11-102 as a rule or regulation and will adopt the amendments to Policy Statement 11-102. The text of these amendments is published with this Notice.

Regulation 11-102 and Policy Statement 11-102 implement, in the main areas of securities regulation, a system that gives a market participant access to the capital markets in multiple jurisdictions by dealing only with its principal regulator and meeting the requirements of one set of harmonized laws. The amendments to Regulation 11-102 and Policy Statement 11-102 implement the next phase of the passport system for registrants and deal with issues that have arisen since the implementation of phase II of passport for issuers.

Although the OSC is not adopting Regulation 11-102 or the amendments to Regulation 11-102, it can be a principal regulator under the instrument, thereby giving

market participants in Ontario access to the capital markets in passport jurisdictions by dealing only with the OSC.

National policy on the process for registration in multiple jurisdictions

Policy Statement 11-204 is an initiative of the CSA. Each member of the CSA will adopt Policy Statement 11-204. The text of Policy Statement 11-204 is published with this Notice.

Policy Statement 11-204 and the amendments to Regulation 11-102 replace Regulation 31-101 and its related policy. Each CSA member will repeal:

- Regulation 31-101, including *Form 31-101F1 Election to use NRS and Determination of Principal Regulator* and *Form 31-101F2 Notice of Change*;

- *Policy Statement 31-201 respecting National Registration System*;

(collectively, NRS).

A regulation repealing Regulation 31-101 is published with this Notice.

Policy Statement 11-204 sets out the procedures for a firm or individual to register in more than one jurisdiction. It includes an interface similar to NRS for registrants in passport jurisdictions to gain access to the Ontario market. Ontario registrants get direct access to passport jurisdictions under the amendments to Regulation 11-102.

Under Regulation 11-102 and Policy Statement 11-204, the principal regulator for a firm will usually be the regulator of the jurisdiction where the firm's head office is located and for an individual will be the regulator of the jurisdiction where the individual's working office is located. Firms and individuals that register in their principal jurisdiction through the Investment Industry Regulatory Organization of Canada will continue to do so.

Consequential amendments

All CSA members will also adopt consequential amendments to the following policies:

- Policy Statement 11-202;
- Policy Statement 11-203;

The text of the amendments to Policy Statement 11-202 and Policy Statement 11-203 is published with this Notice.

In addition, consequential amendments related to passport are included in Regulation 31-103 and its policy statement and in the related amendments to *Regulation 31-102 respecting National Registration Database* (Regulation 31-102) and *Regulation 33-109 respecting Registration Information* (Regulation 33-109).

Local non-harmonized requirements and NRS

Most regulatory requirements for registrants will be harmonized through Regulation 31-103. However, registrants will be subject to a few additional local requirements that continue to exist in some jurisdictions. Policy Statement 11-102 includes a description of these requirements.

In addition, Regulation 31-103 transition provisions allow registrants to carry on their activities on the basis of the current capital and insurance requirements that apply in their principal jurisdiction under NRS. After the transition period, registrants must comply with the new, harmonized capital and insurance requirements in Regulation 31-103. Regulation 31-103 also harmonizes proficiency requirements across the country so

applicants for registration no longer need an exemption from the proficiency requirements in non-principal jurisdictions. Please refer to Regulation 31-103 for further details.

Effective date and transition

A key foundation for the passport system is a set of nationally harmonized regulatory requirements consistently interpreted and applied throughout Canada. Implementation of passport for registrants depends on the adoption of Regulation 31-103. CSA members expect to implement consequential amendments to national and local rules when we adopt Regulation 31-103. In addition, governments in some jurisdictions will need to proclaim act amendments to harmonize registration requirements. We will implement the changes described in this notice on September 28, 2009 when we implement Regulation 31-103.

The amendments to Regulation 11-102 apply to an individual or firm seeking registration outside the principal jurisdiction on or after the effective date of Regulation 31-103. In addition, the amendments apply to an individual or firm that is registered in more than one jurisdiction on that date unless the individual or firm requests and obtains an exemption under section 4A.9(2) of Regulation 11-102.

The amendments to passport for issuers apply to prospectuses filed under National Instrument 71-101 *The Multijurisdictional Disclosure System* on or after September 28, 2009.

The amendments to Regulation 11-102 and Policy Statement 11-102 refer to rules (e.g., Regulation 31-103) and Act provisions that CSA expects to be in force on the effective date.

Background

CSA published the proposal to streamline the process for registration on July 18, 2008. All CSA members published Policy Statement 11-204 and the amendments to Policy Statement 11-202 and Policy Statement 11-203 and the repeal of NRS. In the same publication, the passport regulators published the amendments to Regulation 11-102 and Policy Statement 11-102.

On December 19, 2008, CSA published notice that we intended to implement the passport for registrants and amend the passport for issuers when we adopt Regulation 31-103. We also published a summary of the comments we received in response to the request for comments published in July 2008 and noted the CSA responses to comments.

CSA has now completed its work on Regulation 31-103, Regulation 31-102 and Regulation 33-109 and today, published advance notice that we intend to adopt these regulations. Since the December 2008 publication, we made only minor changes to the documents. We revised them to reflect the final versions of Regulation 31-103, Regulation 31-102 and Regulation 33-109 and the registration act amendments in each jurisdiction. We also renumbered the passport for registration in Regulation 11-102 as Part 4A instead of Part 6.

Questions

Please refer your questions to any of:

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