

REGULATION TO AMEND REGULATION 33-109 RESPECTING REGISTRATION INFORMATION

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, pars. (1), (2), (3), (4.1), (26), (27), (27.0.2) and (34))

1. Section 1.1 of Regulation 33-109 respecting Registration Information is amended by inserting, in the French text of the definition of “registered individual” and after the word “mobilières”, the words “afin d’agir”.

2. Paragraph (2) of section 2.3 of the Regulation is amended:

(1) by replacing the words “and Exemptions” with “, Exemptions and Ongoing Registrant Obligations”;

(2) by inserting, in subparagraph (b), the words “resigned voluntarily” after “to resign.”;

3. Paragraph (4) of section 4.1 of the Regulation is amended:

(1) by adding, at the end of the introductory sentence, “:”;

(2) by replacing, at the end of subparagraph (a), “, or” with “;”;

(3) by adding, after subparagraph (b), the following, and making the necessary changes:

“(c) the removal or the addition of a category of registration.”.

4. Section 4.2 of the Regulation is amended:

(1) by replacing subparagraph (b) of paragraph (1) with the following:

“(b) item 5 completed unless the reason for termination under item 4 was death of the individual.”;

(2) by replacing paragraphs (3) and (4) with the following:

“(3) A registered firm must, within 7 days of a request from an individual for whom the registered firm was the former sponsoring firm, provide to the individual a copy of the Form 33-109F1 that the registered firm submitted under subsection (1) in respect of that individual.

(4) If a registered firm completed and submitted the information in item 5 of a Form 33-109F1 in respect of an individual who made a request under subsection (3) and that information was not included in the initial copy provided to the individual, the registered firm must provide to that individual a further copy of the completed Form 33-109F1, including the information in item 5, within the later of

(a) 7 days after the request by the individual under subsection (3),
and

(b) 7 days after the submission pursuant to subsection (2)(b).”.

5. Section 5.1 of the Regulation is amended:

(1) in paragraph (3):

follows:”;

- (a) by replacing, at the end of the introductory sentence, “,” with “as follows:”;
- (b) by replacing, at the end of subparagraph (a), “,” with “;”;
- (c) by replacing, at the end of subparagraph (b), “, or” with “; or”;

(2) by replacing, in paragraph (5), the words “for an NRD submission” with the words “in respect of an NRD submission”.

6. Section 6.1 of the Regulation is amended by replacing the words “this Regulation came into force” with the words “September 28, 2009”.

7. Paragraph (2) of section 6.2 of the Regulation is amended by inserting, after the words “a registered firm that was”, the word “first”.

8. Section 6.3 of the Regulation is amended:

(1) by inserting, in paragraph (2) and after the words “by that date”, “,”;

(2) by replacing the introductory sentence of subparagraph (a) of paragraph (4) with the following:

“(a) a notice referred to in subsection 4.1(1) if the change relates to previously submitted information about any of the following items of the individual’s Form 33-109F4:”.

9. Form 33-109F1 of the Regulation is amended:

(1) by replacing, at the end of the paragraph under the title “**Terms**”, “,” with “.”;

(2) by replacing, in the first paragraph under the title “**When to submit the form**”, the words “five business days” with the words “seven days”;

(3) by replacing, in the second paragraph under the title “**When to submit the form**”, the words “the termination date” with the words “the effective date of the termination”;

(4) in item 5:

(a) by replacing the first paragraph with the following:

“Complete Item 5 except where the individual is deceased. In the space below:

- state the reason(s) for the cessation / termination and
- provide details if the answer to any of the following questions is “Yes”.”;

(b) by replacing the second response option with the following:

“ Not applicable: individual is deceased”;

(5) by deleting item 6;

(6) by deleting Schedule A.

10. Form 33-109F2 of the Regulation is amended :

(1) by replacing paragraph 1 of item 2 with the following:

“1. Are you filing this form under the passport system / interface for registration?

Choose “no” if you are registered in

- (a) only one jurisdiction in Canada
- (b) more than one jurisdiction in Canada and you are requesting a surrender in a non-principal jurisdiction or jurisdictions, but not in your principal jurisdiction
- (c) more than one jurisdiction in Canada and you are requesting a change only in your principal jurisdiction

Yes No ;

(2) by replacing item 4 with the following:

“Item 4 Adding categories

1. Categories

What categories are you seeking to add?

2. Professional liability insurance (Québec mutual fund dealers and Québec scholarship plan dealers)

If you are seeking registration as a representative of a mutual fund dealer or of a scholarship plan dealer in Québec, are you covered by your sponsoring firm’s professional liability insurance?

Yes No

If “No”, state:

The name of your insurer _____

Your policy number _____

3. Relevant securities experience

If you have not been registered in the last 36 months and you passed the required examination more than 36 months ago, do you consider that you have gained 12 months of relevant securities industry experience during the 36 month period?

Yes No N/A

If you are an individual applying for IIROC approval, select “Not Applicable” above.

If “yes”, complete Schedule A.”;

- (3) by inserting the following schedule after item 8:

**“SCHEDULE A
Relevant securities experience (Item 4)**

Describe your level of responsibility in areas relating to the category you are applying for:

What is the percentage of your time devoted to these activities?
___ %

Indicate the continuing education activities which you have participated in and which are relevant to the category of registration you are applying for:

- (4) by replacing, in the title of Schedule A, “**SCHEDULE A**” with “**SCHEDULE B**”.

11. Form 33-109F4 of the Regulation is amended:

(1) by replacing, in the definition of “Approved person” under the title “**Terms**”, the words “in respect of a member of the IIROC (Member)” with the words “in respect of a member (Member) of the Investment Industry Regulatory Organization of Canada (IIROC)”;

- (2) by adding, at the end of question 2 of item 8, the following options:

“RESP Dealers Association of Canada:_____”

Other: _____”»;

- (3) by inserting the following question after question 3:

“4. Relevant securities experience

If you are an individual applying for IIROC approval, select “Not Applicable below”.

If you have not been registered in the last 36 months and you passed the required examination more than 36 months ago, do you consider that you have gained 12 months of relevant securities industry experience during the 36 month period?

Yes No N/A

If “yes”, complete Schedule F.”;

- (4) by adding, in item 1.3 of Schedule A and after “No ”, “N/A ”;

(5) by replacing, under the title “**Categories common to all jurisdictions under securities legislation**” of Schedule C, the words “**Investment Industry Regulatory Organization of Canada**” with “**IROC**”;

(6) in Schedule F:

(a) by replacing, in the title, “**Item 8.3**” with “**Items 8.3 and 8.4**”;

(b) by adding after item 8.3, the following :

“Item 8.4 Relevant securities experience

Describe your level of responsibility in areas relating to the category applied for:

What is the percentage of your time devoted to these activities?
 ___ %

Indicate the continuing education activities which you have participated in and which are relevant to the category of registration you are applying for:

(7) by replacing item 5 of Schedule G with the following:

“5. Conflicts of interest

If you have more than one employer or are engaged in business related activities:

A. Disclose any potential for confusion by clients and any potential for conflicts of interest arising from your multiple employment or business related activities or proposed business related activities.

B. Indicate whether or not any of your employers or organizations where you engage in business related activities are listed on an exchange.

C. Confirm whether the firm has procedures for minimizing potential conflicts of interest and if so, confirm that you are aware of these procedures.

D. State the name of the person at your sponsoring firm who has reviewed and approved your multiple employment or business related activities or proposed business related activities.

E. If you do not perceive any conflicts of interest arising from this employment, explain why.

(8) by replacing, in paragraph b) of Schedule N, the words “market value” with the words “fair value”.

12. Form 33-109F6 of the Regulation is amended:

(1) by replacing, in the definition of “NI 31-103” under the title “**Definitions**”, the words “*and Exemptions*” with “, *Exemptions and Ongoing Registrant Obligations*”;

(2) by replacing, in point 2 under the title “**Contents of the form**”, the words “and Manitoba” with “, Manitoba and New Brunswick”;

(3) by deleting, in the next to last paragraph under the title “**How to complete and submit the form**”, the words “and fees”;

(4) in item 1.3:

(a) by replacing, under “**Complete**”, “Questions 1.1, 1.2, 1.4, 1.5, 2.4, and Part 9” with “Questions 1.1, 1.2, 1.4, 1.5, 2.4, 3.9, 5.4, 5.6* and Part 9” and “Questions 1.1, 1.2, 1.4, 1.5, 5.1, 5.4, 5.5, 5.6, 5.7, 5.8, Part 6 and Part 9” with “Questions 1.1, 1.2, 1.4, 1.5, 3.1, 5.1, 5.4, 5.5, 5.6, 5.7, 5.8, Part 6 and Part 9”;

(b) by adding, at the end, the following sentence:

“* If the firm is adding Québec as a jurisdiction for registration in the category of mutual fund dealer or scholarship plan dealer, complete question 5.6.”;

(5) by inverting, in the table of item 1.4, “**NT**” and “**NS**”;

(6) by inverting, in the box entitled “Jurisdiction(s) where the firm has applied for the exemption” in item 1.5, “**NT**” and “**NS**”;

(7) by inverting, in paragraph (b) of item 2.2, “**NT**” and “**NS**”;

(8) by replacing items 2.5 and 2.6 with the following:

“2.5 Ultimate designated person

A registered firm must have an individual

Legal name
Officer title

registered in the category of ultimate designated person.

Telephone number	
E-mail address	
NRD number, if available	
Address <input type="checkbox"/> Same as firm head office address	
Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

2.6 Chief compliance officer

Same as ultimate designated person

A registered firm must have an individual registered in the category of chief compliance officer.

Legal name	
Officer title	
Telephone number	
E-mail address	
NRD number, if available	
Address <input type="checkbox"/> Same as firm head office address	
Address line 1	
Address line 2	
City	Province/territory/state
Country	Postal/zip code

“;

(9) by replacing, in item 3.3, the words “or Manitoba” with “, Manitoba or New Brunswick”;

(10) by replacing item 5.1 with the following:

“5.1 Calculation of excess working capital

Attach the firm’s calculation of excess working capital.

- Investment dealers must use the capital calculation form required by the Investment Industry Regulatory Organization of Canada (IIROC).
- Mutual fund dealers must use the capital calculation form required by the Mutual Fund Dealers Association of Canada (MFDA), except for mutual fund dealers registered in Québec only
- Firms that are not members of either IIROC or the MFDA must use Form 31-103F1 *Calculation of Excess Working Capital*. See Schedule C.”;

(11) by inverting, in item 5.4, “NT” and “NS”;

(12) by replacing items 5.5 and 5.6 with the following:

“5.5 Bonding or insurance details

This information is on the binder of insurance or on the financial institution bond.

Name of insurer	
Bond or policy number	
Specific insuring agreements and clauses	
Coverage for each claim (\$)	Annual aggregate coverage (\$)
Total coverage (\$)	
Amount of the deductible (\$)	Expiry date (yyyy/mm/dd)

If the firm’s insurance or proposed insurance is not in the form of a financial institution bond, explain how it provides equivalent coverage to the bond.

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5.6 Professional liability insurance (Québec only)

If the firm is seeking registration in Québec as a mutual fund dealer or a scholarship plan dealer, provide the following information about the firm’s professional liability insurance:

Name of insurer	
Policy number	
Specific insuring agreements and clauses	
Coverage for each claim (\$)	Annual aggregate coverage (\$)
Total coverage (\$)	
Amount of the deductible (\$)	Renewal date (yyyy/mm/dd)

Jurisdictions covered:														
AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Which insurance policy applies to your representatives?														
Firm's policy				<input type="checkbox"/>	Individual's policy				<input type="checkbox"/>	Both				<input type="checkbox"/>

»;

(13) by replacing, in Schedule B, points 1 to 4 with the following:

- “1. Name of person or company (the “Firm”): _____
2. Jurisdiction of incorporation of the person or company: _____
3. Name of agent for service of process (the “Agent for Service”): _____
4. Address for service of process on the Agent for Service: _____

 _____”;

(14) by replacing Schedule C with the following:

**“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 the firm and the lender have executed a subordination agreement in the form set out in Appendix B and the firm has delivered a copy of the agreement to the regulator		
6.	Adjusted current liabilities Line 4 plus line 5 =		
7.	Adjusted working capital Line 3 minus line 6 =		

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8.	Less minimum capital		
9.	Less market risk		
10.	Less any deductible under the firm's bonding or insurance policy		
11.	Less Guarantees		
12.	Less unresolved differences		
13.	Excess working capital		

Notes

This form must be prepared on an unconsolidated basis.

Line 5. Related-party debt – Refer to the CICA Handbook for the definition of “related party” for publicly accountable enterprises.

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 – The amount on this line must be calculated according to the instructions set out in Schedule 1 to this Form.

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. If the amount of a guarantee is included in the firm's balance sheet as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

Line 12. Unresolved differences – Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation.

The examples below provide guidance as to how to calculate unresolved differences:

(i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.

(ii) If there is an unresolved difference relating to the registrant's investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.

(iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

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. _____	_____	_____

**SCHEDULE 1 OF FORM 31-103F1
CALCULATION OF EXCESS WORKING CAPITAL
(calculating line 9 [market risk])**

For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the "market risk" to be entered on line 9.

(a) Bonds, Debentures, Treasury Bills and Notes

(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively), maturing (or called for redemption):

determined by dividing the number of days to maturity by 365

within 1 year	1% of fair value multiplied by the fraction
over 1 year to 3 years	1 % of fair value
over 3 years to 7 years	2% of fair value
over 7 years to 11 years	4% of fair value
over 11 years	4% of fair value

(ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any province of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

determined by dividing the number of days to maturity by 365

within 1 year	2% of fair value multiplied by the fraction
over 1 year to 3 years	3 % of fair value
over 3 years to 7 years	4% of fair value
over 7 years to 11 years	5% of fair value
over 11 years	5% of fair value

(iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:

determined by dividing the number of days to maturity by 365

within 1 year	3% of fair value multiplied by the fraction
over 1 year to 3 years	5 % of fair value
over 3 years to 7 years	5% of fair value
over 7 years to 11 years	5% of fair value
over 11 years	5% of fair value

(iv) Other non-commercial bonds and debentures, (not in default):

10% of fair value

(v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:

within 1 year	3% of fair value
over 1 year to 3 years	6 % of fair value
over 3 years to 7 years	7% of fair value
over 7 years to 11 years	10% of fair value
over 11 years	10% of fair value

(b) Bank Paper

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

within 1 year 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
 over 1 year apply rates for commercial and corporate bonds, debentures and notes

(c) Acceptable foreign bank paper

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

within 1 year 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
 over 1 year apply rates for commercial and corporate bonds, debentures and notes

“Acceptable Foreign Bank Paper” consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

(d) Mutual Funds

Securities of mutual funds qualified by prospectus for sale in any province of Canada:

(i) 5% of the fair value of the fund, where the fund is a money market mutual fund as defined in Regulation 81-102 respecting Mutual Funds; or

(ii) the margin rate determined on the same basis as for listed stocks multiplied by the fair value of the fund.

(e) Stocks

In this paragraph, “securities” includes rights and warrants and does not include bonds and debentures.

United States: (i) On securities listed on any exchange in Canada or the

Long Positions – Margin Required

Securities selling at \$2.00 or more – 50% of fair value

Securities selling at \$1.75 to \$1.99 – 60% of fair value

Securities selling at \$1.50 to \$1.74 – 80% of fair value

Securities selling under \$1.50 – 100% of fair value

Short Positions – Credit Required

value

Securities selling at \$2.00 or more – 150% of fair

Securities selling at \$1.50 to \$1.99 - \$3.00 per share

value

Securities selling at \$0.25 to \$1.49 – 200% of fair

\$0.25 per shares

Securities selling at less than \$0.25 – fair value plus

(ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:

(a) Australian Stock Exchange Limited

(b) Bolsa de Valores de Sao Paulo

(c) Borsa Italiana

(d) Euronext Amsterdam

(e) Euronext Brussels

(f) Euronext Paris S.A.

(g) Frankfurt Stock Exchange

Options Exchange

(h) London International Financial Futures and

(i) London Stock Exchange

(j) New Zealand Exchange Limited

(k) Swiss Exchange

(l) The Stock Exchange of Hong Kong Limited

(m) Tokyo Stock Exchange

(f) For all other securities – 100% of fair value.”.

13. Form 33-109F7 of the Regulation is amended:

(1) in the general instructions:

- (a) by replacing paragraph 1 with the following:

“1. this form is submitted on or before the end of three months after the cessation date of the individual’s employment, partnership or agency relationship with the individual’s former sponsoring firm.”;

- (b) by replacing paragraph 3 with the following:

“3. the individual’s employment, partnership or agency relationship with their former sponsoring firm did not end because the individual was asked by the firm to resign, resigned voluntarily or was dismissed, following an allegation against the individual of criminal activity, a breach of securities legislation, or a breach of the rules of an SRO.”;

(2) by adding, at the end of the first paragraph under the title “**Terms**”, the words “or their status as permitted individual”;

- (3) by replacing paragraph 5 of item 5 with the following:

“5. Check here if the mailing address of the location is the same as the business address provided above. Otherwise, complete the following:

Mailing address: _____
(number, street, city, province, territory or state, country, postal code)”;

(4) by inserting, in subparagraph (b) of paragraph 2 of item 9 and after the words “you were asked by the firm to resign”, the words “or resigned voluntarily”;

(5) by replacing, under the title “**Categories common to all jurisdictions under securities legislation**” of Schedule B, the words “**Investment Industry Regulatory Organization of Canada**” with “**IIROC**”;

- (6) by replacing item 5 of Schedule D with the following:

“5. **Conflict of Interest**

If you have more than one employer or are engaged in business related activities:

A. Disclose any potential for confusion by clients and any potential for conflicts of interest arising from your multiple employment or business related activities or proposed business related activities.

B. Indicate whether or not any of your employers or organizations where you engage in business related activities are listed on an exchange.

C. Confirm whether the firm has procedures for minimizing potential conflicts of interest and if so, confirm that you are aware of these procedures.

D. If you do not perceive any conflicts of interest arising from this employment, explain why.

(7) by replacing, in paragraph b) of Schedule E, the words “market value” with the words “fair value”.

14. The Regulation is amended by replacing, wherever they occur, the words “Regulation 31-103 respecting Registration Requirements and Exemptions” with the words “Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations”.

15. This Regulation comes into force on (*indicate here the date of the coming into force of this Regulation*).