

M.O., 2022-02**Order number V-1.1-2022-02 of the Minister of Finance dated 2 March 2022**

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations

WHEREAS paragraphs 1, 3, 8, 11, 26 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was approved by ministerial order no. 2009-04 dated 9 September 2009 (2009, *G.O.* 2, 3309A);

WHEREAS there is cause to amend this Regulation;

WHEREAS the draft Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was published for consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 18, no. 5 of 4 February 2021;

WHEREAS the revised text of the draft Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was published for information in the *Bulletin de l'Autorité des marchés financiers*, vol. 18, no. 50 of 16 December 2021;

WHEREAS the *Autorité des marchés financiers* made, on 9 February 2022, by the decision no. 2022-PDG-0006, Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

WHEREAS there is cause to approve this Regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations appended hereto.

2 March 2022

ERIC GIRARD
Minister of Finance

REGULATION TO AMEND REGULATION 31-103 RESPECTING REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (3), (8), (11), (26) and (34))

1. Section 12.7 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10) is replaced with the following:

“12.7. Notifying the regulator or the securities regulatory authority of a change, claim or cancellation

(1) A registered firm must, as soon as possible, notify the regulator or, in Québec, the securities regulatory authority in writing of any change in, claim made under, or cancellation of any bonding or insurance required under this Division.

(2) Subsection (1) does not apply with respect to a renewal of bonding or insurance if the term of the renewal is for a period of at least one year and the insurance policy had not lapsed at the time of renewal.”.

2. The Regulation is amended by inserting, after section 13.4.2, the following:

“13.4.3. Restrictions on a registered individual who is in a position of influence

(1) In this section, “position of influence” means a position, other than a position with a sponsoring firm, if, due to the nature of the position or the training or specialized knowledge required for the position, an individual in that position would be considered by a reasonable person to have influence over another individual.

(2) For greater certainty, a position of influence under subsection (1) includes the following:

- (a) a leader in a religious or similar organization;
- (b) a medical doctor;
- (c) a nurse;
- (d) a professor, instructor or teacher at a degree or diploma granting institution;
- (e) a lawyer;
- (f) a notary.

(3) A registered firm must not knowingly permit a registered individual of the firm who is in a position of influence to purchase or sell securities or derivatives for, or recommend the purchase, sale or holding of securities or derivatives to,

(a) an individual who

(i) has a relationship with the registered individual arising from the position of influence, and

(ii) to a reasonable person, would be considered to be susceptible to the registered individual's influence, or

(b) a spouse, parent, sibling, grandparent or child of an individual referred to in paragraph (a).

(4) A registered individual who is in a position of influence must not purchase or sell securities or derivatives for, or recommend the purchase, sale or holding of securities or derivatives to

(a) an individual who

(i) has a relationship with the registered individual arising from the position of influence, and

(ii) to a reasonable person, would be considered to be susceptible to the registered individual's influence, or

(b) an individual that the registered individual knows is a spouse, parent, sibling, grandparent or child of an individual referred to in paragraph (a).".

3. (1) This Regulation comes into force on 6 June 2022.

(2) In Saskatchewan, despite subsection (1), if this Regulation is filed with the Registrar of Regulations after 6 June 2022, this Regulation comes into force on the day on which it is filed with the Registrar of Regulations.