

## **AMENDMENTS TO POLICY STATEMENT TO REGULATION 33-109 RESPECTING REGISTRATION INFORMATION**

1. The title of section 1.2 of *Policy Statement to Regulation 33-109 respecting Registration Information* is amended by adding, at the end, “**(Section 1.1)**”.

2. Section 1.3 of the Policy Statement is amended by replacing, in the second paragraph, the first bullet with the following:

“- Form 33-109F1 *Notice of End of Individual Registration or Permitted Individual Status* – to notify the regulator or, in Québec, the securities regulatory authority that a registered individual or permitted individual has ceased to have authority to act on behalf of the sponsoring firm;”.

3. The title of section 1.4 of the Policy Statement is amended by adding, at the end, “**(Sections 3.1 and 4.1)**”.

4. Section 2.2 of the Policy Statement is amended:

(1) by adding, at the end of the title “*Types of submissions using Form 33-109F4*”, “**(Subsections 2.2(1) and 2.5(1))**”;

(2) by adding, at the end of the title “*Submissions by Permitted Individuals*”, “**(Sections 2.3 and 2.5)**”;

(3) by replacing, in the paragraph under the title “*Submissions by Permitted Individuals*”, “10 days” with “15 days”;

(4) by inserting, before the title “*Agent for service*”, the following:

**“Relevant securities experience (Form 33-109F2 – Item 4.3 and Schedule A; Form 33-109F4 – Item 8.4 and Schedule F)**

The regulators or, in Québec, the securities regulatory authority will assess whether an individual has gained relevant securities experience on a case-by-case basis. It may include experience acquired:

- during employment at a registered dealer, a registered adviser or an investment fund manager;
- in related investment fields, such as investment banking, securities trading on behalf of a financial institution, securities research, portfolio management, investment advisory services or supervision of those activities;
- in legal, accounting or consulting practices related to the securities industry; and
- in other professional service fields that relate to the securities industry, or in a securities-related business in a foreign jurisdiction.

The securities experience described should be relevant to the category applied for. Please see section 3.4 of *Policy Statement to Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* (Decision 2011-PDG-0074, 2011-06-07) for more guidance on relevant securities experience.

**Reportable activities (Form 33-109F4 – Item 10 and Schedule G; Form 33-109F7 – Item 7 and Schedule D)**

Individuals must report all activities with their sponsoring firm and certain activities carried on outside of their sponsoring firm (which includes activities performed for affiliated entities of their sponsoring firm) in Form 33-109F4 and Form 33-109F7. Activity changes must be reported by the individuals in Form 33-109F5.

To illustrate the analysis on whether an activity outside of the sponsoring firm is reportable in Item 10.2 of Form 33-109F4 or in Item 7.2 of Form 33-109F7, Appendix C has been included in this Policy Statement.

The regulator or, in Québec, the securities regulatory authority will take into account reportable activities when assessing that individual's application for registration or continuing fitness for registration and the sponsoring firm's fitness for registration, including the following considerations in relation to the reportable activities:

- whether there is a risk of client confusion and if so, what the risk is and whether there are effective controls and supervision in place to address the risk,
- whether the reportable outside activity presents a material conflict of interest for the individual, and whether that material conflict of interest has been addressed in the best interest of the client,
- whether the reportable outside activity provides the individual with access to privileged, confidential or insider information relevant to their registerable activities,
- whether the individual will have sufficient time to effectively carry out their registerable activities, including remaining current on securities law and product knowledge,
- whether the individual will be able to properly service clients.

Information on outside activities reported to the regulators or, in Québec, the securities regulatory authority also helps facilitate their understanding and supervision of registrants and, in some circumstances, may prompt further review of an applicant, a registrant, a permitted individual, or an unregistered person.

Although only certain outside activities are required to be reported to regulators or, in Québec, the securities regulatory authority, registrants are required to identify and address all material conflicts of interest and risks associated with their sponsored individuals, including those arising from outside activities that a registered individual may participate in. Accordingly, the assessment of material conflicts of interests by registrants should not be limited to only the outside activities reportable to regulators or, in Québec, the securities regulatory authority.

#### Category 1 – Activities with another registered firm

Generally, we expect any activity with another registered firm to be reported, whether or not the activity at the other firm requires the individual to be registered. For example, the following roles are reportable: being an advising or dealing representative, owner, director, research analyst, compliance consultant, client relationship manager, human resources manager, or IT service provider for another registered firm.

#### Category 2 – Activities with an entity that receives compensation from a registered firm

If the individual is the owner (*e.g.*, shareholder, partner), management (*e.g.*, director or officer), or employee of an unregistered entity that receives compensation, such as sales commissions or referral fees, from a registered firm, this activity is reportable. For example, being an employee or owner of an entity that has entered into an agreement in the form set out in Schedule 'A' of MFDA Staff Notice MSN-0072 *Payment of Commissions to Unregistered Corporations* is reportable.

#### Category 3 – Other securities-related activities

Activities that involve raising money for an entity, such as structuring the security or derivative, preparing the offering document, soliciting investors, or promoting the sale of a security or derivative are reportable. The activity must be reported if it was carried out any time in the last 7 years.

Given the role of a director or officer in a corporation as the directing mind and management and the nature of partnerships and trusts, we would consider a director, officer, partner, or equivalent position (such as trustees) of an entity that, within the last 7 years, raised money through the issuance of securities or derivatives to be directly involved and thus would be reportable. For example, being the President of a mortgage investment entity that is raising money would be reportable. We would also consider being a director or officer of a reporting issuer to be reportable, such as being a director of a TSX-listed company.

An individual who works at an entity that is raising money through the issuance of securities or derivatives, but has no direct involvement in the capital raising activity, such as a computer programmer at a fintech start-up, would not be required to report, unless the activity falls within another reporting category.

Similarly, charitable or other fundraising activities that do not involve the issuance of securities or derivatives would not be reportable. For example, volunteering for an organization to seek charitable donations would not be reportable.

#### Category 4 – Provision of financial or finance-related services

An individual is required to report certain financial and finance-related activities, whether or not compensation is received for providing the services. An individual is also expected to report if the individual is a shareholder, partner, director, or officer of an entity that provides one of those services. This includes activities where the individual is responsible for the oversight or provides independent review or expert opinion on the management of an entity's financial assets. For example, being a member of an investment committee that oversees the management of a university's endowment funds or a charity's financial capital, or being a trustee of a family trust.

#### Category 5 – Positions of influence

A position of influence is defined in section 13.4.3 of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* (chapter V-1.1, r. 10). All positions of influence are reportable. Please see the guidance in section 13.4.3 of *Policy Statement to Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

#### ***Uncompensated activities and personal holding companies***

Generally, uncompensated activities that do not involve securities or financial services and are not positions of influence are not reportable. For example, volunteer activities, such as being a little league soccer coach or volunteering at an animal shelter, are not required to be reported as they do not fall within Categories 1 to 5.

Additionally, involvement with entities with non-active operations, such as being the owner of a holding company (e.g., passive management of personal investments), would likely not be reportable. However, in some cases personal holding companies are used to hold securities of a registered firm and through this arrangement the individual receives indirect compensation from a registered firm. In this case the involvement with the holding company would be reportable under Category 2. In other circumstances the holding company is used to provide financial or finance-related services, to provide services for registered firms, or is otherwise involved in securities-related activities. If an individual's holding company is used for activities that would require disclosure under any of Categories 1 to 5, we would generally consider this entity to be active and the individual should disclose the individual's involvement with this entity.

#### ***Resignation and terminations (Form 33-109F4 – Item 12 and Schedule I)***

Individuals must report whether they have resigned or been terminated from a position or contract and whether, at the time of their resignation or termination, there existed allegations that the individual: (i) contravened any statutes, regulations, orders of a court or regulatory body, rules or bylaws, or failed to meet standards of conduct, (ii) failed to appropriately supervise compliance with any statutes, regulations, orders of a court or regulatory body, rules, bylaws or standards of conduct, or (iii) committed fraud or the wrongful taking of property,

including theft. Standards of conduct may be internal to the sponsoring firm, such as a sponsoring firm's policies and procedures, or may be external to the sponsoring firm, such as the standards of conduct of a professional body. Standards of conduct may include codes of conduct. Sales targets of the firm are not considered standards of conducts.

When providing information about resignations or terminations, individuals must disclose the day that they ceased to carry on duties for the entity or firm they resigned or were terminated from. This date may coincide with the end of the individual's employment, partnership or agency relationship. However, this date can also occur earlier, such as when an individual is subjected to an internal firm suspension or the individual's authority has otherwise been reduced or curtailed pending an internal review. Individuals should provide the date they ceased to carry on duties and not merely the end of an individual's employment, partnership or agency relationship.”;

(5) by adding, at the end of the title “*Agent for service*”, “(Form 33-109F4 – Item 18)”;

(6) by replacing, in the paragraph under the title “*Agent for service*”, “Regulation 33-109” with “Regulation”.

5. The title of section 2.3 of the Policy Statement is amended by adding, at the end, “(Subsection 2.2(2), Section 2.4, Subsection 2.6(2), Subsection 4.1(4))”.

6. Section 2.5 of the Policy Statement is amended:

(1) by adding, at the end of the title, “(Sections 2.3 and 2.5)”;

(2) by adding, at the end, the following paragraph:

“If certain allegations existed at the time of the individual leaving a sponsoring firm, then regardless of whether the allegations caused or contributed to the individual leaving, the individual may not use the Form 33-109F7. In addition, at the time the individual ceased to be a registered individual or a permitted individual with the former sponsoring firm, all of the information previously submitted in Form 33-109F4, including Item 12, must have been up-to-date. If these conditions are not met, then the individual must apply for reinstatement by completing on NRD a Form 33-109F4 by making the NRD submission entitled “*Reactivation of Registration*”.

7. Section 2.6 of the Policy Statement is replaced with the following:

**“2.6. Business locations (Form 33-109F4 and Form 33-109F7)**

The term “business location” is defined in section 1.1 of the Regulation. If the business location specified in Item 9 of Form 33-109F4 or Item 5 of Form 33-109F7 is a residence, the individual must acknowledge that the regulator or, in Québec, the securities regulatory authority may request consent to enter the residence for the administration of securities legislation and derivatives legislation, including commodity futures legislation.”.

8. Section 2.7 of the Policy Statement is amended by replacing the word “termination” with the word “cessation”.

9. Section 3.1 of the Policy Statement is amended:

(1) by adding, at the end of the title, “(Paragraph 2.1(a))”;

(2) by adding, at the end, the following paragraph:

**“Changes in outstanding legal actions**

Registered firms are required to provide updates on the changes in legal actions reported in item 8.3 of Form 33-109F6. This includes new claims, defenses, counterclaims, third-party claims, amendments, settlements or resolutions of the claims (whether by judgement,

dismissal or discontinuance), and appeals. In addition, we expect registered firms to inform regulators or, in Québec, the securities regulatory authority of any decisions in the legal action that could significantly adversely affect the firm's financial health or business or affect the outcome of the legal action. Reporting of discovery, procedural and scheduling developments, such as adjournments, is not required.”.

**10.** The title of section 3.2 of the Policy Statement is amended by adding, at the end, “**(Subsection 3.1(6))**”.

**11.** Section 3.3 of the Policy Statement is amended:

- (1) by adding, at the end of the title, “**(Paragraph 2.1(b); Form 33-109F4 – Item 22)**”;
- (2) by replacing the second paragraph with the following:

“Firms certify in Form 33-109F4 that if the business location is a residence, the individual conducting business from that business location has completed a Form 33-109F4. Form 33-109F4 contains a notice to the individual completing the form that the regulator or, in Québec, the securities regulatory authority may request consent to enter the residence for the administration of securities legislation.”.

**12.** Section 3.4 of the Policy Statement is amended by replacing “Appendix C” with “Appendix D”.

**13.** Section 3.5 of the Policy Statement is replaced with the following:

**“3.5. Form 33-109F1 (Section 4.2)**

Under section 4.2 of the Regulation, a registered firm must notify the regulator or, in Québec, the securities regulatory authority no more than 15 days after an individual ceased to have authority to act on behalf of the registered firm, as a registered individual or permitted individual. Typically, this occurs due to the cessation of the individual's employment, partnership or agency relationship with the registered firm. However, it also occurs when an individual is re-assigned to a different position at the registered firm that does not require registration or is no longer a permitted individual category. Section 4.2 requires that firms notify the regulator or, in Québec, the securities regulatory authority within 15 days of the date that the person ceased to have authority to act and not merely the end of an individual's employment, partnership or agency relationship. Please refer to the definition “cessation date”. Form 33-109F1 is submitted through the NRD website to give notice of the cessation date and the reason for the cessation.

Under paragraph 4.2(1)(b) of the Regulation, the information in Item 5 of a Form 33-109F1 must be submitted unless the cessation of authority to act on behalf of the registered firm was caused by the death of the individual. A registered firm can submit the information in Item 5 either at the time of making the initial submission on NRD, if the information is available within that 15 day period, or within 30 days of the cessation date, by making an NRD submission entitled “*Update / Correct Cessation Information*”.

**14.** Section 4.1 of the Policy Statement is amended:

- (1) by adding, at the end of the title, “**(Subsections 4.2(3) and (4))**”;
- (2) by replacing, wherever it appears, “10 days” with “15 days”.

**15.** Section 4.2 of the Policy Statement is amended:

- (1) by adding, at the end of the title, “**(Section 5.1)**”;
- (2) by replacing, wherever it appears, the word “firm” with the words “sponsoring firm”, except in the sentence “If a sponsoring firm cannot obtain it from the sponsored individual, as a last resort the sponsored individual should request it from the regulator.”;
- (3) by adding, at the end of the second paragraph, the words “or, in Québec, the

securities regulatory authority”.

16. Appendix A of the Policy Statement is replaced with the following:

**“Appendix A Summary of Notice Requirements in Regulation 33-109**

Description of Change	Notice Period	Section	Form Submitted
<b>Firms – Form 33-109F6 information</b>			<b>by e-mail, fax or</b>
Part 1 – Registration details	15 days	3.1(1.1)(b)	Form 33-109F5
Part 2 – Contact information, including head office address (except 2.4)	15 days		
Item 2.4 –Agent and Address for service [Items 3 and 4 of Schedule B to Form 33-109F6]	15 days	3.1(4)	Schedule B to Form 33-109F6 <i>Submission to</i>
Part 3 – Business history & structure	30 days	3.1(1.1)(a)	Form 33-109F5
Part 4 – Registration history (except item 4.1)	15 days	3.1(1.1)(b)	
Item 4.1 – Securities registration	30 days	3.1(1.1)(a)	
Part 5 –Financial condition (except item 5.12)	15 days	3.1(1.1)(b)	
Item 5.12 – Auditor	30 days	3.1(1.1)(a)	
Part 6 – Client relationships (except items 6.1 and 6.2)	15 days	3.1(1.1)(b)	
Item 6.1 – Client assets	30 days	3.1(1.1)(a)	
Item 6.2 – Conflicts of interest			
Part 7 – Regulatory action	15 days	3.1(1.1)(b)	
Part 8 – Legal action	15 days	3.1(1.1)(b)	
<b>Firms – other notice requirements</b>			
Open/change of business location (other than head office)	15 days	3.2	Form 33-109F3
Cessation of Authority of a registered or permitted individual – Items 1-4	15 days	4.2(2)(a)	Form 33-109F1
– Item 5	30 days	4.2(2)(b)	
<b>Individuals – Form F4 information</b>			<b>in NRD format</b>
Item 1 – Name	15 days	4.1(1)(b)	Form 33-109F5
Item 2 – Address (except items 2.1 and 2.2)	15 days		
Item 2.1 – Current and previous residential address	30 days	4.1(1)(a)	
Item 2.2 – Mailing address			
Item 3 –Personal information	No update required	4.1(2)	
Item 4 –Citizenship	30 days	4.1(1)(a)	
Item 5 – Registration jurisdictions	15 days	4.1(1)(b)	
Item 6 –Individual categories	15 days		
Item 7 –Address for service	15 days		
Item 8 – Proficiency	15 days		
Item 9 – Location of employment	15 days		
Item 10 – Reportable activities	30 days		
Item 11 – Previous employment	30 days	4.1(1)(a)	
Item 12 – Resignations and terminations	15 days		
Item 13 – Regulatory disclosure	15 days		
Item 14 – Criminal disclosure	15 days	4.1(1)(b)	
Item 15 – Civil disclosure	15 days		

Item 16 – Financial disclosure	15 days		
Item 17 – Ownership of securities	15 days		
Change of F4: registrant position or relationship with sponsoring firm / permitted status	15 days	4.1(4)	Form 33-109F2
Review of a permitted individual	15 days after appointment	2.5	Form 33-109F4 or Form 33-109F7, subject to
Automatic reinstatement of registration subject to conditions	within 90 days of cessation date	2.3(2)	Form 33-109F7

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**17.** Appendix B of the Policy Statement is amended:

(1) by replacing, in the second paragraph, the word “representatives” with the words “Approved Persons”;

(2) in Part 1:

(a) by deleting, in the contact information for Alberta, the word “department”;

(b) in the contact information for Yukon:

(i) by replacing “[corporateaffairs@gov.yk.ca](mailto:corporateaffairs@gov.yk.ca)” with “[securities@gov.yk.ca](mailto:securities@gov.yk.ca)”;

(ii) by adding the words “Office of the Yukon” before the words “Superintendent of Securities”;

(iii) by inserting, after “P.O. Box 2703”, “C-6”;

(3) in Part 2:

(a) by replacing, wherever it appears, the word “representatives” with the words “Approved Persons”;

(b) by inserting, above the contact information for Québec, “\*\* New Brunswick – IIROC \*\*”;

(c) by replacing the contact information below “\* Quebec – IIROC \*” with the following:

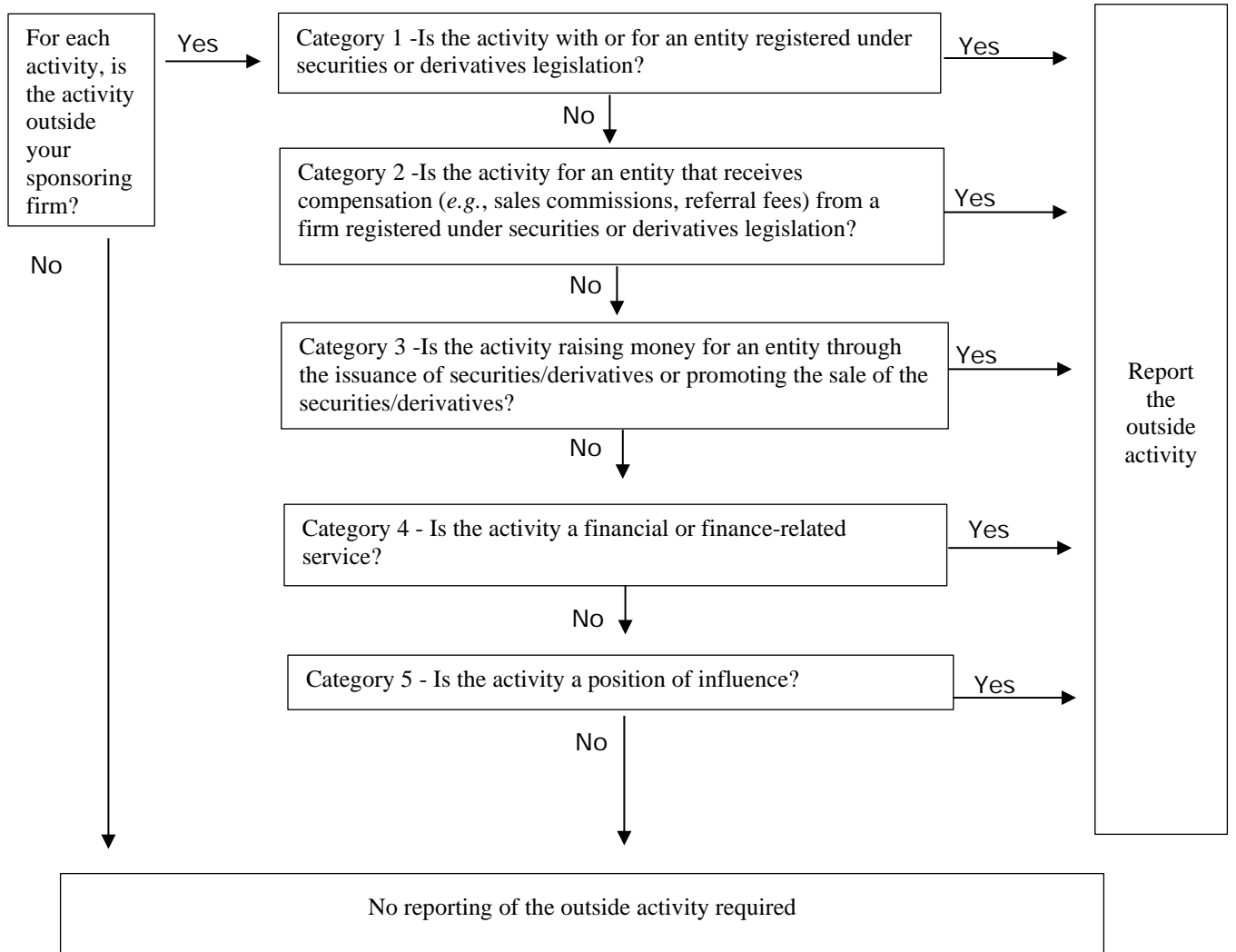
“e-mail: [registration@iiroc.ca](mailto:registration@iiroc.ca)  
fax: (514) 878-0797  
Organisme canadien de réglementation du commerce  
des valeurs mobilières  
525 Viger Avenue West,  
Suite 601  
Montréal (Québec) H2Z 0B2  
Attention: Service des inscriptions”.

**18.** The title of Appendix C of the Policy Statement is replaced with the following:

**“Appendix D Discretionary Exemption for Bulk Transfers of Business Locations and Individuals”.**

**19.** The Policy Statement is amended by inserting, after Appendix B, the following:

## “Appendix C Reportable Outside Activities



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