REGULATION 31-103 RESPECTING REGISTRATION REQUIREMENTS

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (8), (9), (11), (25), (26), (27), (27.1), and (34) and s. 331.2)

PART 1 DEFINITIONS

1.1. Definitions

(1) In this Regulation

"accredited investor" has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

"Canadian financial institution" has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

"connected issuer" has the same meaning as in section 1.1 of Regulation 33-105 respecting Underwriting Conflicts;

"fully-managed account" means an account of a client that is managed by an adviser through discretionary authority granted by the client;

"IDA" means the Investment Dealers Association of Canada;

"marketplace" has the same meaning as in section 1.1 of Regulation 21-101 respecting Marketplace Operation;

"MFD SRO" means

(a) the Mutual Fund Dealers Association of Canada, or

(b) in Québec, a self-regulatory organization that is recognized for the purpose of regulating mutual fund dealers under an Act respecting the Autorité des marchés financiers;

"registered firm" means a registered

(a) dealer,

(b) adviser, or

(c) investment fund manager;

"registered individual" means an individual who is registered to act on behalf of a registered firm, including a registered firm's ultimate designated person and chief compliance officer;

"related issuer" has the same meaning as in section 1.1 of Regulation 33-105 respecting Underwriting Conflicts; and

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada).

(2) In the following jurisdictions, a reference to "security" or "securities" in this Regulation includes "exchange contract" or "exchange contracts":

(a) Alberta;

(b) British Columbia;

(c) Saskatchewan.

(3) In Alberta, for the purposes of Alberta securities law, the following are prescribed duties or functions:

(a) ultimate designated person, being an individual who is responsible for ensuring that a registered firm develops and implements policies and procedures for the discharge of the registered firm's obligations under Alberta securities law;

(b) chief compliance officer, being an individual who is responsible for discharging a registered firm's obligations under Alberta securities law.

PART 2 CATEGORIES OF REGISTRATION AND PERMITTED ACTIVITIES

2.1. Dealer categories

A dealer, when registered, must be registered by the regulator in one or more of the following categories:

(a) investment dealer, being a dealer that is permitted to deal in any security;

(b) mutual fund dealer, being a dealer that is permitted to deal solely in a security of a mutual fund;

(c) scholarship plan dealer, being a dealer that is permitted to deal solely in a security of a scholarship plan, educational plan or educational trust;

(d) exempt market dealer, being a dealer that is permitted to deal solely

(i) in a security that is being distributed under an exemption from the prospectus requirement, or

(i) with persons to whom a security may be distributed under an exemption from the prospectus requirement;

(e) restricted dealer, being a dealer that is limited by conditions on its registration to dealing in a specified security or class of security.

2.2. Exemption from dealer registration for advisers

(1) The dealer registration requirement does not apply to a registered adviser that deals in a security of its own pooled fund with a fully-managed account managed by the adviser.

(2) Subsection (1) does not apply if the fully-managed account is created or used solely to qualify for the exemption in subsection (1).

2.3. Adviser categories

(1) An adviser, when registered, must be registered by the regulator in one of the following categories:

(a) portfolio manager;

(b) restricted portfolio manager, being an adviser that is limited by conditions on its registration to advising in specified securities or classes of securities.

2.4. Exemption from adviser registration for dealers without discretionary authority

The adviser registration requirement does not apply to a registered dealer that advises a client, in connection with a security in which it deals if the dealer does not manage the client's investment portfolio through discretionary authority granted by the client.

2.5. Exemption from adviser registration for IDA members with discretionary authority

The adviser registration requirement does not apply to a registered investment dealer that manages the investment portfolio of a client through discretionary authority granted by the client if the dealer is a member of the IDA and complies with the following by-laws, regulations and policies made by the IDA for portfolio managers, as amended from time to time:

(a) Regulation 1300 Supervision of Accounts;

(b) Part VII Discretionary and Managed Account Supervision of Policy 2 Minimum Standards for Retail Account Supervision;

(c) Policy 4 Minimum Standards for Institutional Account Opening, Operation and Supervision;

(d) Part I Proficiency Requirements of Policy 6 Proficiency and Education.

2.6. Individual categories

An individual, when registered to act on behalf of a registered firm, must be registered by the regulator in one or more of the following categories:

(a) dealing representative;

(b) advising representative;

(b) associate advising representative;

(d) ultimate designated person;

(e) chief compliance officer.

2.7. Associate advising representative – approved advising only

An associate advising representative of an adviser must not advise in securities unless, before giving the advice, the advice is approved by an advising representative of the adviser.

2.8. Ultimate designated person

(1) A registered firm must designate an individual to be responsible for ensuring that the registered firm develops and implements policies and procedures for the discharge of the registered firm's obligations under securities legislation.

(2) An individual designated under subsection (1) must be,

(a) the chief executive officer of the registered firm,

(b) an officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only within the division, or

(c) an individual acting in a capacity similar to that of an officer described in paragraph (a) or (b).

(3) An individual designated under subsection (1) must be registered by the regulator in the category of ultimate designated person.

2.9. Chief compliance officer

(1) A registered firm must designate an individual to be responsible for discharging the registered firm's obligations under securities legislation.

(2) An individual designated under subsection (1) must be,

(a) an officer or partner of the registered firm, or

(b) if the registered firm is a sole proprietorship, the sole proprietor.

(3) An individual designated under subsection (1) must be registered by the regulator in the category of chief compliance officer.

PART 3 SRO MEMBERSHIP

3.1. IDA membership for investment dealers

(1) No person may be registered as an investment dealer unless the person is a member of the IDA.

(2) No individual may be registered to act on behalf of an investment dealer unless the individual is an approved person under the by-laws, regulations and policies of the IDA.

3.2. MFD SRO membership for mutual fund dealers

No person may be registered as a mutual fund dealer unless the person is a member of an MFD SRO.

3.3. Exceptions for SRO members

The following sections do not apply to a registrant that is a member or approved person of the IDA or an MFD SRO if the registrant complies with the by-laws, regulations and policies of that self-regulatory organization dealing with the same subject matter:

(a) section 4.14 [*capital requirement*];

(b) section 4.15 [*report capital deficiency*];

(c) section 4.16 [*insurance – dealer*];

(d) section 4.19 [*notice of change, claim, or cancellation*];

(e) section 4.20 [*appointment of auditor*];

(f) section 4.21 [*direction to auditor*];

(g) section 4.22 [*delivering financial information – dealer*];

(h) section 5.4 [*suitability*];

(i) section 5.6 [*leverage disclosure*];

(j) Part 5, Division 2 [*relationship disclosure*];

(k) section 5.13 [*securities, cash and other property*];

(l) section 5.17 [*margin*];

(m) section 5.21 [*confirmation of trade – general*];

(n) section 5.30 [*dispute resolution service*].

PART 4 FIT AND PROPER REQUIREMENTS

Division 1: Proficiency requirements

4.1. Definitions

In this Division

"Branch Manager Proficiency Exam" means the examination prepared and administered by the RESP Dealers Association of Canada and so designated by that Association;

"Canadian Investment Funds Exam" means the examination prepared and administered by the Investment Funds Institute of Canada and so designated by that Institute;

"Canadian Securities Exam" means the examination prepared and administered by the Canadian Securities Institute and so designated by that Institute;

"CFA charter" means the charter earned through the Chartered financial analyst examination program prepared and administered by the CFA Institute and so designated by that institute;

"Conduct and Practices Handbook Exam" means the examination prepared and administered by the Canadian Securities Institute and so designated by that Institute;

"Canadian Investment Manager designation" means the designation earned through the Canadian investment manager program prepared and administered by the Canadian Securities Institute and so designated by that Institute;

"Investment Funds in Canada Exam" means the examination prepared and administered by the Canadian Bankers Institute and so designated by that Institute;

"Officers', Partners' and Directors' Exam" means the examination prepared and administered by the Investment Funds Institute of Canada and so designated by that Institute;

"New Entrants Exam" means the examination prepared and administered by the Canadian Securities Institute and so designated by that Institute;

"Partners, Directors and Senior Officers Exam" means the examination prepared and administered by the Canadian Securities Institute and so designated by that Institute;

"Sales Representative Proficiency Exam" means the examination prepared and administered by the RESP Dealers Association of Canada and so designated by that Association; and

"Series 7 Exam" means the program prepared and administered by the National Association of Securities Dealers in the United States of America and so designated by that regulator.

4.2. Time limits on examination proficiency

(1) Subject to subsection (2), an individual may not be registered in a category unless the individual passed the examination or successfully completed the program required for the category within 36 months of the date of applying for registration.

(2) If an individual passed the examination or successfully completed the program required for a category more than 36 months before the date the individual applied for registration, the individual may not be registered in the category unless the individual

(a) was registered in the category, or its equivalent in another Canadian jurisdiction, for any 12 months during the 36 months before the date the individual applied for registration, or

(b) gained 12 months relevant experience during the 36 months before the date the individual applied for registration.

4.3. Mutual fund dealer – dealing representative – non-MFD SRO

No individual may be granted registration as a dealing representative of a mutual fund dealer that is not a member of an MFD SRO unless the individual

(a) has passed one of the following:

(i) the Canadian Investment Funds Exam;

(ii) he Canadian Securities Exam;

(iii) the Investment Funds in Canada Exam;

(b) has passed

(i) the Series 7 Exam, and

(ii) the New Entrants Exam, or

(c) has met the requirements of section 4.9 [*portfolio manager – advising representative*].

4.4. Mutual fund dealer – chief compliance officer – non-MFD SRO

No individual may be granted registration as a chief compliance officer of a mutual fund dealer that is not a member of an MFD SRO unless the individual has passed,

(a) one of the following:

(i) the Canadian Investment Funds Exam;

(ii) the Canadian Securities Exam;

(iii) the Investment Funds in Canada Exam; and

(b) one of the following:

(i) the Partners, Directors and Senior Officers Exam;

(ii) the Officers', Partners' and Directors' Exam.

4.5. Scholarship plan dealer – dealing representative

No individual may be granted registration as a dealing representative of a scholarship plan dealer unless the individual has passed the Sales Representative Proficiency Exam.

4.6. Scholarship plan dealer – chief compliance officer

No individual may be granted registration as a chief compliance officer of a scholarship plan dealer unless the individual has passed

(a) the Sales Representative Proficiency Exam,

(b) the Branch Manager Proficiency Exam, and

(c) one of the following:

(i) the Partners, Directors and Senior Officers Exam;

(ii) the Officers', Partners' and Directors' Exam.

4.7. Exempt market dealer – dealing representative

No individual may be granted registration as a dealing representative of an exempt market dealer unless the individual

(a) has passed

(i) the Canadian Securities Exam, and

(ii) one of the following:

(A) the Conduct and Practices Handbook Exam;

(B) the Partners, Directors and Senior Officers Exam,

(b) has passed

(i) the Series 7 Exam, and

(ii) the New Entrants Exam, or

(c) has met the requirements of section 4.9 [*portfolio manager – advising representative*].

4.8. Exempt market dealer – chief compliance officer

No individual may be granted registration as a chief compliance officer of an exempt market dealer unless the individual

(a) has passed

(i) the Canadian Securities Exam, and

(ii) the Partners, Directors and Senior Officers Exam, or

(b) has passed

(i) the Series 7 Exam, and

(ii) the New Entrants Exam.

4.9. Portfolio manager – advising representative

No individual may be granted registration as an advising representative of a portfolio manager unless the individual

(a) has

(i) earned a CFA charter, and

(ii) 12 months of investment management experience in the 36-month period before applying for registration, or

(b) has

(i) received the Canadian Investment Manager designation, and

(ii) 48 months of relevant investment management experience, 12 months of which was in the 36-month period before applying for registration.

4.10. Portfolio manager – associate advising representative

No individual may be granted registration as an associate advising representative of a portfolio manager unless the individual has completed a requirement, or any part of a requirement, set out in section 4.9 [*portfolio manager – advising representative*].

4.11. Portfolio manager – chief compliance officer

No individual may be granted registration as a chief compliance officer of a portfolio manager unless the individual

(a) has been granted registration previously as an advising representative of a portfolio manager,

(b) has

(i) obtained professional designation as a lawyer or Chartered Accountant in a jurisdiction of Canada or the equivalent in a foreign jurisdiction and is in good standing with the appropriate self-regulatory body or regulatory agency,

(ii) passed the Canadian Securities Exam and the Partners, Directors and Senior Officers Exam, and

(iii) either

(A) been employed for three consecutive years by a registered dealer or a registered adviser, or

(B) been providing professional services to the securities industry for three consecutive years and employed by a registered dealer or registered adviser for 12 consecutive months, or

(b) has

(i) passed the Canadian Securities Exam and the Partners, Directors and Senior Officers Exam, and

(ii) either

(A) been employed for five consecutive years by a registered dealer or a registered adviser, including three consecutive years under the supervision of the chief compliance officer of a registered dealer or a registered adviser, or

(B) been employed for five consecutive years by a financial intermediary regulated provincially or federally in a compliance capacity relating to portfolio management and employed by a registered dealer or registered adviser for 12 consecutive months.

4.12. Restricted portfolio manager – chief compliance officer

No individual may be granted registration as a chief compliance officer of a restricted portfolio manager unless the individual has met the requirements of section 4.11 [*portfolio manager – chief compliance officer*].

4.13. Investment fund manager – chief compliance officer

No individual may be granted registration as the chief compliance officer of an investment fund manager unless the individual has met the requirements of section 4.11 [*portfolio manager – chief compliance officer*].

Division 2: Solvency requirements

4.14. Capital requirement

(1) A registered firm must maintain excess working capital, as calculated using Form 31-103F1 Calculation of excess working capital, that is not less than zero.

(2) For the purpose of calculating excess working capital, the minimum capital

(a) for an adviser must be $25,000,

(b) for a dealer must be $50,000, and

(c) for an investment fund manager must be $100,000.

(3) A registered firm must calculate its excess working capital as at the end of each month by completing Form 31-103F1 Calculation of excess working capital within 20 days following the end of the month.

4.15. Report capital deficiency

If, at any time, the excess working capital of a registered firm, as calculated using Form 31-103F1 Calculation of excess working capital, is less than zero, the registered firm must notify the regulator as soon as practicable.

4.16. Insurance – dealer

(1) A registered dealer must maintain a financial institution bond with clauses A to E, as set out in Appendix A, in the greater of the following amounts:

(a) $50,000 per employee, agent and dealing representative or $200,000, whichever is less;

(b) 1% of the total client assets that the dealer handles, holds or has access to, as calculated using the dealer's most recent financial records, or $25,000,000, whichever is less;

(c) 1% of the dealer's total assets, as calculated using the dealer's most recent financial records, or $25,000,000, whichever is less;

(d) the amount indicated to be necessary by a resolution of the board of directors of the dealer.

(2) The amount of insurance required to be maintained must as a minimum be by way of a financial institution bond with a double aggregate limit or a provision for full reinstatement of coverage.

4.17. Insurance – adviser

(1) A registered adviser that does not handle, hold, or have access to client cash or assets must maintain a financial institution bond for $50,000 with clauses A to E as set out in Appendix A.

(2) A registered adviser that handles, holds, or has access to client cash or assets must maintain a financial institution bond with clauses A to E, as set out in Appendix A, in the greater of the following amounts:

(a) 1% of assets under management, as calculated using the adviser's most recent financial records, or $25,000,000, whichever is less;

(b) $200,000;

(c) the amount indicated to be necessary by a resolution of the board of directors of the adviser.

(3) The amount of insurance required to be maintained must as a minimum be by way of a financial institution bond with a double aggregate limit or a provision for full reinstatement of coverage.

4.18. Insurance – investment fund manager

(1) A registered investment fund manager must maintain a financial institution bond with clauses A to E, as set out in Appendix A, in the greater of the following amounts:

(a) 1% of assets under management, as calculated using the investment fund manager's most recent financial records, or $25,000,000, whichever is less;

(b) $200,000;

(c) the amount indicated to be necessary by a resolution of the directors of the investment fund manager.

(2) The amount of insurance required to be maintained must as a minimum be by way of a financial institution bond with a double aggregate limit or a provision for full reinstatement of coverage.

4.19. Notice of change, claim, or cancellation

A registered firm must, as soon as practicable, notify the regulator in writing of any change in, claim made under, or cancellation of any insurance policy required under this Division.

Division 3: Financial records

4.20. Appointment of auditor

A registered firm must appoint an auditor that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

4.21. Direction to auditor

(1) A registered firm must direct its auditor in writing to conduct any audit or review required by the regulator during its registration and must deliver a copy of the direction to the regulator

(a) with its application for registration, and

(b) not later than the 5th business day after the registered firm changes its auditor.

(2) If the regulator requires an audit or review of a registered firm under the direction referred to in subsection (1) the report must be delivered to the regulator as soon as practicable.

4.22. Delivering financial information – dealer

(1) A registered dealer must deliver to the regulator no later than the 90th day after the end of its fiscal year

(a) its annual financial statements for the fiscal year, and

(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of the dealer's excess working capital as at the end of the fiscal year and as at the end of the immediately preceding fiscal year.

(2) A registered dealer must deliver to the regulator no later than the 30th day after the end of the first, second and third quarter of its fiscal year

(a) its financial statements for the quarter, and

(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of the dealer's excess working capital as at the end of the quarter and as at the end of the immediately preceding quarter.

4.23. Delivering financial information – adviser

A registered adviser must deliver to the regulator no later than the 90th day after the end of its fiscal year

(a) its annual financial statements for the fiscal year, and

(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of the adviser's excess working capital as at the end of the fiscal year and as at the end of the immediately preceding fiscal year.

4.24. Delivering financial information – investment fund manager

(1) A registered investment fund manager must deliver to the regulator no later than the 90th day after the end of its fiscal year

(a) its annual financial statements for the fiscal year,

(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of the investment fund manager's excess working capital as at the end of the fiscal year and as at the end of the immediately preceding fiscal year, and

(c) a description of any net asset value adjustment made during the fiscal year.

(2) A registered investment fund manager must deliver to the regulator no later than the 30th day after the end of the first, second and third quarter of its fiscal year

(a) its financial statements for the quarter,

(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of the investment fund manager's excess working capital as at the end of the quarter and as at the end of the immediately preceding quarter, and

(c) a description of any net asset value adjustment made during the quarter.

(3) A description of a net asset value adjustment referred to in this section must include

(a) the cause of the adjustment,

(b) the dollar amount of the adjustment, and

(c) the effect of the adjustment on net asset value per unit or share and any corrections made to purchase and sale transactions affecting either the investment fund or security holders of the investment fund.

4.25. Notice of change in year end

As soon as practicable following a change in a registered firm's fiscal year end, the registered firm must notify the regulator in writing of the firm's new fiscal year end, prior fiscal year end and the reason for the change.

4.26. Audit of financial statements and auditor's report

(1) The annual financial statements delivered to the regulator under this Division must be

(a) prepared in accordance with generally accepted accounting principles, except that the statements are to be prepared on an unconsolidated basis, and

(b) accompanied by an auditor's report that is prepared in accordance with generally accepted auditing standards.

(2) A registrant must not withhold, destroy or conceal any information or documents or otherwise fail to cooperate with a reasonable request made by an auditor of the registered firm in the course of an audit.

4.27. Content of financial statements

The annual financial statements delivered to the regulator under this Division must include

(a) an income statement, a statement of retained earnings and a statement of cash flows, each for the fiscal year, and

(b) a balance sheet as at the end of the fiscal year, signed by at least one director of the registered firm.

PART 5 CONDUCT RULES

Division 1: Account opening and know-your-client

5.1. Application – investment fund managers exempt

This Division does not apply to an investment fund manager.

5.2. Account opening and client documentation

A registered firm must maintain account opening documentation for each client.

5.3. Know-your-client

(1) A registrant must take reasonable steps to

(a) establish the identity of a client and, where there may be cause for concern, the reputation of the client,

(b) ascertain whether a client is an insider of a reporting issuer,

(c) ensure that it has sufficient personal and financial information about a client to enable it to meet its regulatory obligations when it

(i) makes a recommendation to the client,

(ii) accepts an instruction to trade from the client, or

(iii) makes a discretionary purchase or sale of a security on behalf of the client, and

(d) establish the creditworthiness of a client, if the registered firm is financing the client's acquisition of a security.

(2) A registrant must make reasonable efforts to keep the information required under this section current.

5.4. Suitability

(1) A registrant must take reasonable steps to ensure that before it makes a recommendation to, or accepts instructions from, a client or makes a discretionary purchase or sale of a security on behalf of a client, the proposed purchase or sale is suitable for the client with reference to the client's

(a) financial circumstances,

(b) risk tolerance,

(c) investment knowledge, and

(d) investment needs and objectives.

(2) Despite subsection (1), if a registrant receives an instruction from a client to buy, sell or hold a security that in the registrant's opinion, acting reasonably, would not be suitable for the client, the registrant must not act on the instruction without first informing the client that in the registrant's opinion the transaction is not suitable for the client.

5.5. Exception – instructed trades from registrant or financial institution

Sections 5.3 [*know-your-client*] and 5.4 [*suitability*] do not apply to a registrant that executes a purchase or sale of a security on an instruction from

(a) another registrant,

(b) a Canadian financial institution,

(c) a Schedule III bank, or

(d) in Saskatchewan, an association under the *Co-operative Credit Associations Act*.

5.6. Leverage disclosure

(1) If a registrant believes, after having exercised reasonable diligence, that a client will use borrowed money to finance any part of a purchase of a security, the registrant must not act as principal or agent in the proposed purchase, or recommend the proposed purchase, unless the registrant has

(a) provided the client with a written statement in substantially the following form:

"Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.", and

(b) received a written acknowledgement from the client confirming that the client has read the statement referred to in paragraph (a).

(2) Subsection (1) does not apply if

(a) the registrant received an acknowledgement under paragraph (1)(b) within the six month period prior to the proposed purchase,

(b) the proposed purchase is on margin and the client's margin account is maintained with a registrant that is a member of the IDA or an MFD SRO, or

(c) the client is an accredited investor.

5.7. Disclosure for activities in a financial institution

(1) This section applies only to registrants conducting securities related activities in an office or branch of a Canadian financial institution or a Schedule III bank.

(2) When a registrant opens an account for a client, the registrant must deliver a written disclosure statement that the registrant is a separate entity from the Canadian financial institution or Schedule III bank and, unless otherwise advised by the registrant, securities purchased from or through the registrant

(a) are not insured by a government deposit insurer,

(b) are not guaranteed by the Canadian financial institution or Schedule III bank, and

(c) may fluctuate in value.

(3) When an account is opened, a registrant must obtain an acknowledgement of receipt of the disclosure statement under subsection (2) from the client confirming that the client has read and understood the disclosure statement.

(4) For the purposes of this section, "client" does not include an accredited investor.

Division 2: Relationship Disclosure

5.8. Application

(1) This Division does not apply to an investment fund manager.

(2) This Division does not apply to a registered firm when it is dealing with an accredited investor.

5.9. Definition – "relationship disclosure document"

In this Division, a "relationship disclosure document" means a written statement with the information required under section 5.12 [*content of relationship disclosure document*].

5.10. Providing relationship disclosure document

(1) A registrant must provide a client with a relationship disclosure document before the registrant first

(a) purchases or sells a security for the client, or

(b) advises the client to purchase, sell or hold a security.

(2) If there is a material change to the information in the relationship disclosure document provided to a client under subsection (1), the registrant must notify the client in writing of the change before the registrant next

(a) purchases or sells a security for the client, or

(b) advises the client to purchase, sell or holda security.

(3) A registrant may notify a client under subsection (2) by providing the client with a

(a) revised relationship disclosure statement, or

(b) written notice describing the material change.

5.11. Plain language

A relationship disclosure document must be prepared using plain language and in a format that assists in readability and comprehension.

5.12. Content of relationship disclosure document

(1) A relationship disclosure document must include the following:

(a) a description of the nature or type of account including, if the registered firm is an adviser, the account's discretionary nature;

(b) if the registered firm is an adviser,

(i) a description of how the firm will ensure that investments made are suitable for the client based on the information provided by the client, and

(ii) a statement that there is no guarantee, implied or otherwise, that the investments made will be successful;

(c) if the registered firm is a dealer, a description of the nature and scope of the firm's obligation to assess whether a purchase or sale of a security is suitable for a client prior to executing the transaction or at any other time;

(d) a discussion that identifies which products or services offered by the registered firm will meet the client's investment objectives and how they will do so;

(e) if the registered firm is an adviser, a discussion of investment risk factors and types of risks that should be considered by the client when deciding to invest using an adviser;

(f) a discussion of investment risk factors and types of risks that should be considered by the client when making an investment decision;

(g) a description of the conflicts of interest that the registered firm is required to disclose under securities legislation;

(h) disclosure of all service fees and charges in respect of the operation of the client's accounts;

(i) a description of the costs the client will pay in making and holding investments and the compensation paid to the registered firm in relation to the different types of products that the client may purchase through the registered firm;

(j) if the registered firm is an adviser and a sub-adviser is associated with a fully-managed account product or service, information about the role of the sub-adviser and the sub-adviser's relationship to the client;

(k) a description of the content and frequency of reporting for each account or portfolio;

(l) information about how the client can contact the firm.

(2) A client's relationship disclosure document must contain the information a registered firm is required to collect about the client under section 5.3 [*know-your-client*].

Division 3: Client assets

5.13. Securities, cash and other property

(1) A registered firm that holds securities or other property of a client must hold the securities or property separate and apart from its own property and in trust for the client.

(2) A registered firm that holds cash on behalf of a client must hold the cash separate and apart from the property of the firm in a designated trust account with

(a) a Canadian financial institution,

(b) a Schedule III bank, or

(c) in Saskatchewan, an association under the *Co-operative Credit Associations Act*.

5.14. Securities subject to safekeeping agreement

A registered firm that holds unencumbered securities for a client under a written safekeeping agreement must

(a) segregate the securities from all other securities,

(b) identify the securities as being held in safekeeping for the client in

(i) the registrant's security position record,

(ii) the client's ledger, and

(iii) the client's statement of account, and

(c) release the securities only on an instruction from the client.

5.15. Securities not subject to safekeeping agreement

(1) A registered firm that holds unencumbered securities for a client that are either fully paid for or are excess margin securities, but that are not held under a written safekeeping agreement, must

(a) segregate and identify the securities as being held in trust for the client, and

(b) describe the securities as being held in segregation on

(i) the registrant's security position record,

(ii) the client's ledger, and

(iii) the client's statement of account.

(2) If a client is indebted to a registered firm, the registered firm may sell or lend the securities described in subsection (1), but only to the extent reasonably necessary to cover the indebtedness.

(3) Securities described in subsection (1) may be segregated in bulk.

5.16. Reduction of debit balances

(1) In this section "free credit balance"

(a) includes money received from, or held for the account of, clients by a registrant,

(i) for investment pending the investment and payment for securities purchased by the clients from or through the registrant where the registrant does not own such securities at the time of purchase or has not purchased them on behalf of the clients, pending the purchase thereof by the registrant, and

(ii) as proceeds of securities purchased from clients or sold by the registrant for the account of clients where securities have been delivered to the registrant but payment has not been made pending payment of such proceeds to the clients; and

(b) does not include money that is committed to be used on a specific settlement date as payment for securities if the registrant who maintains the securities account prepares financial statements on a settlement date basis.

(2) If a registrant maintains two or more accounts for a client, one of which is a derivatives account that contains a debit balance of more than $5,000, the registrant must transfer from any account containing a free credit balance as much of the free credit balance as is necessary to eliminate, or reduce to the greatest extent possible, the debit balance in the derivatives account.

(3) Subsection (2) does not apply to a registrant in respect of a client's securities and derivatives accounts if the client has given directions to the registrant in writing, or orally if subsequently confirmed in writing,

(a) to transfer an amount that is less than the amount otherwise required to be transferred; or

(b) not to transfer any amount from the securities account to the derivatives account.

(4) A registrant who maintains a securities account and a derivatives account for the same client may make a transfer of any amount of a free credit balance from the securities account to the derivatives account, or, from the derivatives account to the securities account of the client if

(a) the transfer is made in accordance with a written agreement between the registrant and the client; and

(b) the transfer is not a transfer referred to in subsections (2) and (3).

5.17. Margin

A registrant must not lend or extend credit to a client or permit the purchase of securities by a client on margin.

5.18. Accounts supervision

A registered adviser must ensure that the account of each client is supervised separately and distinctly from the accounts of other clients.

Division 4: Record-keeping

5.19. Records – general requirements

(1) A registered firm must maintain records to

(a) accurately record its business activities, financial affairs, and client transactions, and

(b) demonstrate compliance with applicable requirements of securities legislation.

(2) Such records must include, but are not limited to, records that

(a) permit timely creation and audit of financial statements and other financial information required to be filed or delivered to the securities regulatory authority;

(b) permit determination of the registered firm's capital position;

(c) demonstrate compliance with the registered firm's capital and insurance requirements;

(d) demonstrate compliance with internal control procedures;

(e) demonstrate compliance with the firm's policies and procedures;

(f) permit the identification and segregation of client cash, securities, and other property;

(g) identify all transactions conducted on behalf of the registered firm and each of its clients, including the parties to the transaction and the terms of the purchase or sale;

(h) provide an audit trail for

(i) client instructions and orders, and

(ii) each trade transmitted or executed for a client or by the registered firm on its own behalf;

(i) permit creation of account activity reports for clients;

(j) provide securities pricing as may be required by securities legislation;

(k) demonstrate compliance with client account opening requirements;

(l) evidence correspondence with clients; and

(m) evidence compliance and supervision actions taken by the firm.

5.20. Records – form, accessibility and retention

(1) A registered firm must keep its records safe and in a durable form.

(2) For a period of two years after the creation of a record, a registered firm must keep the record in a manner that permits it to be provided promptly to the regulator, and thereafter the record may be kept in a manner that permits it to be provided to the regulator in a reasonable period of time.

(3) A record provided under subsection (2) must be in a form that is capable of being read by the regulator.

(4) A registered firm must keep

(a) an activity record for seven years from the date of the act, and

(b) a relationship record for seven years from the date the person ceases to be a client of the registered firm.

Division 5: Account activity reporting

5.21. Confirmation of trade – general

(1) Subject to subsection (2), a registered dealer that has acted on behalf of a client in connection with a trade or series of trades in a security must promptly send or deliver to the client, or to the registered adviser acting for the client if the client consents, a written confirmation of the transaction, setting out,

(a) the quantity and description of the security traded,

(b) the consideration,

(c) the commission, sales charge, service charge and any other amount charged in respect of the trade,

(d) whether the registered dealer is acting as principal or agent,

(e) the date and the name of the marketplace, if any, on which the transaction took place, or if applicable, a statement that the transaction took place on more than one marketplace,

(f) the name of the dealing representative, if any, in the transaction,

(g) the settlement date of the trade, and

(h) if applicable, that the security is a security of the registrant, a security of a related issuer of the registrant or, in the course of a distribution, a security of a connected issuer of the registrant.

(2) If the transaction involved more than one trade or if the transaction took place on more than one marketplace the information referred to in subsection (1) above may be set out in the aggregate if the confirmation also contains a statement that additional details concerning the transaction will be provided to the client upon request and without additional charge.

(3) If a trade is made in a security of a mutual fund, scholarship plan, educational plan or educational trust, the confirmation required under subsection (1) must contain, in addition to the requirements of subsection (1), the price per share or unit at which the trade was effected.

(4) Paragraph (1)(h) does not apply if the security is a security of a mutual fund that is an affiliate of the registered dealer and the names of the dealer and the fund are sufficiently similar to disclose that they are affiliated.

(5) For the purpose of paragraph (1)(f), a dealing representative may be identified by means of a code or symbol if the confirmation also contains a statement that the name of the dealing representative will be provided to the client on request of the client.

5.22. Reporting trades otherwise

(1) If a registered firm sends to a client a report, other than a confirmation under section 5.21 [*confirmation of trade – general*], of a trade in a security that the registered firm made with or on behalf of the client, including a report of a trade made by or at the direction of a registrant that is managing the investment portfolio of the client through discretionary authority granted by the client, the report must state, if applicable, that the security is a security of the registered firm, a security of a related issuer of the registered firm or, in the course of a distribution, a security of a connected issuer of the registered firm.

(2) Subsection (1) does not apply if the security is a security of a mutual fund that is an affiliate of the registered firm and the names of the registered firm and the fund are sufficiently similar to disclose that they are affiliated.

5.23. Semi-annual confirmations for certain automatic plans

Despite the requirement under section 5.21 [*confirmation of trade – general*] to send a confirmation promptly, a registered dealer may send the information referred to in that section semi-annually if,

(a) the information is with respect to trades in a security of a mutual fund, scholarship plan, educational plan or educational trust,

(b) the client notified the dealer in writing that the trades will be made at least once a month under the client's participation in an automatic payment plan or an automatic withdrawal plan, and

(c) after receiving the notice referred to under paragraph (b), the registered dealer sent one confirmation to the client promptly.

5.24. Confirmation of trade – exemption

A registered dealer is not required to send to a client a written confirmation of a trade in a security of a mutual fund if the investment fund manager of the mutual fund sends the client a written confirmation containing the information required to be sent under section 5.21 [*confirmation of trade – general*].

5.25. Statements of account and portfolio

(1) A registered dealer must send a statement of account to each client not less than once every three months showing any debit or credit balance and the details of securities held for or owned by the client, unless the client has requested statements on a more frequent basis in which case the registered dealer must send statements on the basis requested by the client.

(2) The statement required by subsection (1) must list the securities held for the client and indicate clearly which securities are held for safekeeping or in segregation.

(3) Subject to subsection (4), a registered adviser must send to each client not less than once every three months, a statement of the portfolio of the client under the registered adviser's management, unless the client has requested statements on a more frequent basis in which case the registered adviser must send statements on the basis requested by the client.

(4) If a client has provided the consent referred to in subsection 5.21(1) [*confirmation of trade – general*], the registered adviser must send to the client not less than once every month, a statement of the portfolio of the client under the registered adviser's management.

Division 6: Compliance

5.26. Compliance system

(1) A registered firm must establish, maintain and enforce a system of controls and supervision designed to

(a) achieve compliance with securities legislation, and

(b) manage the risks associated with its business in conformity with prudent business practices.

(2) The system of controls referred to in subsection (1) must be documented in the form of written policies and procedures.

5.27. Reporting to board or partnership

The chief compliance officer must report directly to the board of directors or partnership as necessary and at least once annually concerning the registered firm’s compliance with securities legislation.

5.28. Access to board or partnership

A registered firm must permit its ultimate designated person and its chief compliance officer to directly access the board of directors or partnership at such times as

either of them may independently deem necessary or advisable in view of his or her responsibilities.

Division 7: Complaint handling

5.29. Complaints

A registered firm must document, and effectively and fairly deal with, each complaint made to the registered firm about one of its products or services.

5.30. Dispute resolution service

(1) A registered firm must participate in a dispute resolution service.

(2) If a person makes a complaint to a registered firm about one of its products or services, the registered firm must as soon as practicable

(a) notify the person of the dispute resolution service that is available to mediate the dispute, and

(b) inform the person of how the person can use the dispute resolution service.

5.31. Policies and procedures on complaint handling

A registered firm must have policies and procedures on

(a) recording and examining a complaint made by a person having an interest in a product or service it has provided, and

(b) resolving disputes about products or services it has provided.

5.32. Reporting to the regulator or securities regulatory authority

A registered firm must, within two months of the end of its fiscal year or on any other date determined by the regulator or the securities regulatory authority, submit to the latter a report to that date concerning the policies it has established under section 5.29 [*complaints*] that includes the number and nature of the complaints filed.

Division 8: Non-resident registrants

5.33. Application to non-residents

This Division does not apply to a registrant unless the registrant is a non-resident.

5.34. Notice to clients

A registrant must provide to each of his, her, or its clients in the jurisdiction

(a) a statement in writing disclosing the non-resident status of the registrant,

(b) the registrant's jurisdiction of residence,

(c) the name and address of the agent for service of process of the registrant in the jurisdiction, and

(d) the nature of risks to clients that legal rights may not be enforceable in the jurisdiction.

5.35. Custody of assets

All securities, cash, and other property of clients of a registered firm in the jurisdiction must be held

(a) directly by the client,

(b) on behalf of the client by a custodian or sub-custodian that

(i) meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of Regulation 81-102 Mutual Funds, and

(ii) is subject to the Bank for International Settlements' framework for international convergence of capital measurement and capital standards, or

(c) on behalf of the client by a registered dealer that is a member of an SRO that is a member of CIPF or other comparable compensation fund or contingency trust fund.

5.36. Compliance with requests

A registered firm and each of its registered individuals must comply with requests under the securities regulatory authority's investigation powers and orders under the securities legislation in the jurisdiction in relation to the firm's dealings with clients in the jurisdiction to the extent those powers and orders would be enforceable against the firm if the firm were resident in the jurisdiction.

5.37. Maintain registration in home jurisdiction

A registered firm must, in the foreign jurisdiction or jurisdiction in Canada in which its head office is located,

(a) maintain registration or regulatory organization membership that is appropriate for the business being carried out in the local jurisdiction, if and where applicable, and

(b) continue to engage in the business for which the registration or membership is required.

PART 6 CONFLICTS

Division 1: General

6.1. Conflicts management obligations

(1) A registered firm must identify each potential and actual conflict of interest

(a) within the registered firm,

(b) with other entities,

(c) with a client, and

(d) between clients.

(2) A registered firm must deal with a conflict of interest identified under subsection (1)

(a) in a fair, equitable and transparent manner, and

(b) exercising responsible business judgment influenced only by the best interest of the client or clients.

(3) A registered firm must provide prior written disclosure of a conflict of interest to a client when there is a reasonable likelihood that the client would consider the conflict important when entering into a proposed transaction.

6.2. Prohibition on certain managed account transactions

(1) In this section, “responsible person” means, for a registered adviser,

(a) the adviser,

(b) every individual who is a partner, director or officer of the adviser,

(c) every individual who is an employee or agent of the adviser, if the individual

(i) has access to, or participates in formulating, an investment decision to be made on behalf of a client of the adviser, or

(ii) has access to, or participates in formulating, advice to be given to a client of the adviser,

(d) every affiliate and associate of the adviser, and

(e) every individual who is a partner, director, officer or employee of an affiliate or associate of the adviser, if the individual

(i) has access to, or participates in formulating, an investment decision to be made on behalf of a client of the adviser, or

(ii) has access to, or participates in formulating, advice to be given to a client of the adviser.

(2) A registered adviser must not cause a fully-managed account or an investment portfolio managed by it to

(a) purchase a security of an issuer

(i) in which a responsible person of the adviser or an associate of a responsible person of the adviser is a partner, officer or director,

(ii) that is a related issuer of the adviser, or

(iii) that is a connected issuer of the adviser, during a distribution,

unless

(iv) at anytime prior to the purchase, the client consented in writing to the purchase, or

(v) the client is a dealer or related issuer of the adviser;

(b) purchase or sell a security from or to the account of a responsible person of the adviser; or

(c) provide a guarantee or loan to a responsible person of the adviser.

6.3. Registrant relationships

(1) An individual registered as a dealing, advising or associate advising representative of a registered firm must not be registered as a dealing, advising or associate advising representative of another registered firm that is not an affiliate of the first-mentioned registered firm.

(2) An individual registered as a dealing, advising or associate advising representative of a registered firm must not act as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned registered firm.

6.4. Issuer disclosure statement

(1) If a registrant is prepared to act as an adviser or dealer in respect of securities of a related issuer or, in the course of a distribution, a connected issuer of the registrant, the registered firm must maintain an issuer disclosure statement that contains

(a) a list of the related issuers and, in the course of a distribution, connected issuers of the registrant, and

(b) a concise statement of the relationship between the registrant and each of the related and connected issuers referred to in paragraph (a).

(2) A registrant must provide a client with a current issuer disclosure document before the registrant first

(a) purchases or sells a security of an issuer listed in the current issuer disclosure statement for the client, or

(b) advises the client to purchase, sell or hold a security of an issuer listed in the current issuer disclosure statement.

(3) If there is a material change to the information required under subsection (1), the registrant must notify a client in writing of the change before the registrant next

(a) purchases or sells a security of an issuer listed in the revised issuer disclosure statement for the client, or

(b) advises the client to purchase, sell or hold a security of an issuer listed in the revised issuer disclosure statement.

(4) A registrant may notify a client under subsection (3) by providing the client with

(a) a revised issuer disclosure statement, or

(b) a written notice describing the material change.

(5) This section does not apply

(a) in respect of dealing or advising in a security of a mutual fund that is an affiliate of the registered firm and the names of the registered firm and the fund are sufficiently similar to disclose that they are affiliated,

(b) in respect of a client to whom the dealer does not provide advice, or

(c) if the client is a related issuer of the registrant or a dealer that is dealing as principal.

(6) This section does not apply to an investment fund manager.

6.5. Research recommendations

A registrant must not make a recommendation or cooperate in making a recommendation in any medium of communication to buy, sell or hold its own securities, securities of a related issuer or, in the course of a distribution, securities of a connected issuer, unless the recommendation

(a) is in a publication that

(i) is published or distributed by the registrant regularly in the ordinary course of its business, and

(ii) includes in a conspicuous position and large type, a complete statement of the relationship or connection between the registrant and the issuer,

(b) is made by an underwriter if the provisions of Regulation 33-105 respecting Underwriting Conflicts are otherwise followed; or

(c) relates to the registrant dealing or advising in a security of a mutual fund that is an affiliate of the registered firm and the names of the registered firm and the fund are sufficiently similar to disclose that they are affiliated.

6.6. Fairness in allocation of investment opportunities

A registered adviser must

(a) ensure fairness in allocating investment opportunities among its clients, and

(b) provide a copy of the related written policies required under section 5.26 [*compliance system*] to a client

(i) before first advising the client to purchase, sell or hold a security, and

(ii) if there is a material change to the related written policies last provided to the client, before next advising the client to purchase, sell or hold a security.

6.7. Acquisition of securities or assets of a registrant

(1) A person must give prior written notice to the regulator of the direct or indirect acquisition of

(a) control over,

(i) ten per cent or more of the securities of a registrant; and

(ii) any increase thereafter of more than 5 per cent of the outstanding securities of the registrant; and

(b) a substantial part of the assets of a registrant.

(2) The notice in subsection (1) must

(a) be filed with the regulator at least 30 days before the acquisition; and

(b) include all relevant facts to permit the regulator to determine if the acquisition

(i) is likely to give rise to conflicts of interest;

(ii) is likely to hinder the registrant in complying with the conditions of registration applicable to it;

(iii) is inconsistent with an adequate level of investor protection; or

(iv) is otherwise prejudicial to the public interest.

(3) If the regulator gives written notice of objection to the acquisition within 30 days of the regulator's receipt of a notice under subsection (1), the acquisition shall not occur until the regulator approves it.

(4) Following receipt of a notice of objection under subsection (3), the person who submitted the notice to the regulator may request the regulator to hold a hearing on the matter.

(5) Subsection (1) does not apply to an acquisition by a registrant in the ordinary course of its business of dealing in securities.

6.8. Underwriting conflicts

An individual registered as a dealing, advising or associate advising representative must not act on behalf of a registered firm in a transaction of the registered firm unless the individual complies with Regulation 33-105 respecting Underwriting Conflicts and this Regulation.

6.9. Settling securities transactions

No registrant shall require a person to settle that person's transaction with the registrant through that person's account at a Canadian financial institution as a condition, or on terms that would appear to a reasonable person to be a condition, of supplying a product or service, unless this method of settlement is reasonably necessary to provide the specific product or service that the person has requested.

6.10. Tied selling

No person shall require another person

(a) to invest in particular securities, either as a condition or on terms that would appear to a reasonable person to be a condition, of supplying or continuing to supply products or services; or

(b) to purchase or use any products or services, either as a condition or on terms that would appear to a reasonable person to be a condition, of selling particular securities.

Division 2: Referral arrangements

6.11. Definitions – referral arrangements

For the purposes of this section to section 6.15 [*application and transition to prior referral arrangements*]

"client" includes a prospective client;

"referral arrangement" means any arrangement in which a registrant agrees to pay or receive a referral fee; and

"referral fee" means any form of compensation, direct or indirect, paid for the referral of a client to or from a registrant.

6.12. Permitted referral arrangements

A registrant must not participate in a referral arrangement unless,

(a) before a client is referred by or to the registrant, the terms of the referral arrangement are set out in a written agreement between

(i) the registrant,

(ii) the person making or receiving the referral, and

(iii) if the registrant is a registered individual, the registered firm on whose behalf the registered individual acts,

(b) the registrant or, if the registrant acts on behalf of a registered firm, the registered firm, records all referral fees on its records, and

(c) the registrant ensures that the information prescribed by subsection 6.13(1) [*disclosing referral arrangements to clients*] is provided to the client in writing before the earlier of opening the client's account or any services are provided to the client under the referral arrangement.

6.13. Disclosing referral arrangements to clients

(1) Written disclosure of the referral arrangement as required by subsection 6.12(c) [*permitted referral arrangements*] must include the following:

(a) the name of each party to the referral arrangement;

(b) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;

(c) any conflicts of interest resulting from the relationship between the parties to the referral arrangement and from any other element of the referral arrangement;

(d) the method of calculating the referral fee and, to the extent possible, the amount of the fee;

(e) the category of registration of each registrant that is a party to the agreement with a description of the activities that the registrant is authorized to engage in under that category and, giving consideration to the nature of the referral, the activities that the registrant is not permitted to engage in;

(f) if a referral is made to a registrant, a statement that all activity requiring registration resulting from the referral arrangement will be provided by the registrant receiving the referral; and

(g) any other information that a reasonable client would consider important in evaluating the referral arrangement.

(2) If there is a change to the information set out in subsection (1), the registrant must ensure that written disclosure of that change is provided to each client affected by the change promptly but no later than 30 days before the next payment or receipt of any referral fee.

6.14. Reasonable diligence when referring clients

A registrant that refers a client to another person must take reasonable steps to satisfy itself that the person has the appropriate qualifications to provide the services, and if applicable, is registered to provide those services.

6.15. Application and transition to prior referral arrangements

(1) Sections 6.12 [*permitted referral arrangements*] to 6.14 [*reasonable diligence when referring clients*] apply to a referral arrangement entered into before this Regulation came into force if a referral fee is paid under the referral arrangement after this Regulation comes into force.

(2) Subsection (1) does not apply until the 120th day after this Regulation comes into force.

PART 7 SUSPENSION AND REVOCATION OF REGISTRATION

7.1. Activities prohibited when suspended

A registrant that is suspended must not

(a) deal in securities,

(b) advise in respect of securities, or

(c) manage an investment fund.

7.2. Suspension of registered firm

If a registered firm is suspended, each registered dealing, advising or associate advising representative of the firm is suspended.

7.3. Suspension of SRO approval

(1) If the IDA or an MFD SRO revokes or suspends a registered firm's membership, the firm's registration is suspended.

(2) If the IDA or an MFD SRO revokes or suspends an individual's approval, the individual's registration is suspended.

7.4. Failure to pay fees

A registered firm is suspended on the 30th day after the day its annual fees were due if

(a) the firm has not paid its annual fees, and

(b) the regulator has notified the firm of its failure to pay.

7.5. Termination of relationship

The registration of a registered individual who ceases to have an employment, partnership or agency relationship with a registered firm is suspended on the date the relationship ceased.

7.6. Reinstatement

The registration of an individual suspended under this Part, other than under subsection 7.3(2), is reinstated on the date the individual submits a completed Form 33-109F4 Application for registration of individuals and permitted individuals in accordance with Regulation 31-102 respecting National Registration Database if

(a) the Form 33-109F4 is submitted on or before the 90th day after the suspension,

(b) the individual is applying to be reinstated in the same category of registration in which the individual was registered at the time of the suspension, and

(c) the registered firm sponsoring the individual's application is registered in the same category of registration in which the individual's former sponsoring firm was registered.

7.7. Revocation of registration

If a registration has been suspended under this Part and it has not been reinstated, the registration is revoked on the second anniversary following the suspension.

7.8. Exception – hearing

Despite sections 7.6 [*reinstatement*] and 7.7 [*revocation of registration*], if a hearing concerning a suspended registrant is commenced under the Act, the registration remains suspended until a decision has been made by the securities regulatory authority.

PART 8 INFORMATION SHARING

8.1. Firms' obligation to share information

(1) On request, a registered firm must disclose, to another registered firm that is considering whether to employ, retain as agent, or accept as a partner a person, all information in its possession or of which it is aware that is relevant to the person's conduct or to an assessment of the person's suitability as a registered individual or that is material to the hiring of the person by the registrant.

(2) Except as otherwise permitted by law, a registrant that collects information under this section must not use the information for any purpose other than

(a) making a decision to hire, or terminate the services of the person; or

(b) managing the person.

(3) A registrant that collects information under this section must not disclose the information except

(a) pursuant to subsection (1),

(b) to a regulator or its delegate,

(c) to a marketplace, self-regulatory organization or regulatory organization, if the registrant is a regulated person of the marketplace, self-regulatory organization or regulatory organization,

(d) to a person empowered by the laws of a Canadian or foreign jurisdiction to regulate financial services, or

(e) if required or permitted by law.

PART 9 EXEMPTIONS FROM REGISTRATION

Division 1: General

9.1. Definitions

In this Division, each of the following terms has the same meaning ascribed to the term in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions: "director", "executive officer", "person" and "subsidiary".

9.2. Investment fund distributing through dealer

The dealer registration requirement does not apply to an investment fund or the manager of the fund that distributes a security of the investment fund's own issue solely through a registered dealer.

9.3. Investment fund reinvestment

(1) Subject to subsections (3), (4) and (5), the dealer registration requirement does not apply to an investment fund or the manager of the fund dealing in securities with a security holder of the investment fund where the dealing is permitted by a plan of the investment fund and is in a security of the investment fund's own issue if

(a) dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the investments fund's securities are applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions out of earnings, surplus, capital or other sources are attributable, or

(b) subject to subsection (2), the security holder makes optional cash payments to purchase the security of the investment fund that is of the same class or series of securities described in paragraph (a) that trade on a marketplace.

(2) The aggregate number of securities issued under the optional cash payment referred to in paragraph (1)(b) must not exceed, in any fiscal year of the investment fund during which the transaction takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the fiscal year.

(3) A plan that permits a transaction described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution is available.

(4) No sales charge is payable on a transaction described in subsection (1).

(5) The most recent prospectus of the investment fund, if any, must set out

(a) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security;

(b) any right that the security holder has to make an election to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund; and

(c) instructions on how the right referred to in paragraph (b) can be exercised.

9.4. Additional investment in investment funds

The dealer registration requirement does not apply to an investment fund or the manager of the fund dealing in a security of the investment fund's own issue with a security holder of the investment fund if

(a) the security holder initially acquired securities of the investment fund as principal for an acquisition cost of not less than $150,000 paid in cash at the time of the acquisition;

(b) the subsequent dealing is for a security of the same class or series as the security initially acquired; and

(c) the security holder, as at the date of the subsequent dealing, holds securities of the investment fund that have

(i) an acquisition cost of not less than $150,000, or

(ii) a net asset value of not less than $150,000.

9.5. Private investment fund - loan and trust pools

(1) The dealer registration requirement does not apply in respect of dealing in a security of an investment fund if the investment fund

(a) is administered by a trust company or trust corporation that is registered or authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) has no promoter or manager other than the trust company or trust corporation referred to in paragraph (a), and

(c) co-mingles the money of different estates and trusts for the purpose of facilitating investment.

(2) Despite subsection (1), a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada is not a trust company or trust corporation for the purpose of paragraph (1)(a).

(3) The investment fund manager registration requirement does not apply to a trust company or trust corporation that manages an investment fund referred to in subsection (1).

9.6. Mortgages

(1) In this section, "syndicated mortgage" means a mortgage in which two or more persons participate, directly or indirectly, as a lender in a debt obligation that is secured by a mortgage.

(2) Subject to subsection (3), the dealer registration requirement does not apply in respect of dealing in a mortgage on real property in a jurisdiction by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.

(3) In British Columbia, Manitoba, Québec and Saskatchewan, subsection (2) does not apply to dealing in a syndicated mortgage.

9.7. Personal Property Security Act

The dealer registration requirement does not apply in respect of dealing in a security evidencing indebtedness secured by or under a security agreement provided for under personal property security legislation of a jurisdiction providing for the acquisition of personal property if the security is not offered for sale to an individual.

9.8. Variable insurance contract

(1) In this section,

"contract", "group insurance", "insurance company", "life insurance" and "policy" have the respective meanings assigned to them in the legislation for a jurisdiction referenced in Appendix A of Regulation 45-106 respecting Prospectus and Registration Exemptions; and

"variable insurance contract" means a contract of life insurance under which the interest of the purchaser is valued for purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets.

(2) The dealer registration requirement does not apply in respect of dealing in a variable insurance contract by an insurance company if the variable insurance contract is

(a) a contract of group insurance;

(b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75% of the premium paid up to age 75 years for a benefit payable at maturity;

(c) an arrangement for the investment of policy dividends and policy proceeds in a separate and distinct fund to which contributions are made only from policy dividends and policy proceeds; or

(d) a variable life annuity.

9.9. Schedule III banks and cooperative associations - evidence of deposit

The dealer registration requirement does not apply in respect of dealing in an evidence of deposit issued by a Schedule III bank or an association governed by the *Cooperative Credit Associations Act* (Canada).

9.10. Plan administrators

(1) The dealer registration requirement does not apply to dealing in securities of an issuer by a trustee, custodian, or administrator acting on behalf of, or for the benefit of employees, executive officers, directors or consultants of the issuer or of a related entity of the issuer with

(a) the issuer,

(b) a current or former employee, executive officer, director or consultant of the issuer or a related entity of the issuer,

(c) a permitted assign of a person referred to in paragraph (b),

if the dealing in securities is pursuant to a plan of the issuer and the securities are obtained directly from the issuer or from a current or former employee, executive officer, director or consultant of the issuer or of a related entity of the issuer or through a registered dealer.

(2) In this section,

"consultant" has the same meaning as in section 2.22 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

"permitted assign" has the same meaning as in section 2.22 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

"plan" means a plan or program established or maintained by an issuer providing for the acquisition of securities of the issuer by employees, executive officers, directors or consultants of the issuer or of a related entity of the issuer; and

"related entity" has the same meaning as in section 2.22 of Regulation 45-106 respecting Prospectus and Registration Exemptions.

9.11. Adviser

The adviser registration requirement does not apply to the following persons if performance of services as an adviser is incidental to their principal business:

(a) a Canadian financial institution and a Schedule III bank;

(b) the Business Development Bank of Canada continued under the *Business Development Bank of Canada Act* (Canada); or

(c) a société d'entraide économique or the Fédération des sociétés d'entraide économique du Québec governed by the *Act respecting the sociétés d'entraide économique* (Québec).

9.12. Advising generally

The adviser registration requirement does not apply to a person that holds himself, herself or itself out as engaging in the business of advising others either through direct advice or through publications or writings, as to the investing in or the buying or selling of specific securities, not purporting to be tailored to the needs of specific clients.

9.13. International dealer

(1) In this section

"debt security" has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

"foreign security" means

(a) a security issued by an issuer incorporated, formed or created under the laws of a jurisdiction other than Canada or any province or territory of Canada,

(b) a security issued by a country other than Canada or by any political division of the country, and

(c) a security that is not listed or traded on a marketplace in Canada;

"international dealer" means a dealer that

(a) has no establishment in Canada or officers, employees or agents resident in Canada, and

(b) is registered under the securities legislation of the jurisdiction in which its head office or principal place of business is located in a category of registration that permits the dealer to carry on the activities in that jurisdiction that registration as a dealer would permit the dealer to carry on in the local jurisdiction; and

"permitted international dealer client" means

(a) a Canadian financial institution or a Schedule III bank;

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

(d) a person registered under the securities legislation of a jurisdiction in Canada as an adviser or dealer, other than a scholarship plan dealer or a restricted dealer;

(e) the Government of Canada or a jurisdiction in Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

(f) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

(g) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;

(h) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully-managed account managed by the trust company or trust corporation, as the case may be;

(i) a person acting on behalf of a fully-managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; or

(j) an investment fund that is advised by a person registered as an portfolio manager under the securities legislation of a jurisdiction in Canada.

(2) Subject to subsection (3), the registration requirement does not apply to an international dealer

(a) carrying on those activities, other than sales of securities, that are reasonably necessary to facilitate a distribution of securities that are offered primarily abroad;

(b) dealing in debt securities with a permitted international dealer client in the course of a distribution, where the debt securities are offered primarily abroad and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution;

(c) dealing in a debt security that is a foreign security with a permitted international dealer client, other than in the course of the distribution by which the foreign debt security was issued;

(d) dealing in foreign securities with a permitted international dealer client, except in the course of a distribution for which a prospectus has been filed with a Canadian securities regulatory authority; or

(e) dealing with an investment dealer acting as principal in any securities;

where the international dealer is acting as principal or as agent for the issuer of the securities, for another permitted international dealer client, or for a person that is not a resident of Canada.

(3) An international dealer may not rely on subsection (2) unless it

(a) has delivered to the securities regulatory authority an executed Form 35-101F1 Submission to Jurisdiction and Appointment of Agent for Service, and

(b) before dealing with a permitted international dealer client, notifies the client,

(i) that it is not registered in Canada,

(ii) of the international dealer's jurisdiction of residence,

(iii) of the name and address of the agent for service of process of the international dealer in the local jurisdiction, and

(iv) that there may be difficulty enforcing legal rights against the international dealer because it is resident outside Canada and all or substantially all of its assets are situated outside Canada

9.14. International portfolio manager

(1) In this section

"international portfolio manager" means a portfolio manager that

(a) has no establishment in Canada or officers, employees or agents resident in Canada,

(b) is registered under the securities legislation of the jurisdiction in which its head office or principal place of business is located in a category of registration that permits it to carry on the activities in that jurisdiction that registration as a portfolio manager would permit it to carry on in the local jurisdiction, and

(c) engages in the business of a portfolio manager in the jurisdiction in which its head office or principal place of business is located; and

"permitted international portfolio manager client" means

(a) a Canadian financial institution or a Schedule III bank;

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

(d) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

(e) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

(f) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada; and

(g) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully-managed account managed by the trust company or trust corporation, as the case may be.

(2) The registration requirement does not apply to an international portfolio manager that is acting as a portfolio manager for a permitted international portfolio manager client provided that it

(a) delivers to the securities regulatory authority, before relying on this subsection, an executed Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service;

(b) does not solicit new clients in Canada;

(c) notifies the client, before advising the client,

(i) that it is not registered in Canada,

(ii) of the international portfolio manager's jurisdiction of residence,

(iii) of the name and address of the agent for service of process of the international portfolio manager in the local jurisdiction, and

(iv) that there may be difficulty enforcing legal rights against the international portfolio manager because it is resident outside Canada and all or substantially all of its assets are situated outside Canada;

(d) does not advise clients in Canada with respect to securities of Canadian issuers, unless providing advice on securities of a Canadian issuer is incidental to providing advice on securities of a foreign issuer;

(e) derives not more than 10% of the aggregate consolidated gross revenue of the international portfolio manager and its affiliates or affiliated partnerships for any fiscal year of the international adviser from portfolio management activities of the international portfolio manager and its affiliates or affiliated partnerships in Canada.

9.15. Privately placed funds offered primarily abroad

(1) In this section "international portfolio manager" means a portfolio manager that

(a) has no establishment in Canada or officers, employees or agents resident in Canada, and

(b) engages in the business of a portfolio manager in the jurisdiction in which its head office or principal place of business is located.

(2) The registration requirement does not apply to an international portfolio manager that is acting as an adviser to an investment fund if

(a) the securities of the fund are primarily offered outside of Canada,

(b) the securities of the fund are only distributed in the local jurisdiction through one or more registrants,

(c) the securities of the fund are distributed in the local jurisdiction in reliance upon an exemption from the prospectus requirement, and

(d) the international portfolio manager notifies the client, before advising the client,

(i) that it is not registered in Canada,

(ii) the international portfolio manager's jurisdiction of residence,

(iii) of the name and address of the agent for service of process of the registrant in the local jurisdiction, and

(iv) that there may be difficulty enforcing legal rights against the international portfolio manager because it is resident outside Canada and all or substantially all of its assets are situated outside Canada.

9.16. International investment fund manager

(1) In this section “international investment fund manager” means a investment fund manager that

(a) has no establishment in Canada or officers, employees or agents resident in Canada, and

(b) engages in the business of a portfolio manager in the jurisdiction in which its head office or principal place of business is located.

(2) The registration requirement does not apply to an international investment fund manager that is managing an investment fund whose securities are

(a) primarily offered outside of Canada,

(b) only distributed in the local jurisdiction through one or more registrants, and

(c) distributed in the local jurisdiction in reliance upon an exemption from the prospectus requirement.

9.17. Sub-advisers

The adviser registration requirement does not apply to a person, not ordinarily resident in the jurisdiction, in connection with that person acting as an adviser for a registered adviser, or for a dealer acting as a portfolio manager as permitted by section 2.5 [*exemption from adviser registration for IDA members with discretionary authority*], if

(a) the obligations and duties of the person so acting as an adviser are set out in a written agreement with the registrant;

(b) the registrant contractually agrees with its clients on whose behalf investment advice is or portfolio management services are to be provided to be responsible for any loss that arises out of the failure of the person so acting as an adviser

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the registrant and each client of the registrant for whose benefit the advice is or portfolio management services are to be provided, or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(c) the registrant cannot be relieved by its clients from its responsibility for loss under paragraph (b);

(d) the person so acting as an adviser, if a resident of a jurisdiction, is registered as an adviser in the jurisdiction;

(e) the person so acting as an adviser has no direct contact with the registrant's clients unless the registrant is present; and

(f) in Manitoba, the person so acting as an adviser is not registered in any jurisdiction in Canada.

Division 2: Mobility exemptions

9.18. Definitions – mobility exemptions

For the purposes of this section to section 9.24 [*mobility exemption conditions*]

"eligible client" means, for a person, a client of the person if the client

(a) is an individual and was a client of the person immediately before the client became a resident of the local jurisdiction, or

(b) is a spouse or child of a client referred to in paragraph (a);

"Regulation 31-101" means Regulation 31-101 respecting National Registration System;

"non-principal jurisdiction" means, for a person, each jurisdiction in Canada that is not the principal jurisdiction of the person;

"principal jurisdiction" means, for a person, the jurisdiction of the principal regulator;

"principal regulator" means

(a) for a person other than an individual, the securities regulatory authority or the regulator in the jurisdiction in Canada in which the person's head office is located, and

(b) for an individual, the securities regulatory authority or the regulator in the jurisdiction in Canada in which the individual's working office is located; and

"working office" has the same meaning as in Regulation 31-101.

9.19. Administrative change of principal regulator

Despite section 9.18 [*definitions – mobility exemptions*], if a person receives written notice from a securities regulatory authority or a regulator that specifies a principal regulator for the person, the principal regulator specified in the notice is the principal regulator for the person as of the later of

(a) the date the person receives the notice, and

(b) the effective date specified in the notice, if any.

9.20. Notice to non-principal regulator

(1) As soon as practicable after relying on an exemption under section 9.22 [*mobility exemption – registered firm*] or section 9.23 [*mobility exemption – registered individual*], the person must file a completed Form 31-103F3.

(2) Subsection (1) does not apply if the person is required to file Form 31-101F1 or Form 31-101F2 under Regulation 31-101.

9.21. Notice of change of principal regulator

(1) A person relying on section 9.22 [*mobility exemption – registered firm*] or section 9.23 [*mobility exemption – registered individual*] must file a completed Form 31-103F3, as soon as practicable, if

(a) for a person, other than an individual, the person changes its head office to another principal jurisdiction, or

(b) for an individual, the location of the individual's working office changes to another principal jurisdiction.

(2) Subsection (1) does not apply if a person is required to file Form 31-101F2 under Regulation 31-101.

9.22. Mobility exemption – registered firm

If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to a person if the person

(a) is registered as a dealer or adviser in its principal jurisdiction,

(b) is dealing or advising in securities with an eligible client,

(c) does not deal or advise in securities in the local jurisdiction other than as it is permitted to in its principal jurisdiction according to its category of registration,

(d) has 10 or fewer eligible clients in the local jurisdiction, and

(e) complies with section 9.24 [*mobility exemption conditions*].

9.23. Mobility exemption – registered individual

If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to an individual if

(a) the individual is registered in his or her principal jurisdiction as a dealing, advising or associate advising representative,

(b) the individual's registered firm is registered in its principal jurisdiction,

(c) the individual is dealing or advising in securities with an eligible client,

(d) the individual does not deal or advise in securities in the local jurisdiction other than as it is permitted to in its principal jurisdiction according to its category of registration,

(e) in the local jurisdiction, the individual deals or advises in securities for no more than five eligible clients, and

(f) the individual complies with section 9.24 [*mobility exemption conditions*].

9.24. Mobility exemption conditions

For the purposes of paragraphs 9.22(e) and 9.23(f) the person must

(a) disclose to an eligible client, before it relies on an exemption in section 9.22 or 9.23, that the person

(i) is exempt from registration in the local jurisdiction, and

(ii) is not subject to requirements otherwise applicable under local securities legislation, and

(b) act fairly, honestly and in good faith in the course of its dealings with an eligible client.

PART 10 EXEMPTION

10.1. Exemption

(1) The regulator or the securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions opposite the name of the local jurisdiction.

FORM 31-103F1
CALCULATION OF EXCESS WORKING CAPITAL

_____
Firm Name

Capital Calculation

(as at _____ with comparative figures as at _____)

	Component	**Current period**	**Prior period**
1.	Current assets		
2.	Less current assets not readily convertible into cash (*e.g.*, prepaid expenses)		
3.	Adjusted current assets Line 1 minus line 2 =		
4.	Current liabilities		
5.	Add 100% of long-term related party debt unless a subordination agreement has been executed (note: if related party debt or payables are not subordinated, lenders can request payment at any time.)		
6.	Adjusted current liabilities Line 4 plus line 5 =		
7.	Adjusted working capital Line 3 minus line 6 =		
8.	Less minimum capital		

9.	Less market risk		
10.	Less Financial Institution Bond deductible		
11.	Less Guarantees		
12.	Less unreconciled differences		
13.	**Excess working capital**		

Notes:

Line 1. Current Assets – Per GAAP except that this calculation is to be done on an unconsolidated basis.

Line 4. Current liabilities – Per GAAP except that this calculation is to be done on an unconsolidated basis.

Line 5. Related party debt – In this line, "related party" has the meaning ascribed to that term in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time.

Line 8. Minimum Capital – The amount on this line must be not less than (a) $25,000 for an adviser, (b) $50,000 for a dealer, and (c) $100,000 for an investment fund manager.

Line 9. Market Risk – For all securities owned by the firm, IDA margin rules to be applied as set out in the IDA Rule Book

Line 11. Guarantees – If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation.

Line 12. Unreconciled differences – Full amount of any unreconciled differences (from either firm positions or client positions) must be included in capital (*e.g.*, if there is a shortfall of cash in the trust account or in the firm's bank accounts). If there is a shortfall in security positions, the current market value plus the applicable margin amount should be used to quantify the capital requirement.

Management Certification

Registered Firm Name: _____

We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements as at _____.

	Name and Title	**Signature**	**Date**
1.	_____	_____	_____
2.	_____	_____	_____

FORM 31-103F2
SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

(sections 9.13 [international dealer] and 9.14[international portfolio manager])

1. Name of registered firm (the "Registered Firm"):

2. Jurisdiction of incorporation of the Registered Firm:

3. Name of agent for service of process (the "Agent for Service"):

4. Address for service of process on the Agent for Service:

5. The Registered Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the Registered Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defense in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

6. The Registered Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction and any administrative proceeding in the local jurisdiction, in any Proceeding arising out of or related to or concerning the Registered Firm's activities in the local jurisdiction.

7. Until six years after the Registered Firm ceases to be registered, the Registered Firm must file

(a) a new Submission to Jurisdiction and Appointment of Agent for Service in this form at least 30 days before termination for any reason of this Submission to Jurisdiction and Appointment of Agent for Service; and

(b) an amended Submission to Jurisdiction and Appointment of Agent for Service at least 30 days before any change in the name or above address of the Agent for Service.

8. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated:

_____

(Signature of Registered Firm or authorized signatory)

_____

(Name and Title of authorized signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of (Insert name of Registered Firm) under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated:

_____

(Signature of Agent for Service or authorized signatory)

_____

(Name and Title of authorized signatory)

FORM 31-103F3
NOTICE OF PRINCIPAL REGULATOR

(sections 9.20 [notice to non-principal regulator] and section 9.21 [notice of change of principal regulator])

1. Date:_____

2. Information about person

NRD # (if applicable): _____

Name: _____

3. Principal regulator

The securities regulatory authority or regulator in the following jurisdiction is the principal regulator for the person:

4. Previous notice filed

If the person has previously filed a Form 31-103F1, indicate the principal regulator noted in the previous notice:

5. Reasons for principal regulator

The principal regulator for the person is its principal regulator

(a) based on the location of its head office (for a registered firm) or working office (for a registered individual) (check box), or ☐

(b) on the following basis provide details:

_____

_____

_____

Appendix A – Financial institution bond clauses

Clause	Name of Clause	Details
A	Fidelity	This clause insures against any loss through dishonest or fraudulent act of employees.
B	On Premises	This clause insures against any loss of money and securities or other property through robbery, burglary, theft, hold-up, or other fraudulent means, mysterious disappearance, damage or destruction while within any of the insured's offices, the offices of any banking institution or clearing house or within any recognized place of safe-deposit.
C	In Transit	This clause insures against any loss of money and securities or other property through robbery, burglary, theft, hold-up, misplacement, mysterious disappearance, damage or destruction, while in transit in the custody of any employee or any person acting as messenger except while in the mail or with a carrier for hire other than an armoured motor vehicle company.
D	Forgery or Alterations	This clause insures against any loss through forgery or alteration of any cheques, drafts, promissory notes or other written orders or directions to pay sums in money, excluding securities.
E	Securities	This clause insures against any loss through having purchased or acquired, sold or delivered, or extended any credit or acted upon securities or other written instruments which prove to have been forged, counterfeited, raised or altered, or lost or stolen, or through having guaranteed in writing or witnessed any signatures upon any transfers, assignments or other documents or written instruments.