

POLICY STATEMENT TO REGULATION 33-109 RESPECTING REGISTRATION INFORMATION

PART 1 APPLICATION AND PURPOSE

1.1. Purpose

The purpose of *Regulation 33-109 respecting Registration Information* (“Regulation 33-109”) is to consolidate and harmonize requirements regarding the initial submission of registration information and the updating of that information.

PART 2 REINSTATEMENT

2.1. Reinstatement

(1) If an individual joins a new sponsoring firm within 90 days of leaving registered employment and is seeking registration in the same category as previously held, the individual’s registration will be automatically reinstated. This means that an individual who transfers directly from one sponsoring firm to another may start engaging in activities requiring registration from the first day with the new sponsoring firm, if a completed Form 33-109F7 has been filed. This process does not apply, however, if after the leaving his or her former sponsoring firm, the individual has become insolvent or the subject of criminal charges or civil claims, or involved in an incident of regulatory non-compliance.

(2) Despite automatic reinstatement or any other procedure, maintaining suitability for registration is an ongoing requirement and the regulator has discretionary authority to suspend or revoke an individual’s registration or restrict it with terms and conditions at any time. The regulator may do this, for example, if it receives information through the notice of termination or other sources that causes it to question the individual’s continued suitability for registration. Individuals will be given an opportunity to be heard before a decision is made to suspend or revoke registration or to impose terms and conditions.

(3) If the individual joins another sponsoring firm more than 90 days after leaving registered employment, the new sponsoring firm will have to file an application for reinstatement of registration for the individual. This process is referred to as a “reactivation” and involves updating the individual’s Form 33-109F4 information. The same process applies in the case of an individual who, after leaving his or her former sponsoring firm has become insolvent or the subject of criminal charges or civil claims, or involved in an incident of regulatory non-compliance, even if fewer than 90 days have passed since the individual left his or her former employer. In both cases, the individual may not conduct activities requiring registration until the regulator has reinstated registration.

PART 3 BUSINESS LOCATIONS

3.1. Business Locations

The securities regulatory authority or regulator is of the view that a business location for a registered firm, or a person that is applying for registration, is a location within the jurisdiction, including a residence, where a firm's registered individuals are based for the purpose of carrying out registerable activity.

PART 4 NOTICE OF CHANGES

4.1. Bulk Transfer of Locations and Individuals

(1) If a registered firm is acquiring a large number of business locations (for example, as a result of an amalgamation or asset purchase) from one or more other registered firms that are located in the same jurisdictions and registered in the same categories as the acquiring firm, and if a significant number of individuals are

associated on NRD with the locations, the securities regulatory authority or regulator will consider exempting the firms and individuals involved in the transaction from the following requirements:

1. the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of Regulation 33-109;
2. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of Regulation 33-109;
3. the requirement to submit a Form 33-109F4 for each permitted individual under section 2.2 of Regulation 33-109;
4. the requirement under section 3.1 of Regulation 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.

(2) To exempt the firms and individuals involved in the transaction from the requirements set out above, the application should include the following information:

- (a) the name and NRD number of the registered firm that will acquire control of the business locations;
- (b) for each registered firm that is transferring control of the business locations:
 - (i) the name and NRD number of the registered firm;
 - (ii) the address and NRD number of each business location that is being transferred from the registered firm named in (b)(i) to the registered firm named in (a); and
- (c) the date that the business locations and individuals will be transferred to the registered firm named in (a).

(3) To facilitate the processing of the exemption application, the applicant may put the information referred to in subsection (2) in the form set out in Appendix A to this Companion Policy.

(4) This exemption application should be submitted by the registered firm that will acquire control of the business locations at the closing of the transaction and should be submitted sufficiently in advance of the date on which the business locations are to be transferred (the "transfer date"). The securities regulatory authority is of the view that submitting the application at least 30 days prior to the transfer date is sufficient.

(5) In addition to any application fee, it is likely that the payment of a fee will be a condition of this type of exemption order and that the fee will be related to the number of registered firms, business locations, registered individuals, and permitted individuals involved in the transaction.

(6) If the exemption is granted, as soon as practicable after the transfer date, the regulator will instruct the NRD administrator to indicate the transfer of the business locations, the registered individuals, and the permitted individuals on NRD.

(7) Bulk transfers involving firms that are registered in different categories or different jurisdictions may need to take additional steps. Firms involved in such a transaction should contact the applicable regulators to discuss what steps are required to allow the firms to use the bulk transfer process described above.

4.2. Notifying the Regulator About Changes in Information

The requirements in sections 3.1 and 4.1 of Regulation 33-109 apply to all information submitted in Form 33-109F6 and Form 33-109F4. For example, Form 33-109F6 asks for certain information dating back 10 years from the date of the form. If that information changes after the date of the form, the firm must notify the regulator about the change in that information. As another example, Form 33-109F6 asks the firm to provide certain agreements. If the firm executes such an agreement after the date of the form, it must provide the regulator with a copy of that agreement.

PART 5 DUE DILIGENCE

5.1. Sponsoring Firm Obligations

(1) The securities regulatory authority or regulator is of the view that the reasonable efforts firms are required to undertake in Part 5 of Regulation 33-109 include

(a) establishing written policies and procedures relating to the investigation of an individual prior to submitting a Form 33-109F4 on behalf of the individual;

(b) ensuring that the review of an individual pursuant to these policies and procedures is documented;

(c) regularly reminding registered individuals and permitted individuals about their disclosure obligations under Regulation 33-109, such as notifying the regulator about changes to information; and

(d) correcting any incorrect or deficient information submitted in a Form 33-109F7 as soon as practicable and normally within five days of the securities regulatory authority or regulator communicating with the NRD filer to identify the incorrect or deficient information.

(2) The purpose of subsection 5.1(2) of Regulation 33-109 is to assist sponsoring firms in complying with their obligation under subsections 5.1(1) of Regulation 33-109.

5.2. Form 33-109F1

(1) If a sponsoring firm has not obtained the most recent Form 33-109F1 or termination notice according to section 5.1(2) of Regulation 33-109, as a last resort the sponsoring firm should ask the individual to request it from the regulator.

(2) Registered firms should make a practice of providing individuals with the Form 33-109F1 upon termination of employment.

(3) The information in Part E *Further Details* of Form 33-109F1 will assist sponsoring firms in making their decision whether to hire the registered individual or permitted individual. However, we acknowledge that the individual may be hired before the sponsoring firm receives the information in Part E of Form 33-109F1. The sponsoring firm will typically receive this information during the individual's probation period, which should allow the sponsoring firm to act accordingly on that information.

PART 6 COMMODITY FUTURES ACT SUBMISSIONS

6.1. Ontario

In Ontario, if a person is required to make a submission under both Regulation 33-109 and OSC Rule 33-506 (*Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

6.2. Manitoba

In Manitoba, Regulation 33-109 has been enacted as a rule under each of *The Securities Act* and *The Commodity Futures Act*. A single submission with respect to the same information will satisfy the requirements of both statutes.

PART 7 FORMS

7.1. Forms

- (1) A registered firm submits Form 33-109F1, *Notice of Termination of Registered Individuals and Permitted Individuals* to notify the regulator of a termination of an employment, partner, or agency relationship with a registered individual or a permitted individual, other than a shareholder.
- (2) Both registered individuals and permitted individuals use Form 33-109F2, *Change or Surrender of Individual Categories*. A registered individual changing or surrendering a registration category in one or more jurisdictions submits to the regulator a completed Form 33-109F2. A permitted individual applying to become a registered individual with the same registered firm submits to the regulator a completed Form 33-109F2.
- (3) Form 33-109F3, *Business Locations other than Head Office* is used by applicants as a dealer, adviser or investment fund manager to inform the regulator of all business locations other than the head office, and by registered firms opening or closing business locations, or changing the information previously submitted about a business location.
- (4) Form 33-109F4, *Application for Registration of Individuals and Review of Permitted Individuals* is the application for registration for an individual and for the review of a permitted individual.
- (5) Form 33-109F5, *Change of Registration Information in Form 33-109F4* is submitted to notify a regulator of changes to Form 33-109F4 or Form 33-109F6.
- (6) Form 33-109F6, *Application for Dealer, Adviser or Investment Fund Manager for Securities and/or Derivatives* is the application for registration as a dealer, adviser or investment fund manager.
- (7) Form 33-109F7, *Notice of Reinstatement of Registered Individuals and Permitted Individuals* is used by registered individuals to provide notice of automatic reinstatement in accordance with section 2.3 of Regulation 33-109. It is also used for transferring permitted individuals.

Appendix A**Request for NRD Bulk Transfer of Business Locations**

This is an application for exemption under Regulation 33-109.

A) Registered firm that will acquire the business locations

Name:

Firm NRD number:

B) Registered firm transferring the business locations

Name:

Firm NRD number:

Business locations that will be transferred

Address of business location:

NRD number of business location:

Address of business location:

NRD number of business location:

(Repeat for each business location as necessary.)

C) Date that business locations will be transferred: