

Appendix C

National Instrument 31-103 – Registration Requirements and Exemptions Published July 17, 2009 compared to February 29, 2008 CSA Publication

JULY 17, 2009 PUBLICATION	FEBRUARY 29, 2009 PUBLICATION	BLACKLINE OF CHANGES
Part 1 Interpretation		
<p>1.1 Definitions of terms used throughout this Instrument</p> <p>In this Instrument</p> <p>“Canadian financial institution” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“connected issuer” has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts;</p> <p>“debt security” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“eligible client” means a client of a person or company if any of the following apply:</p> <p>(a) the client is an individual and was a client of the person or company immediately before becoming resident in the local jurisdiction;</p> <p>(b) the client is the spouse or a child of a client referred to in paragraph (a);</p> <p>(c) except in Ontario, the client is a client of the person or company on September 27, 2009 pursuant to the person or company's reliance on an exemption from the registration requirement under Part 5 of Multilateral Instrument 11-101 Principal Regulator System on that date;</p> <p>“exempt market dealer” means a person or company registered in the category of exempt market dealer;</p>	<p>Definitions</p> <p>1.1 (1) In this Instrument</p> <p>“Canadian financial institution” has the same meaning as in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>“connected issuer” has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts;</p> <p>“fully-managed account” means an account of a client that is managed by an adviser through discretionary authority granted by the client;</p> <p>“IDA” means the Investment Dealers Association of Canada;</p> <p>“marketplace” has the same meaning as in section 1.1 of National Instrument 21-101 Marketplace Operation;</p> <p>“MFDA” means the Mutual Fund Dealers Association of Canada;</p> <p>“permitted client” means</p> <p>(a) a Canadian financial institution or a Schedule III bank;</p> <p>(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);</p>	<p><u>1.1</u> Definitions <u>of terms used throughout this Instrument</u></p> <p>1.1 (1) In this Instrument</p> <p>“Canadian financial institution” has the same meaning as in section 1.1 of National Instrument NI 45-106 Prospectus and Registration Exemptions;</p> <p>“connected issuer” has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts;</p> <p><u>“debt security” has the same meaning as in section 1.1 of NI 45-106;</u></p> <p><u>“eligible client” means a client of a person or company if any of the following apply:</u></p> <p><u>(a) the client is an individual and was a client of the person or company immediately before becoming resident in the local jurisdiction;</u></p> <p><u>(b) the client is the spouse or a child of a client referred to in paragraph (a);</u></p> <p><u>(c) except in Ontario, the client is a client of the person or company on September 27, 2009 pursuant to the person or company's reliance on an exemption from the registration requirement under Part 5 of Multilateral Instrument 11-101 Principal Regulator System on that date;</u></p> <p>“fully-managed account” means an account of a client that is managed by an adviser through</p>

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<p>"IIROC" means the Investment Industry Regulatory Organization of Canada;</p> <p>"investment dealer" means a person or company registered in the category of investment dealer;</p> <p>"managed account" means an account of a client for which a person or company makes the investment decisions if that person or company has discretion to trade in securities for the account without requiring the client's express consent to a transaction;</p> <p>"marketplace" has the same meaning as in section 1.1 of National Instrument 21-101 Marketplace Operation;</p> <p>"MFDA" means the Mutual Fund Dealers Association of Canada;</p> <p>"mutual fund dealer" means a person or company registered in the category of mutual fund dealer;</p> <p>"NI 45-106" means National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>"permitted client" means any of the following:</p> <p>(a) a Canadian financial institution or a Schedule III bank;</p> <p>(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);</p>	<p>(c) a subsidiary of any person or company referred to in paragraph (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;</p> <p>(d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a scholarship plan dealer or a restricted dealer;</p> <p>(e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada;</p> <p>(f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);</p> <p>(g) 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;</p> <p>(h) 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;</p> <p>(i) 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</p>	<p>discretionary authority granted by the client;</p> <p><u>"exempt market dealer" means a person or company registered in the category of exempt market dealer;</u></p> <p>"IIROC" means the Investment Dealers Association <u>Industry Regulatory Organization</u> of Canada;</p> <p><u>"investment dealer" means a person or company registered in the category of investment dealer;</u></p> <p><u>"managed account" means an account of a client for which a person or company makes the investment decisions if that person or company has discretion to trade in securities for the account without requiring the client's express consent to a transaction;</u></p> <p>"marketplace" has the same meaning as in section 1.1 of National Instrument 21-101 Marketplace Operation;</p> <p>"MFDA" means the Mutual Fund Dealers Association of Canada;</p> <p><u>"mutual fund dealer" means a person or company registered in the category of mutual fund dealer;</u></p> <p><u>"NI 45-106" means National Instrument 45-106 Prospectus and Registration Exemptions;</u></p> <p>"permitted client" means <u>any of the following:</u></p> <p>(a) a Canadian financial institution or a Schedule III bank;</p>

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<p>(c) a subsidiary of any person or company referred to in paragraph (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;</p> <p>(d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than as a scholarship plan dealer or a restricted dealer;</p> <p>(e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada or a wholly-owned subsidiary of such a pension fund;</p> <p>(f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);</p> <p>(g) 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;</p> <p>(h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;</p> <p>(i) 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;</p>	<p>company or trust corporation, as the case may be;</p> <p>(j) a person or company acting on behalf of a fully-managed account managed by the person or company, if the person or company 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;</p> <p>(k) an investment fund that is advised by a person or company registered as a portfolio manager under the securities legislation of a jurisdiction of Canada;</p> <p>(l) a registered charity under the Income Tax Act (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in National Instrument 45-106 Prospectus and Registration Exemptions, or an adviser registered under the securities legislation of the jurisdiction of the registered charity;</p> <p>(m) an individual who beneficially owns, directly or indirectly, financial assets, as defined in National Instrument 45-106 Prospectus and Registration Exemptions, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million or its equivalent in another currency as certified by the individual;</p> <p>(n) a person or company that is entirely owned, legally and beneficially, by an individual or individuals referred to in paragraph (m), who hold its or their ownership interest in the person or company directly or through a trust the trustee of which is a trust company referred to in paragraph (i); or</p> <p>(o) a corporation that has shareholders' equity</p>	<p>(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);</p> <p>(c) a subsidiary of any person or company referred to in paragraph (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;</p> <p>(d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than <u>as</u> a scholarship plan dealer or a restricted dealer;</p> <p>(e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada <u>or a wholly-owned subsidiary of such a pension fund</u>;</p> <p>(f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);</p> <p>(g) the Government of Canada or a jurisdiction of Canada, or any or any <u>Crown</u> corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;</p> <p>(h) <u>any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government</u>;</p> <p>(i) _____ a municipality, public board or commission</p>

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<p>(j) 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 managed account managed by the trust company or trust corporation, as the case may be;</p> <p>(k) a person or company acting on behalf of a managed account managed by the person or company, if the person or company 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;</p> <p>(l) an investment fund if one or both of the following apply:</p> <p>(i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;</p> <p>(ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;</p> <p>(m) in respect of a dealer, a registered charity under the Income Tax Act (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in section 1.1 of NI 45-106, or an adviser registered under the securities legislation of the jurisdiction of the registered charity;</p> <p>(n) in respect of an adviser, a registered charity under the Income Tax Act (Canada) that is</p>	<p>of at least \$100 million on a consolidated basis or its equivalent in another currency;</p> <p>“registered firm” means a registered dealer, a registered adviser, or a registered investment fund manager;</p> <p>“registered individual” means an individual who is registered</p> <p>(a) to trade or advise on behalf of a registered firm,</p> <p>(b) in the category of ultimate designated person, or</p> <p>(c) in the category of chief compliance officer;</p> <p>“related issuer” has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts; and</p> <p>“Schedule III bank” means an authorized foreign bank named in Schedule III of the Bank Act (Canada).</p> <p>(2) Except in Part 8, in Alberta, British Columbia and Saskatchewan, a reference to “security” or “securities” in this Instrument includes “exchange contract” or “exchange contracts”.</p> <p>Definitions – mobility exemptions</p> <p>8.20 In this Division,</p>	<p>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;</p> <p>(j) 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;</p> <p>(k) a person or company acting on behalf of a fully-managed account managed by the person or company, if the person or company 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;</p> <p>(l) an investment fund that is advised by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;</p> <p>(i) an investment fund if one or both of the following apply:</p> <p>(i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;</p> <p>(ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;</p> <p>(i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;</p> <p>(ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;</p> <p><u>(i) an investment fund if one or both of the following apply:</u></p> <p><u>(i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;</u></p> <p><u>(ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;</u></p>

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<p>advised by an eligibility adviser, as defined in section 1.1 of NI 45-106, or an adviser registered under the securities legislation of the jurisdiction of the registered charity;</p> <p>(o) an individual who beneficially owns financial assets, as defined in section 1.1 of NI 45-106, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million;</p> <p>(p) a person or company that is entirely owned by an individual or individuals referred to in paragraph (o), who holds the beneficial ownership interest in the person or company directly or through a trust, the trustee of which is 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;</p> <p>(q) a person or company, other than an individual or an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements;</p> <p>(r) a person or company that distributes securities of its own issue in Canada only to persons or companies referred to in paragraphs (a) to (q);</p> <p>“portfolio manager” means a person or company registered in the category of portfolio manager;</p> <p>“principal jurisdiction” means</p> <p>(a) for a person or company other than an</p>	<p>“eligible client” means, for a person or company, a client of the person or company if the client</p> <p>(a) is an individual and was a client of the person or company immediately before the client became a resident of the local jurisdiction, or</p> <p>(b) is a spouse or child of a client referred to in paragraph (a);</p> <p>“NI 31-101” means National Instrument 31-101 National Registration System;</p> <p>“non-principal jurisdiction” means, for a person or company, each jurisdiction of Canada that is not the principal jurisdiction of the person or company;</p> <p>“principal jurisdiction” means, for a person or company, the jurisdiction of the principal regulator;</p> <p>“principal regulator” means</p> <p>(a) for a person or company other than an individual, the securities regulatory authority or the regulator in the jurisdiction of Canada in which the person or company’s head office is located, and</p> <p>(b) for an individual, the securities regulatory authority or the regulator in the jurisdiction of Canada in which the individual’s working office is located; and</p> <p>“working office” has the same meaning as in NI 31-101.</p>	<p>(l) <u>(m)</u> <u>in respect of a dealer</u>, a registered charity under the Income Tax Act (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in National Instrument 45-106 Prospectus and Registration Exemptions, or an adviser registered under the securities legislation of the jurisdiction of the registered charity; section 1.1 of NI 45-106, or an adviser registered under the securities legislation of the jurisdiction of the registered charity;</p> <p><u>(n)</u> <u>in respect of an adviser, a registered charity under the Income Tax Act (Canada) that is advised by an eligibility adviser, as defined in section 1.1 of NI 45-106, or an adviser registered under the securities legislation of the jurisdiction of the registered charity;</u></p> <p>(m) an individual who beneficially owns, directly or indirectly, financial assets, as defined in National Instrument 45-106 Prospectus and Registration Exemptions, section 1.1 of NI 45-106, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million or its equivalent in another currency as certified by the individual;</p> <p>(p) a person or company that is entirely owned, legally and beneficially, by an individual or individuals referred to in paragraph (m), who hold its or their <u>holds the beneficial</u> ownership interest in the person or company directly or through a trust, the trustee of which is a trust company referred to in paragraph (i); 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;</p>

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<p>individual, the jurisdiction of Canada in which the person or company's head office is located, and</p> <p>(b) for an individual, the jurisdiction of Canada in which the individual's working office is located;</p> <p>"registered firm" means a registered dealer, a registered adviser, or a registered investment fund manager;</p> <p>"registered individual" means an individual who is registered</p> <p>(a) in a category that authorizes the individual to act as a dealer or an adviser on behalf of a registered firm,</p> <p>(b) as ultimate designated person, or</p> <p>(c) as chief compliance officer;</p> <p>"related issuer" has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts;</p> <p>"restricted dealer" means a person or company registered in the category of restricted dealer;</p> <p>"restricted portfolio manager" means a person or company registered in the category of restricted portfolio manager;</p> <p>"Schedule III bank" means an authorized foreign bank named in Schedule III of the Bank Act (Canada);</p>		<p>(eg) — a corporation a person or company, other than an individual or an investment fund, that has shareholders' equity net assets of at least \$100 million on a consolidated basis or its equivalent in another currency; 25 million as shown on its most recently prepared financial statements;</p> <p><u>(r) — a person or company that distributes securities of its own issue in Canada only to persons or companies referred to in paragraphs (a) to (q);</u></p> <p><u>"portfolio manager" means a person or company registered in the category of portfolio manager;</u></p> <p><u>"principal jurisdiction" means</u></p> <p><u>(a) — for a person or company other than an individual, the jurisdiction of Canada in which the person or company's head office is located, and</u></p> <p><u>(b) — for an individual, the jurisdiction of Canada in which the individual's working office is located;</u></p> <p>"registered firm" means a registered dealer, a registered adviser, or a registered investment fund manager;</p> <p>"registered individual" means an individual who is registered</p> <p>(a) — to trade or advise) — in a category that authorizes the individual to act as a dealer or an adviser on behalf of a registered firm,</p> <p>(b) in the category of as ultimate designated</p>

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<p>“scholarship plan dealer” means a person or company registered in the category of scholarship plan dealer;</p> <p>“sponsoring firm” means the registered firm on whose behalf an individual acts as a dealer, an underwriter, an adviser, a chief compliance officer or an ultimate designated person;</p> <p>“subsidiary” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“working office” means the office of the sponsoring firm where an individual does most of his or her business.</p>		<p>person, or</p> <p>(c) in the category of <u>as</u> chief compliance officer;</p> <p>"related issuer" has the same meaning as in section 1.1 of National Instrument 33-105 Underwriting Conflicts; and</p> <p><u>"restricted dealer" means a person or company registered in the category of restricted dealer;</u></p> <p><u>"restricted portfolio manager" means a person or company registered in the category of restricted portfolio manager;</u></p> <p>"Schedule III bank" means an authorized foreign bank named in Schedule III of the Bank Act (Canada);.</p> <p>———— (2) ——— Except in Part 8, in Alberta, British Columbia and Saskatchewan, a reference to "security" or "securities" in this Instrument includes "exchange contract" or "exchange contracts".</p> <p>Definitions—mobility exemptions</p> <p>8.20 — In this Division,</p> <p>"eligible client" means, for a person or company, a client of the person or company if the client</p> <p>(a) — is an individual and was a client of the person or company immediately before the client became a resident of the local jurisdiction, or</p>

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		<p>(b) — is a spouse or child of a client referred to in paragraph (a);</p> <p>"NI 31-101" means National Instrument 31-101 National Registration System;</p> <p>"non-principal jurisdiction" means, for a person or company, each jurisdiction of Canada that is not the principal jurisdiction of the person or company;</p> <p>"principal jurisdiction" means, for a person or company, the jurisdiction of the principal regulator;</p> <p>"principal regulator" means</p> <p>(a) — for a person or company other than an individual, the securities regulatory authority or the regulator in the jurisdiction of Canada in which the person or company's head office is located, and</p> <p>(b) — for an individual, the securities regulatory authority or the regulator in the jurisdiction of Canada in which the individual's working office is located; and</p> <p><u>"scholarship plan dealer" means a person or company registered in the category of scholarship plan dealer;</u></p> <p><u>"sponsoring firm" means the registered firm on whose behalf an individual acts as a dealer, an underwriter, an adviser, a chief compliance officer or an ultimate designated person;</u></p> <p><u>"subsidiary" has the same meaning as in section 1.1</u></p>

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		<p>of NI 45-106:</p> <p>"working office" has the same meaning as in NI 31-404. means the office of the sponsoring firm where an individual does most of his or her business.</p>
<p>1.2 Interpretation of "securities" in Alberta, British Columbia, New Brunswick and Saskatchewan</p> <p>In Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to "securities" in this Instrument includes "exchange contracts", unless the context otherwise requires.</p>	New Provision	<p>1.2 Interpretation of "securities" in Alberta, British Columbia, New Brunswick and Saskatchewan</p> <p>In Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to "securities" in this Instrument includes "exchange contracts", unless the context otherwise requires.</p>
<p>1.3 Information may be given to the principal regulator</p> <p>(1) In this section, "principal regulator" means</p> <p>(a) for a registered firm whose head office is in a jurisdiction of Canada, the securities regulatory authority or regulator of that jurisdiction, and</p> <p>(b) for a registered firm whose head office is not in Canada, the securities regulatory authority or regulator of,</p> <p>(i) if the firm has not completed its first financial year since being registered, the jurisdiction of Canada in which the firm expects most of its clients to be resident at the end of its current financial year, and</p>	New Provision	<p>1.3 Information may be given to the principal regulator</p> <p>(1) In this section, "principal regulator" means</p> <p>(a) for a registered firm whose head office is in a jurisdiction of Canada, the securities regulatory authority or regulator of that jurisdiction, and</p> <p>(b) for a registered firm whose head office is not in Canada, the securities regulatory authority or regulator of.</p> <p>(i) if the firm has not completed its first financial year since being registered, the jurisdiction of Canada in which the firm expects most of its clients to be resident at the end of its current financial year, and</p>

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<p>(ii) in all other circumstances, the jurisdiction of Canada in which most of the firm's clients were resident at the end of its most recently completed financial year.</p> <p>(2) Except under the following sections, for the purpose of a requirement in this Instrument to notify the regulator or the securities regulatory authority, the person or company may notify the regulator or the securities regulatory authority by notifying the person or company's principal regulator:</p> <p>(a) section 8.18 [international dealer];</p> <p>(b) section 8.26 [international adviser];</p> <p>(c) section 11.9 [registrant acquiring a registered firm's securities or assets];</p> <p>(d) section 11.10 [registered firm whose securities are acquired].</p> <p>(3) For the purpose of a requirement in this Instrument to deliver or submit a document to the regulator or the securities regulatory authority, the person or company may deliver or submit the document by delivering or submitting it to the person or company's principal regulator.</p>		<p><u>(ii) in all other circumstances, the jurisdiction of Canada in which most of the firm's clients were resident at the end of its most recently completed financial year.</u></p> <p><u>(2) Except under the following sections, for the purpose of a requirement in this Instrument to notify the regulator or the securities regulatory authority, the person or company may notify the regulator or the securities regulatory authority by notifying the person or company's principal regulator:</u></p> <p><u>(a) section 8.18 [international dealer];</u></p> <p><u>(b) section 8.26 [international adviser];</u></p> <p><u>(c) section 11.9 [registrant acquiring a registered firm's securities or assets];</u></p> <p><u>(d) section 11.10 [registered firm whose securities are acquired].</u></p> <p><u>(3) For the purpose of a requirement in this Instrument to deliver or submit a document to the regulator or the securities regulatory authority, the person or company may deliver or submit the document by delivering or submitting it to the person or company's principal regulator.</u></p>
Part 2 Categories of registration for individuals		
2.1 Individual categories	Individual categories	<u>2.1</u> Individual categories
<p>(1) The following are the categories of registration for an individual who is required, under securities legislation, to be registered to act on behalf of a registered firm:</p>	<p>2.7 An individual, if required to be registered to act on behalf of a registered firm, must be registered by the regulator in one or more of the following categories:</p>	<p>2.7 <u>An(1)</u> <u>The following are the categories of registration for an individual, if who is required, under securities legislation, to be registered to act on behalf of a registered firm, must be registered by the regulator in one or more of the following</u></p>

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<p>(a) dealing representative;</p> <p>(b) advising representative;</p> <p>(c) associate advising representative;</p> <p>(d) ultimate designated person;</p> <p>(e) chief compliance officer.</p> <p>(2) An individual registered in the category of</p> <p>(a) dealing representative may act as a dealer or an underwriter in respect of a security that the individual's sponsoring firm is permitted to trade or underwrite,</p> <p>(b) advising representative may act as an adviser in respect of a security that the individual's sponsoring firm is permitted to advise on,</p> <p>(c) associate advising representative may act as an adviser in respect of a security that the individual's sponsoring firm is permitted to advise on if the advice has been approved under subsection 4.2(1) [associate advising representatives – pre-approval of advice],</p> <p>(d) ultimate designated person must perform the functions set out in section 5.1 [responsibilities of the ultimate designated person], and</p> <p>(e) chief compliance officer must perform the functions set out in section 5.2 [responsibilities of</p>	<p>(a) dealing representative;</p> <p>(b) advising representative;</p> <p>(c) associate advising representative;</p> <p>(d) ultimate designated person;</p> <p>(e) chief compliance officer.</p>	<p>categories:</p> <p>(a) dealing representative;</p> <p>(b) advising representative;</p> <p>(c) associate advising representative;</p> <p>(d) ultimate designated person;</p> <p>(e) chief compliance officer.</p> <p><u>(2) An individual registered in the category of</u></p> <p><u>(a) dealing representative may act as a dealer or an underwriter in respect of a security that the individual's sponsoring firm is permitted to trade or underwrite.</u></p> <p><u>(b) advising representative may act as an adviser in respect of a security that the individual's sponsoring firm is permitted to advise on.</u></p> <p><u>(c) associate advising representative may act as an adviser in respect of a security that the individual's sponsoring firm is permitted to advise on if the advice has been approved under subsection 4.2(1) [associate advising representatives - pre-approval of advice].</u></p> <p><u>(d) ultimate designated person must perform the functions set out in section 5.1 [responsibilities of the ultimate designated person], and</u></p> <p><u>(e) chief compliance officer must perform the</u></p>

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<p>the chief compliance officer].</p> <p>(3) Subsection (1) does not apply in Ontario.</p> <p>[Note: In Ontario, the same categories of registration for individuals as in subsection 2.1(1) are set out under section 25 of the Securities Act (Ontario).]</p>		<p><u>functions set out in section 5.2 [responsibilities of the chief compliance officer].</u></p> <p><u>(3) Subsection (1) does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, the same categories of registration for individuals as in subsection 2.1(1) are set out under section 25 of the Securities Act (Ontario).]</u></p>
<p>2.2 Client mobility exemption – individuals</p> <p>(1) The registration requirement does not apply to an individual if all of the following apply:</p> <p>(a) the individual is registered as a dealing, advising or associate advising representative in the individual's principal jurisdiction;</p> <p>(b) the individual's sponsoring firm is registered in the firm's principal jurisdiction;</p> <p>(c) the individual does not act as a dealer, underwriter or adviser in the local jurisdiction other than as he or she is permitted to in his or her principal jurisdiction according to the individual's registration in that jurisdiction;</p> <p>(d) the individual does not act as a dealer, underwriter or adviser in the local jurisdiction other than for 5 or fewer eligible clients;</p> <p>(e) the individual complies with Part 13 [dealing with clients – individuals and firms];</p> <p>(f) the individual deals fairly, honestly and in good faith in the course of his or her dealings with</p>	<p>Notice of change of principal regulator</p> <p>8.22 (1) A person or company relying on section 8.23 [mobility exemption – registered firm] or section 8.24 [mobility exemption – registered individual] must file a completed Form 31-103F3, as soon as practicable, if</p> <p>(a) for a person or company, other than an individual, the person or company changes its head office to another principal jurisdiction, or</p> <p>(b) for an individual, the location of the individual's working office changes to another principal jurisdiction.</p> <p>(2) Subsection (1) does not apply if a person or company is required to file Form 31-101F2 under NI 31-101.</p> <p>8.24 If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to an individual if</p> <p>(a) the individual is registered in his or her principal jurisdiction as a dealing, advising or associate advising representative,</p>	<p>Notice of change of principal regulator</p> <p><u>2.2 Client mobility exemption - individuals</u></p> <p>8.22 (1) A person or company relying on section 8.23 [mobility exemption – registered firm] or section 8.24 [mobility exemption – registered individual] must file a completed Form 31-103F3, as soon as practicable, if</p> <p>(a) for a person or company, other than an individual, the person or company changes its head office to another principal jurisdiction, or</p> <p>(b) for an individual, the location of the individual's working office changes to another principal jurisdiction.</p> <p>(2) Subsection (1) does not apply if a person or company is required to file Form 31-101F2 under NI 31-101.</p> <p>8.24 If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to an individual if <u>(1) The registration requirement does not apply to an individual if all of the following apply:</u></p> <p>(a) the individual is registered in his or her principal jurisdiction as a dealing, advising or</p>

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<p>an eligible client;</p> <p>(g) before first acting as a dealer or adviser for an eligible client, the individual's sponsoring firm has disclosed to the client that the individual, and if the firm is relying on section 8.30 [client mobility exemption – firms], the firm,</p> <p>(i) is exempt from registration in the local jurisdiction, and</p> <p>(ii) is not subject to requirements otherwise applicable under local securities legislation.</p> <p>(2) If an individual relies on the exemption in this section, the individual's sponsoring firm must submit a completed Form 31-103F3 Use of Mobility Exemption to the securities regulatory authority of the local jurisdiction as soon as possible after the individual first relies on this section.</p>	<p>(b) the individual's registered firm is registered in its principal jurisdiction,</p> <p>(c) the individual is trading or advising in securities with an eligible client,</p> <p>(d) the individual does not trade 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,</p> <p>(e) in the local jurisdiction, the individual trades or advises in securities for no more than five eligible clients, and</p> <p>(f) the individual complies with section 8.25 [mobility exemption conditions].</p> <p>Mobility exemption conditions</p> <p>8.25 For the purposes of paragraphs 8.23(e) and 8.24(f) the person or company must</p> <p>(a) disclose to an eligible client, before it relies on an exemption in section 8.23 [mobility exemption – registered firm] or 8.24 [mobility exemption – registered individual], that the person or company</p> <p>(i) is exempt from registration in the local jurisdiction, and</p> <p>(ii) is not subject to requirements otherwise applicable under local securities legislation, and</p>	<p>associate advising representative, <u>in the individual's principal jurisdiction</u>;</p> <p>(b) the individual's registered <u>sponsoring</u> firm is registered in its <u>the firm's</u> principal jurisdiction;</p> <p>(c) the individual is trading or advising in securities with an eligible client, (d) the individual does not trade or advise in securities <u>act as a dealer, underwriter or adviser</u> in the local jurisdiction other than as it <u>he or she</u> is permitted to in its <u>his or her</u> principal jurisdiction according to its category of the individual's <u>registration, in that jurisdiction</u>;</p> <p>(e) — (d) — the individual does not act as a dealer, underwriter or adviser in the local jurisdiction, the individual trades or advises in securities for no more than five other than for 5 or fewer eligible clients, and;</p> <p>(f)(e) the individual complies with <u>section Part 13 [dealing with clients - individuals and firms]</u>;</p> <p>8.25 [mobility exemption conditions].</p> <p>Mobility exemption conditions</p> <p>8.25 — For the purposes of paragraphs 8.23(e) and 8.24(f) the person or company must</p> <p><u>(f) — the individual deals fairly, honestly and in good faith in the course of his or her dealings with an eligible client.</u></p> <p>(a) — disclose to</p> <p><u>(g) — before first acting as a dealer or adviser for an eligible client, before it relies on an exemption in</u></p>

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	<p>(b) _____ act fairly, honestly and in good faith in the course of its dealings with an eligible client.</p>	<p><u>the individual's sponsoring firm has disclosed to the client that the individual, and if the firm is relying on section 8.23<u>8.30</u> [client mobility exemption – registered firm] or 8.24 [mobility exemption – registered individual], that the person or company exemption - firms], the firm.</u></p> <p>(i) _____ is exempt from registration in the local jurisdiction, and</p> <p>(ii) _____ is not subject to requirements otherwise applicable under local securities legislation, and.</p> <p>(b) _____ act fairly, honestly and in good faith in the course of its dealings with an eligible client.</p> <p><u>(2) _____ If an individual relies on the exemption in this section, the individual's sponsoring firm must submit a completed Form 31-103F3 Use of Mobility Exemption to the securities regulatory authority of the local jurisdiction as soon as possible after the individual first relies on this section.</u></p>
<p>2.3 Individuals acting for investment fund managers</p> <p>The investment fund manager registration requirement does not apply to an individual acting on behalf of a registered investment fund manager.</p>	<p>New Provision</p>	<p><u>2.3 _____ Individuals acting for investment fund managers</u></p> <p><u>The investment fund manager registration requirement does not apply to an individual acting on behalf of a registered investment fund manager.</u></p>
<p>Part 3 Registration requirements – individuals</p>		
<p>Division 1 General proficiency requirements</p>		
<p>3.1 Definitions</p> <p>In this Part</p> <p>“Branch Manager Proficiency Exam” means the examination prepared and administered by the RESP Dealers Association of Canada and so</p>	<p>Definitions</p> <p>4.1 In this Division</p> <p>“Branch Manager Proficiency Exam” means the examination prepared and administered by the RESP Dealers Association of Canada and so</p>	<p><u>3.1 _____ Definitions</u></p> <p>4.1 _____ In this Division <u>Part</u></p> <p>“Branch Manager Proficiency Exam” means the examination prepared and administered by the RESP Dealers Association of Canada and so</p>

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<p>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“Canadian Investment Funds Exam” means the examination prepared and administered by the Investment Funds Institute of Canada and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;</p> <p>“Canadian Securities Course Exam” means the examination prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“CFA Charter” means the charter earned through</p>	<p>designated by that Association;</p> <p>“Canadian Investment Funds Exam” means the examination prepared and administered by the Investment Funds Institute of Canada and so designated by that Institute;</p> <p>“Canadian Securities Exam” means the examination prepared and administered by the CSI Global Education Inc. and so designated by that corporation;</p> <p>“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;</p> <p>“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by the CSI Global Education Inc. and so designated by that corporation;</p> <p>“Investment Funds in Canada Exam” means the examination prepared and administered by the Institute of Canadian Bankers and so designated by that Institute;</p> <p>“New Entrants Exam” means the examination prepared and administered by the CSI Global Education Inc. and so designated by that corporation;</p> <p>“PDO Exam” means</p> <p>(a) the Officers’, Partners’ and Directors’ Exam prepared and administered by the Investment Funds</p>	<p>designated by that Association <u>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p>“Canadian Investment Funds Exam” means the examination prepared and administered by the Investment Funds Institute of Canada and so designated by that Institute <u>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p><u>“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;</u></p> <p>“Canadian Securities <u>Course</u> Exam” means the examination prepared and administered by the CSI Global Education Inc. and so designated by that corporation <u>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p>

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<p>the Chartered Financial Analyst program prepared and administered by the CFA Institute and so named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;</p> <p>“Exempt Market Products Exam” means the examination prepared and administered by the IFSE Institute and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“Investment Funds in Canada Course Exam” means the examination prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“Mutual Fund Dealers Compliance Exam” means the examination prepared and administered by the IFSE Institute and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p>	<p>Institute of Canada and so designated by that Institute, or</p> <p>(b) the Partners, Directors and Senior Officers Exam prepared and administered by the CSI Global Education Inc. and so designated by that corporation;</p> <p>“Sales Representative Proficiency Exam” means the examination prepared and administered by the RESP Dealers Association of Canada and so designated by that Association; and</p> <p>“Series 7 Exam” means the program prepared and administered by the Financial Industry Regulatory Authority in the United States of America and so designated by that regulator.</p>	<p>“CFA Charter” means the charter earned through the Chartered financial analyst examination <u>Financial Analyst</u> program prepared and administered by the CFA Institute and so designated by that institute <u>named on the day this Instrument comes into force, and every program that preceded that program, or succeeded that program, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned program;</u></p> <p>“Canadian Investment Manager designation” means the designation earned through the Canadian investment manager program prepared and administered by the CSI Global Education Inc. and so designated by that corporation;</p> <p><u>“Exempt Market Products Exam” means the examination prepared and administered by the IFSE Institute and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p>“Investment Funds in Canada <u>Course</u> Exam” means the examination prepared and administered by the Institute of Canadian Bankers and so designated by that Institute <u>CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p><u>“Mutual Fund Dealers Compliance Exam” means</u></p>

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<p>“New Entrants Course Exam” means the examination prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“PDO Exam” means</p> <p>(a) the Officers’, Partners’ and Directors’ Exam prepared and administered by the Investment Funds Institute of Canada and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination, or</p> <p>(b) the Partners, Directors and Senior Officers Course Exam prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“Sales Representative Proficiency Exam” means the examination prepared and administered by the RESP Dealers Association of Canada and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and</p>		<p><u>the examination prepared and administered by the IFSE Institute and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p>“New Entrants <u>Course</u> Exam” means the examination prepared and administered by the CSI Global Education Inc. and so designated by that corporation named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</p> <p>“PDO Exam” means</p> <p>(a) the Officers’, Partners’ and Directors’ Exam prepared and administered by the Investment Funds Institute of Canada and so designated by that Institute named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination, or</p> <p>(b) the Partners, Directors and Senior Officers <u>Course</u> Exam prepared and administered by the CSI Global Education Inc. and so designated by that corporation named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly</p>

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<p>content when compared to the scope and content of the first-mentioned examination;</p> <p>“Series 7 Exam” means the examination prepared and administered by the Financial Industry Regulatory Authority in the United States of America and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination.</p>		<p><u>reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p>"Sales Representative Proficiency Exam" means the examination prepared and administered by the RESP Dealers Association of Canada and so designated by that Association; and <u>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination;</u></p> <p>"Series 7 Exam" means the program <u>examination</u> prepared and administered by the Financial Industry Regulatory Authority in the United States of America and so designated by that regulator <u>named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination.</u></p>
<p>3.2 U.S. equivalency</p> <p>In this Part, an individual is not required to have passed the Canadian Securities Course Exam if the individual has passed the Series 7 Exam and the New Entrants Course Exam.</p>	<p>U.S. equivalency</p> <p>4.2 In this Division, an individual is not required to have passed the Canadian Securities Exam if the individual has passed the Series 7 Exam and the New Entrants Exam.</p>	<p><u>3.2</u> U.S. equivalency</p> <p>4.2 In this Division <u>Part</u>, an individual is not required to have passed the Canadian Securities <u>Course</u> Exam if the individual has passed the Series 7 Exam and the New Entrants <u>Course</u> Exam.</p>
<p>3.3 Time limits on examination requirements</p> <p>(1) For the purposes of this Part, an individual is deemed to have not passed an examination, and is deemed to have not successfully completed a program, unless the individual passed the</p>	<p>Time limits on examination proficiency</p> <p>4.4 (1) Subject to subsection (2), an individual must not be registered in a category unless the individual passed the examination or successfully completed the program required in this</p>	<p><u>3.3</u> Time limits on examination proficiency <u>requirements</u></p> <p>4.4 (1) Subject to subsection (2), an individual must not be registered in a category <u>(1) For the purposes of this Part, an individual</u></p>

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<p>examination or successfully completed the program within 36 months before the date the individual applied for registration.</p> <p>(2) Subsection (1) does not apply if the individual passed the examination or successfully completed the program more than 36 months before the date the individual applied for registration and one or both of the following apply:</p> <p>(a) for any 12 months during the 36-month period before the date the individual applied for registration in a category, the individual was registered in the same category in a jurisdiction of Canada;</p> <p>(b) the individual gained 12 months of relevant securities industry experience during the 36-month period before the date the individual applied for registration.</p> <p>(3) In Québec, the examinations provided for in subsections (4) and (6) of section 45 of Policy Q-9 Dealers, Advisers and Representatives, as it read on September 27, 2009, are deemed to be relevant examinations for purposes of subsection (2).</p>	<p>Division for the category within 36 months of the date the individual applied for registration.</p> <p>(2) If an individual passed the examination or successfully completed the program required in this Division for a category more than 36 months before the date the individual applied for registration, the individual must not be registered in the category unless the individual</p> <p>(a) was registered in the category in a jurisdiction of Canada for 12 months during the 36 month period before the date the individual applied for registration, or</p> <p>(b) gained 12 months of relevant experience during the 36 month period before the date the individual applied for registration.</p>	<p><u>is deemed to have not passed an examination, and is deemed to have not successfully completed a program</u>, unless the individual passed the examination or successfully completed the program required in this Division for the category within 36 months of before the date the individual applied for registration.</p> <p>(2) If an <u>Subsection (1) does not apply if</u> the individual passed the examination or successfully completed the program required in this Division for a category more than 36 months before the date the individual applied for registration <u>and one or both of the following apply:</u></p> <p><u>(a) for any 12 months during the 36-month period before the date the individual applied for registration in a category</u>, the individual must not be registered in the category unless the individual (a) _____ was registered in the <u>same</u> category in a jurisdiction of Canada for 12 months during the 36 month period before the date the individual applied for registration, or;</p> <p>(b) <u>the individual</u> gained 12 months of relevant <u>securities industry</u> experience during the 36 <u>month</u> period before the date the individual applied for registration.</p> <p><u>(3) In Québec, the examinations provided for in subsections (4) and (6) of section 45 of Policy Q-9 Dealers, Advisers and Representatives, as it read on September 27, 2009, are deemed to be relevant examinations for purposes of subsection (2).</u></p>
Division 2 Education and experience requirements		
3.4 Proficiency – initial and ongoing	Proficiency principle	<u>3.4</u> Proficiency principle <u>initial and ongoing</u>

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<p>(1) An individual must not perform an activity that requires registration unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently.</p> <p>(2) A chief compliance officer must not perform an activity set out in section 5.2 [responsibilities of the chief compliance officer] unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently.</p>	<p>4.3 When a registered individual performs an activity that requires registration, the individual must have the education and experience reasonably necessary to perform the activity.</p>	<p>4.3 When a registered(1) An individual performs must not perform an activity that requires registration, unless the individual must have has the education, training and experience reasonably that a reasonable person would consider necessary to perform the activity competently.</p> <p>(2) A chief compliance officer must not perform an activity set out in section 5.2 [responsibilities of the chief compliance officer] unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently.</p>
<p>3.5 Mutual fund dealer – dealing representative</p> <p>A dealing representative of a mutual fund dealer must not act as a dealer on behalf of the mutual fund dealer unless one or both of the following apply:</p> <p>(a) the representative has passed the Canadian Investment Funds Exam, the Canadian Securities Course Exam or the Investment Funds in Canada Course Exam;</p> <p>(b) the representative has met the requirements of section 3.11 [portfolio manager – advising representative].</p>	<p>Mutual fund dealer – dealing representative</p> <p>4.5 A dealing representative of a mutual fund dealer must not trade on behalf of the mutual fund dealer unless the representative</p> <p>(a) has passed the Canadian Investment Funds Exam, the Canadian Securities Exam, or the Investment Funds in Canada Exam, or</p> <p>(b) has met the requirements of section 4.11 [portfolio manager – advising representative].</p>	<p>3.5 Mutual fund dealer - dealing representative</p> <p>4.5 A dealing representative of a mutual fund dealer must not trade act as a dealer on behalf of the mutual fund dealer unless the representative one or both of the following apply:</p> <p>(a) the representative has passed the Canadian Investment Funds Exam, the Canadian Securities Course Exam, or the Investment Funds in Canada Course Exam, or;</p> <p>(b) the representative has met the requirements of section 4.11 3.11 [portfolio manager - advising representative].</p>
<p>3.6 Mutual fund dealer – chief compliance officer</p> <p>A mutual fund dealer must not designate an individual as its chief compliance officer under subsection 11.3(1) [designating a chief compliance officer] unless any of the following apply:</p>	<p>Mutual fund dealer – chief compliance officer</p> <p>4.6 A mutual fund dealer must not designate an individual as its chief compliance officer under subsection 2.10(1) [chief compliance officer] unless the individual</p> <p>(a) has met the requirements of section 4.13</p>	<p>3.6 Mutual fund dealer - chief compliance officer</p> <p>4.6 A mutual fund dealer must not designate an individual as its chief compliance officer under subsection 2.10 11.3(1) [designating a chief compliance officer] unless any of the individual following apply:</p>

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<p>(a) the individual has passed</p> <p>(i) the Canadian Investment Funds Exam, the Canadian Securities Course Exam or the Investment Funds in Canada Course Exam, and</p> <p>(ii) the PDO Exam or the Mutual Fund Dealers Compliance Exam;</p> <p>(b) the individual has met the requirements of section 3.13 [portfolio manager – chief compliance officer].</p>	<p>[portfolio manager – chief compliance officer], or</p> <p>(b) has passed</p> <p>(i) the Canadian Investment Funds Exam, the Canadian Securities Exam, or the Investment Funds in Canada Exam, and</p> <p>(ii) the PDO Exam.</p>	<p>(a) has met the requirements of section 4.13 [portfolio manager – chief compliance officer], or (b) the individual has passed</p> <p>(i) the Canadian Investment Funds Exam, the Canadian Securities <u>Course</u> Exam, or the Investment Funds in Canada <u>Course</u> Exam, and</p> <p>(ii) the PDO Exam or the Mutual Fund Dealers Compliance Exam;</p> <p><u>(b) the individual has met the requirements of section 3.13 [portfolio manager - chief compliance officer].</u></p>
<p>3.7 Scholarship plan dealer – dealing representative</p> <p>A dealing representative of a scholarship plan dealer must not act as a dealer on behalf of the scholarship plan dealer unless the representative has passed the Sales Representative Proficiency Exam.</p>	<p>Scholarship plan dealer – dealing representative</p> <p>4.7 A dealing representative of a scholarship plan dealer must not trade on behalf of the scholarship plan dealer unless the representative has passed the Sales Representative Proficiency Exam.</p>	<p><u>3.7</u> Scholarship plan dealer - dealing representative</p> <p>4.7 A dealing representative of a scholarship plan dealer must not trade <u>act as a dealer</u> on behalf of the scholarship plan dealer unless the representative has passed the Sales Representative Proficiency Exam.</p>
<p>3.8 Scholarship plan dealer – chief compliance officer</p> <p>A scholarship plan dealer must not designate an individual as its chief compliance officer under subsection 11.3(1) [designating a chief compliance officer] unless the individual has passed all of the following:</p> <p>(a) the Sales Representative Proficiency Exam;</p> <p>(b) the Branch Manager Proficiency Exam;</p>	<p>Scholarship plan dealer – chief compliance officer</p> <p>4.8 A scholarship plan dealer must not designate an individual as its chief compliance officer under subsection 2.10(1) [chief compliance officer] unless the individual has passed</p> <p>(a) the Sales Representative Proficiency Exam,</p> <p>(b) the Branch Manager Proficiency Exam, and</p>	<p><u>3.8</u> Scholarship plan dealer - chief compliance officer</p> <p>4.8 A scholarship plan dealer must not designate an individual as its chief compliance officer under subsection 2.10 <u>11.3</u>(1) [<u>designating a</u> chief compliance officer] unless the individual has passed <u>all of the following</u>:</p> <p>(a) the Sales Representative Proficiency Exam;₂</p> <p>(b) the Branch Manager Proficiency Exam;₂</p>

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(c) the PDO Exam.	(c) the PDO Exam.	and: (c) the PDO Exam.
<p>3.9 Exempt market dealer – dealing representative</p> <p>A dealing representative of an exempt market dealer must not act as a dealer on behalf of the exempt market dealer unless any of the following apply:</p> <p>(a) the individual has passed the Canadian Securities Course Exam;</p> <p>(b) the individual has passed the Exempt Market Products Exam;</p> <p>(c) the individual satisfies the conditions set out in section 3.11 [portfolio manager – advising representative].</p>	<p>Exempt market dealer – dealing representative</p> <p>4.9 A dealing representative of an exempt market dealer must not trade on behalf of the exempt market dealer unless the individual</p> <p>(a) has passed the Canadian Securities Exam, or</p> <p>(b) meets the requirements of section 4.11 [portfolio manager – advising representative].</p>	<p><u>3.9</u> Exempt market dealer - dealing representative</p> <p>4.9—A dealing representative of an exempt market dealer must not trade-act as a dealer on behalf of the exempt market dealer unless <u>any of the following apply:</u></p> <p><u>(a)</u> the individual (a)— has passed the Canadian Securities <u>Course</u> Exam, or;</p> <p>(b) meets the requirements of section 4.11 <u>(b) the individual has passed the Exempt Market Products Exam;</u></p> <p><u>(c) the individual satisfies the conditions set out in section 3.11</u> [portfolio manager - advising representative].</p>
<p>3.10 Exempt market dealer – chief compliance officer</p> <p>An exempt market dealer must not designate an individual as its chief compliance officer under subsection 11.3(1) [designating a chief compliance officer] unless any of the following apply:</p> <p>(a) the individual has passed the PDO Exam and any of the following:</p> <p>(i) the Canadian Securities Course Exam;</p>	<p>Exempt market dealer – chief compliance officer</p> <p>4.10 An exempt market dealer must not designate an individual as its chief compliance officer under subsection 2.10(1) [chief compliance officer] unless the individual has passed the Canadian Securities Exam.</p>	<p><u>3.10</u> Exempt market dealer - chief compliance officer</p> <p>4.10—An exempt market dealer must not designate an individual as its chief compliance officer under subsection 2.10<u>11.3</u>(1) [<u>designating a</u> chief compliance officer] unless <u>any of the following apply:</u></p> <p><u>(a)</u> the individual has passed the <u>PDO Exam and any of the following:</u></p> <p><u>(i) the Canadian Securities Course</u> Exam;</p>

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<p>(ii) the Exempt Market Products Exam;</p> <p>(b) the individual has met the requirements of section 3.13 [portfolio manager – chief compliance officer].</p>		<p><u>(ii) the Exempt Market Products Exam;</u></p> <p><u>(b) the individual has met the requirements of section 3.13 [portfolio manager - chief compliance officer].</u></p>
<p>3.11 Portfolio manager – advising representative</p> <p>An advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless any of the following apply:</p> <p>(a) the representative has earned a CFA Charter and has 12 months of relevant investment management experience in the 36-month period before applying for registration;</p> <p>(b) the representative has received the Canadian Investment Manager designation and has 48 months of relevant investment management experience, 12 months of which was in the 36-month period before applying for registration.</p>	<p>Portfolio manager – advising representative</p> <p>4.11 An advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless the representative</p> <p>(a) has earned a CFA Charter and has 12 months of relevant investment management experience in the 36-month period before applying for registration, or</p> <p>(b) has received the Canadian Investment Manager designation and has 48 months of relevant investment management experience, 12 months of which was in the 36-month period before applying for registration.</p>	<p><u>3.11</u> Portfolio manager - advising representative</p> <p>4.11 An advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless the representative <u>any of the following apply:</u></p> <p>(a) <u>the representative</u> has earned a CFA Charter and has 12 months of relevant investment management experience in the 36-month period before applying for registration; or;</p> <p>(b) <u>the representative</u> has received the Canadian Investment Manager designation and has 48 months of relevant investment management experience, 12 months of which was in the 36-month period before applying for registration.</p>

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<p>3.12 Portfolio manager – associate advising representative</p> <p>An associate advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless any of the following apply:</p> <p>(a) the representative has completed Level 1 of the Chartered Financial Analyst program and has 24 months of relevant investment management experience;</p> <p>(b) the representative has received the Canadian Investment Manager designation and has 24 months of relevant investment management experience.</p>	<p>Portfolio manager – associate advising representative</p> <p>4.12 An associate advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless the representative</p> <p>(a) has completed Level 1 of the Chartered Financial Analyst Program and has 24 months of relevant investment management experience, or</p> <p>(b) has received the Canadian Investment Manager designation and has 24 months of relevant investment management experience.</p>	<p>3.12 Portfolio manager – associate advising representative</p> <p>4.12 An associate advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless the representative <u>any of the following apply:</u></p> <p>(a) <u>the representative</u> has completed Level 1 of the Chartered Financial Analyst Program <u>program</u> and has 24 months of relevant investment management experience. or;</p> <p>(b) <u>the representative</u> has received the Canadian Investment Manager designation and has 24 months of relevant investment management experience.</p>
<p>3.13 Portfolio manager – chief compliance officer</p> <p>A portfolio manager must not designate an individual as its chief compliance officer under subsection 11.3(1) [designating a chief compliance officer] unless any of the following apply:</p> <p>(a) the individual has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p> <p>(ii) passed the Canadian Securities Course Exam and the PDO Exam, and</p>	<p>Portfolio manager – chief compliance officer</p> <p>4.13 A portfolio manager must not designate an individual as its chief compliance officer under subsection 2.10(1) [chief compliance officer] unless the individual</p> <p>(a) has been previously registered as an advising representative of a portfolio manager in a jurisdiction of Canada,</p> <p>(b) has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p>	<p>3.13 Portfolio manager - chief compliance officer</p> <p>4.13 A portfolio manager must not designate an individual as its chief compliance officer under subsection 2.10 <u>11.3</u>(1) [<u>designating a chief compliance officer</u>] unless the individual <u>any of the following apply:</u></p> <p>(a) — has been previously registered as an advising representative of a portfolio manager in a jurisdiction of Canada,</p> <p>(b)</p> <p><u>(a)</u> <u>the individual</u> has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified</p>

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<p>(iii) either</p> <p>A) gained 36 months of relevant securities experience while working at an investment dealer, a registered adviser or an investment fund manager, or</p> <p>B) provided professional services in the securities industry for 36 months and worked at a registered dealer, a registered adviser or an investment fund manager for 12 months;</p> <p>(b) the individual has passed the Canadian Securities Course Exam and the PDO Exam and any of the following apply:</p> <p>(i) the individual has worked at an investment dealer or a registered adviser for 5 years, including for 36 months in a compliance capacity;</p> <p>(ii) the individual has worked for 5 years at a Canadian financial institution in a compliance capacity relating to portfolio management and worked at a registered dealer or a registered adviser for 12 months;</p> <p>(c) the individual has passed the PDO Exam and has met the requirements of section 3.11 [portfolio manager – advising representative].</p>	<p>(ii) passed the Canadian Securities Exam and the PDO Exam, and</p> <p>(iii) either</p> <p>A) worked for a registered dealer or a registered adviser for three years, or</p> <p>B) provided professional services in the securities industry for three years and worked for a registered dealer or a registered adviser for 12 months, or</p> <p>(c) has passed the Canadian Securities Exam and the PDO Exam and has either</p> <p>(i) worked for a registered dealer or a registered adviser for five years, including for three years in a compliance capacity, or</p> <p>(ii) worked for five years for a Canadian financial institution in a compliance capacity relating to portfolio management and worked for a registered dealer or a registered adviser for 12 months.</p>	<p>Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p> <p>(ii) passed the Canadian Securities <u>Course</u> Exam and the PDO Exam, and</p> <p>(iii) either</p> <p>A) worked for a registered dealer or a registered adviser for three years, or <u>gained 36 months of relevant securities experience while working at an investment dealer, a registered adviser or an investment fund manager, or</u></p> <p>B) provided professional services in the securities industry for three years<u>36 months</u> and worked for at a registered dealer or, a registered adviser <u>or an investment fund manager</u> for 12 months, or,</p> <p>(eb) <u>the individual</u> has passed the Canadian Securities <u>Course</u> Exam and the PDO Exam and has either <u>any of the following apply:</u></p> <p>(i) <u>the individual has</u> worked for a registered at an investment dealer or a registered adviser for five<u>5</u> years, including for three years<u>36 months</u> in a compliance capacity, or,</p> <p>(ii) <u>the individual has</u> worked for five<u>5</u> years for at a Canadian financial institution in a compliance capacity relating to portfolio management and worked for at a registered dealer or a registered adviser for 12 months;</p>

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		<u>(c) the individual has passed the PDO Exam and has met the requirements of section 3.11 [portfolio manager - advising representative].</u>
<p>3.14 Investment fund manager – chief compliance officer</p> <p>An investment fund manager must not designate an individual as its chief compliance officer under subsection 11.3(1) [designating a chief compliance officer] unless any of the following apply:</p> <p>(a) the individual has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p> <p>(ii) passed the Canadian Securities Course Exam and the PDO Exam, and</p> <p>(iii) either</p> <p>A) gained 36 months of relevant securities experience while working at a registered dealer, a registered adviser or an investment fund manager, or</p> <p>B) provided professional services in the securities industry for 36 months and worked in a relevant capacity at an investment fund manager for</p>	<p>Investment fund manager – chief compliance officer</p> <p>4.15 An investment fund manager must not designate an individual as its chief compliance officer under subsection 2.10(1) [chief compliance officer] unless the individual</p> <p>(a) has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p> <p>(ii) passed the Canadian Securities Exam and the PDO Exam, and</p> <p>(iii) either</p> <p>A) worked for an investment fund manager for three consecutive years, or</p> <p>B) provided professional services in the securities industry for three consecutive years and worked for an investment fund manager for 12 consecutive months, or</p>	<p><u>3.14</u> Investment fund manager - chief compliance officer</p> <p>4.15 An investment fund manager must not designate an individual as its chief compliance officer under subsection 2.10<u>11.3</u>(1) [<u>designating a</u> chief compliance officer] unless <u>any of the following apply:</u></p> <p><u>(a)</u> the individual (a) has</p> <p>(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,</p> <p>(ii) passed the Canadian Securities <u>Course</u> Exam and the PDO Exam, and</p> <p>(iii) either</p> <p>A) worked for <u>gained 36 months of relevant securities experience while working at a registered dealer, a registered adviser or</u> an investment fund manager for three consecutive years, or</p> <p>B) provided professional services in the</p>

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<p>12 months;</p> <p>(b) the individual has</p> <p>(i) passed the Canadian Investment Funds Exam, the Canadian Securities Course Exam, or the Investment Funds in Canada Course Exam,</p> <p>(ii) passed the PDO Exam, and</p> <p>(iii) gained 5 years of relevant securities experience while working at a registered dealer, registered adviser or an investment fund manager, including 36 months in a compliance capacity.</p> <p>(c) the individual has met the requirements of section 3.13 [portfolio manager – chief compliance officer].</p>	<p>(b) has</p> <p>(i) passed the Canadian Investment Funds Exam, the Canadian Securities Exam, or the Investment Funds in Canada Exam,</p> <p>(ii) passed the PDO Exam, and</p> <p>(iii) worked for a registered investment fund manager for five consecutive years, including for three consecutive years in a compliance capacity.</p>	<p>securities industry for three consecutive years<u>36 months</u> and worked for in a relevant capacity at an investment fund manager for 12 consecutive months<u>, or</u>;</p> <p>(b) <u>the individual</u> has</p> <p>(i) passed the Canadian Investment Funds Exam, the Canadian Securities <u>Course</u> Exam, or the Investment Funds in Canada <u>Course</u> Exam,</p> <p>(ii) passed the PDO Exam, and</p> <p>(iii) worked for <u>gained 5 years of relevant securities experience while working at</u> a registered dealer, registered adviser or an investment fund manager for five consecutive years, including for three consecutive years<u>36 months</u> in a compliance capacity.</p> <p><u>(c) the individual has met the requirements of section 3.13 [portfolio manager - chief compliance officer].</u></p>
Division 3 Membership in a self-regulatory organization		
<p>3.15 Who must be approved by an SRO before registration</p> <p>(1) A dealing representative of an investment dealer must be an “approved person” as defined under the rules of IIROC.</p> <p>(2) Except in Québec, a dealing representative of a mutual fund dealer must be an “approved person” as defined under the rules of the MFDA.</p>	<p>IDA membership for investment dealers</p> <p>3.1 (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.</p>	<p>IDA membership for investment dealers</p> <p>3.1 (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.</p> <p><u>3.15 Who must be approved by an SRO before registration</u></p>

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		<p><u>(1) A dealing representative of an investment dealer must be an “approved person” as defined under the rules of IIROC.</u></p> <p><u>(2) Except in Québec, a dealing representative of a mutual fund dealer must be an “approved person” as defined under the rules of the MFDA.</u></p>
<p>3.16 Exemptions from certain requirements for SRO-approved persons</p> <p>(1) The following sections do not apply to a registered individual who is a dealing representative of a member of IIROC:</p> <p>(a) subsection 13.2(3) [know your client];</p> <p>(b) section 13.3 [suitability];</p> <p>(c) section 13.13 [disclosure when recommending the use of borrowed money].</p> <p>(2) The following sections do not apply to a registered individual who is a dealing representative of a member of the MFDA:</p> <p>(a) section 13.3 [suitability];</p> <p>(b) section 13.13 [disclosure when recommending the use of borrowed money].</p> <p>(3) In Québec, the requirements listed in subsection (2) do not apply to a registered individual who is a dealing representative of a mutual fund dealer if the registered individual complies with the applicable regulations on mutual fund dealers in Québec.</p>	<p>Exceptions for SRO members</p> <p>3.3 (1) A registrant that is a member of the IDA, or a dealing representative of a member of the IDA, is exempt from each requirement in the following sections that applies to a registered dealer, or a dealing representative, if the registrant complies with the by-laws, regulations and policies of the IDA that deal with the same subject matter:</p> <p>(a) section 4.18 [capital requirement];</p> <p>(b) section 4.19 [report capital deficiency];</p> <p>(c) section 4.21 [insurance – dealer];</p> <p>(d) section 4.25 [notice of change, claim, or cancellation];</p> <p>(e) section 4.26 [appointment of auditor];</p> <p>(f) section 4.27 [direction to auditor];</p> <p>(g) section 4.28 [delivering financial information – dealer];</p> <p>(h) section 5.4 [providing relationship disclosure information];</p>	<p>Exceptions<u>3.16 Exemptions from certain requirements for SRO-</u>members-<u>approved persons</u></p> <p>3.3 (1) A registrant that is a member of the IDA, or a dealing representative of a member of the IDA, is exempt from each requirement in the following sections that applies to a registered dealer, or a dealing representative, if the registrant complies with the by-laws, regulations and policies of the IDA that deal with the same subject matter:</p> <p><u>(1) The following sections do not apply to a registered individual who is a dealing representative of a member of IIROC:</u></p> <p>(a) section 4.18 [capital requirement]; <u>(a) subsection 13.2(3) [know your client];</u></p> <p>(b) section 4.19 [report capital deficiency]; <u>(b) section 4.19 [report capital deficiency]13.3 [suitability];</u></p> <p>(c) section 4.21 [insurance – dealer]; <u>(c) section 4.21 [insurance – dealer];13.13 [disclosure when recommending the use of borrowed money].</u></p> <p>(d) section 4.25 [notice of change, claim, or cancellation];</p> <p>(e) section 4.26 [appointment of auditor];</p>

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	<p>(i) section 5.5 [suitability];</p> <p>(j) section 5.7 [margin];</p> <p>(k) section 5.8 [disclosure when recommending use of borrowed money];</p> <p>(l) section 5.10 [holding client assets in trust];</p> <p>(m) section 5.11 [securities subject to safekeeping agreement];</p> <p>(n) section 5.12 [securities not subject to safekeeping agreement];</p> <p>(o) section 5.18 [confirmation of trade – general];</p> <p>(p) except in Québec, section 5.29 [dispute resolution service].</p> <p>(2) Except in Québec, the provisions listed in subsection (1) do not apply to a registrant that is a member or approved person of the MFDA if the registrant complies with the by-laws, rules and policies of the MFDA that deal with the same subject matter.</p> <p>(3) In Québec, the provisions listed in subsection (1) do not apply to a mutual fund dealer or a dealing representative of a mutual fund dealer if the registrant complies with the regulation on mutual fund dealer requirements in Québec.</p>	<p>(f) section 4.27 [direction to auditor];</p> <p>(g) section 4.28 [delivering financial information – dealer];</p> <p>(h) section 5.4 [providing relationship disclosure information];</p> <p>(i) section 5.5 [suitability];</p> <p>(j) section 5.7 [margin];</p> <p>(k) section 5.8 [disclosure when recommending use of borrowed money];</p> <p>(l) section 5.10 [holding client assets in trust];</p> <p>(m) section 5.11 [securities subject to safekeeping agreement];</p> <p>(n) section 5.12 [securities not subject to safekeeping agreement];</p> <p>(o) section 5.18 [confirmation of trade – general];</p> <p>(p) except in Québec, section 5.29 [dispute resolution service].</p> <p>(2) Except in Québec, the provisions listed in subsection (1) do not apply to a registrant that is a member or approved person of the MFDA if the registrant complies with the by-laws, rules and policies of the MFDA that deal with the same subject matter.</p>

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		<p><u>(2) The following sections do not apply to a registered individual who is a dealing representative of a member of the MFDA:</u></p> <p><u>(a) section 13.3 [suitability];</u></p> <p><u>(b) section 13.13 [disclosure when recommending the use of borrowed money].</u></p> <p>(3) In Québec, the provisions-requirements listed in subsection (4.2) do not apply to a mutual fund dealer or registered individual who is a dealing representative of a mutual fund dealer if the registrant registered individual complies with the regulation applicable regulations on mutual fund dealer requirements-dealers in Québec.</p>
Part 4 Restrictions on registered individuals		
<p>4.1 Restriction on acting for another registered firm</p> <p>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.</p>	<p>Registrant relationships</p> <p>6.3 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.</p>	<p>Registrant relationships <u>4.1 Restriction on acting for another registered firm</u></p> <p>6.3—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.</p>
<p>4.2 Associate advising representatives – pre-approval of advice</p> <p>(1) An associate advising representative of a registered adviser must not advise on securities unless, before giving the advice, the advice has been approved by an individual designated by the registered firm under subsection (2).</p> <p>(2) A registered adviser must designate, for an</p>	<p>Associate advising representative – approved advising only</p> <p>2.8 (1) An associate advising representative of a registered adviser must not advise in securities unless, before giving the advice, the advice is approved by an advising representative designated by the adviser.</p> <p>(2) A registered adviser that</p>	<p>Associate advising representative—approved advising only</p> <p><u>4.2 Associate advising representatives – pre-approval of advice</u></p> <p>2.8—(1) An associate advising representative of a registered adviser must not advise in-on securities unless, before giving the advice, the advice is-has been approved by an advising representative individual designated by the</p>

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<p>associate advising representative, an advising representative to review the advice of the associate advising representative.</p> <p>(3) No later than the 7th day following the date of a designation under subsection (2), a registered adviser must provide the regulator with the names of the advising representative and the associate advising representative who are the subject of the designation.</p>	<p>designates an advising representative for the purpose of subsection (1) must notify the regulator of the designation no later than the 5th business day following the date of the designation.</p>	<p>adviser <u>registered firm under subsection (2).</u></p> <p><u>(2) A registered adviser must designate, for an associate advising representative, an advising representative to review the advice of the associate advising representative.</u></p> <p>(2) A registered adviser that designates an advising representative for the purpose of subsection (1) must notify the regulator of the designation no later than the 5th business day following the date <u>(3) No later than the 7th day following the date of a designation under subsection (2), a registered adviser must provide the regulator with the names of the advising representative and the associate advising representative who are the subject of the designation.</u></p>
<p>Part 5 Ultimate designated person and chief compliance officer</p>		
<p>5.1 Responsibilities of the ultimate designated person</p> <p>The ultimate designated person of a registered firm must do all of the following:</p> <p>(a) supervise the activities of the firm that are directed towards ensuring compliance with securities legislation by the firm and each individual acting on the firm's behalf;</p> <p>(b) promote compliance by the firm, and individuals acting on its behalf, with securities legislation.</p>	<p>Ultimate designated person – functions</p> <p>5.24 The ultimate designated person of a registered firm must</p> <p>(a) supervise the activities of the firm that are directed towards ensuring compliance with securities legislation by the firm and each individual acting on its behalf, and</p> <p>(b) promote compliance with securities legislation within the firm.</p>	<p>Ultimate <u>5.1 Responsibilities of the ultimate designated person</u> —functions</p> <p>5.24 <u>The ultimate designated person of a registered firm must do all of the following:</u></p> <p>(a) supervise the activities of the firm that are directed towards ensuring compliance with securities legislation by the firm and each individual acting on its <u>the firm's</u> behalf, and;</p> <p>(b) promote compliance <u>by the firm, and individuals acting on its behalf,</u> with securities legislation within the firm.</p>
<p>5.2 Responsibilities of the chief compliance officer</p> <p>The chief compliance officer of a registered firm</p>	<p>Chief compliance officer – functions</p> <p>5.25 The chief compliance officer of a registered firm must</p>	<p>Chief <u>5.2 Responsibilities of the chief</u> compliance officer —functions</p> <p>5.25 <u>The chief compliance officer of a registered</u></p>

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<p>must do all of the following:</p> <p>(a) establish and maintain policies and procedures for assessing compliance by the firm, and individuals acting on its behalf, with securities legislation;</p> <p>(b) monitor and assess compliance by the firm, and individuals acting on its behalf, with securities legislation;</p> <p>(c) report to the ultimate designated person of the firm as soon as possible if the chief compliance officer becomes aware of any circumstances indicating that the firm, or any individual acting on its behalf, may be in non-compliance with securities legislation and any of the following apply:</p> <p>(i) the non-compliance creates, in the opinion of a reasonable person, a risk of harm to a client;</p> <p>(ii) the non-compliance creates, in the opinion of a reasonable person, a risk of harm to the capital markets;</p> <p>(iii) the non-compliance is part of a pattern of non-compliance;</p> <p>(d) submit an annual report to the firm's board of directors, or individuals acting in a similar capacity for the firm, for the purpose of assessing compliance by the firm, and individuals acting on its behalf, with securities legislation.</p>	<p>(a) establish and maintain policies and procedures for assessing compliance by the firm, and individuals acting on its behalf, with securities legislation,</p> <p>(b) monitor and assess compliance by the firm, and individuals acting on its behalf, with securities legislation,</p> <p>(c) report to the ultimate designated person as soon as practicable if the chief compliance officer becomes aware of any circumstances indicating that the firm, or any individual acting on its behalf, is in substantial non-compliance with securities legislation, and</p> <p>(d) submit an annual report to the board of directors or partnership for the purpose of assessing compliance by the firm, and individuals acting on its behalf, with securities legislation.</p>	<p>firm must <u>do all of the following</u>:</p> <p>(a) establish and maintain policies and procedures for assessing compliance by the firm, and individuals acting on its behalf, with securities legislation;</p> <p>(b) monitor and assess compliance by the firm, and individuals acting on its behalf, with securities legislation;</p> <p>(c) report to the ultimate designated person <u>of the firm</u> as soon as practicable possible if the chief compliance officer becomes aware of any circumstances indicating that the firm, or any individual acting on its behalf, is <u>may be</u> in substantial non-compliance with securities legislation; and <u>any of the following apply</u>:</p> <p><u>(i) the non-compliance creates, in the opinion of a reasonable person, a risk of harm to a client;</u></p> <p><u>(ii) the non-compliance creates, in the opinion of a reasonable person, a risk of harm to the capital markets;</u></p> <p><u>(iii) the non-compliance is part of a pattern of non-compliance;</u></p> <p>(d) submit an annual report to the <u>firm's</u> board of directors or partnership, or individuals acting in a similar capacity for the firm, for the purpose of assessing compliance by the firm, and individuals acting on its behalf, with securities legislation.</p>
Part 6 Suspension and revocation of registration – individuals		
6.1 If individual ceases to have authority to act	Termination of employment, etc.	Termination of employment, etc. <u>6.1 If individual</u>

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<p>for firm</p> <p>If a registered individual ceases to have authority to act as a registered individual on behalf of his or her sponsoring firm because of the end of, or a change in, the individual's employment, partnership, or agency relationship with the firm, the individual's registration with the firm is suspended until reinstated or revoked under securities legislation.</p>	<p>7.6 If a registered individual ceases to have an employment, partnership or agency relationship with a registered firm, the individual's registration with the registered firm is suspended on the date the relationship ceased.</p>	<p><u>ceases to have authority to act for firm</u></p> <p>7.6 — If a registered individual ceases to have an authority to act as a registered individual on behalf of his or her sponsoring firm because of the end of, or a change in, the individual's employment, partnership, or agency relationship with a registered the firm, the individual's registration with the registered firm is suspended on the date the relationship ceased <u>until reinstated or revoked under securities legislation.</u></p>
<p>6.2 If IIROC approval is revoked or suspended</p> <p>If IIROC revokes or suspends a registered individual's approval in respect of an investment dealer, the individual's registration as a dealing representative of the investment dealer is suspended until reinstated or revoked under securities legislation.</p>	<p>Suspension of IDA approval</p> <p>7.3 (2) If the IDA revokes or suspends a registered individual's approval, the individual's registration in the category of investment dealer is suspended.</p>	<p>Suspension of IDA 6.2 <u>If IIROC approval is revoked or suspended</u></p> <p>7.3 (2) — If the IDA IIROC revokes or suspends a registered individual's approval <u>in respect of an investment dealer</u>, the individual's registration in as a dealing representative of the category of investment dealer is suspended <u>until reinstated or revoked under securities legislation.</u></p>
<p>6.3 If MFDA approval is revoked or suspended</p> <p>Except in Québec, if the MFDA revokes or suspends a registered individual's approval in respect of a mutual fund dealer, the individual's registration as a dealing representative of the mutual fund dealer is suspended until reinstated or revoked under securities legislation.</p>	<p>Suspension of MFDA approval</p> <p>7.4 (2) If the MFDA revokes or suspends a registered individual's approval, the individual's registration in the category of mutual fund dealer is suspended.</p> <p>(3) This section does not apply in Québec.</p>	<p>Suspension of 6.3 <u>If MFDA approval is revoked or suspended</u></p> <p>7.4 (2) — If <u>Except in Québec, if</u> the MFDA revokes or suspends a registered individual's approval <u>in respect of a mutual fund dealer</u>, the individual's registration in as a dealing representative of the category of mutual fund dealer is suspended <u>until reinstated or revoked under securities legislation.</u></p> <p>(3) This section does not apply in Québec.</p>
<p>6.4 If sponsoring firm is suspended</p> <p>If a registered firm's registration in a category is suspended, the registration of each registered dealing, advising or associate advising</p>	<p>Suspension of registered firm</p> <p>7.2 If the registration of a registered firm in a category is suspended, the registration of each registered dealing, advising or associate advising</p>	<p>Suspension of registered 6.4 <u>If sponsoring firm is suspended</u></p> <p>7.2 — If the registration of <u>If a registered firm's registration</u> in a category is suspended, the</p>

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representative acting on behalf of the firm in that category is suspended until reinstated or revoked under securities legislation.	representative in that category is suspended.	registration of each registered dealing, advising or associate advising representative <u>acting on behalf of the firm</u> in that category is suspended <u>until reinstated or revoked under securities legislation</u> .
<p>6.5 Dealing and advising activities suspended</p> <p>If an individual's registration in a category is suspended, the individual must not act as a dealer, an underwriter or an adviser, as the case may be, under that category.</p>	<p>Activities requiring registration are prohibited</p> <p>7.1 If the registration of a registered firm or a registered individual in a category is suspended, he, she or it must not act as a dealer, an adviser, or an investment fund manager in that category.</p>	<p>Activities requiring registration are prohibited <u>6.5 Dealing and advising activities suspended</u></p> <p>7.1 — If the <u>an individual's</u> registration of a registered firm or a registered individual in a category is suspended, he, she or it <u>the individual</u> must not act as a dealer, an <u>underwriter or an adviser</u>, or an investment fund manager in as the case may be, under that category.</p>
<p>6.6 Revocation of a suspended registration - individual</p> <p>If a registration of an individual has been suspended under this Part and it has not been reinstated, the registration is revoked on the 2nd anniversary of the suspension.</p>	<p>Revocation of registration</p> <p>7.7 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.</p>	<p>6.6 Revocation of <u>a suspended</u> registration <u>- individual</u></p> <p>7.7</p> <p>If a registration <u>of an individual</u> has been suspended under this Part and it has not been reinstated, the registration is revoked on the second <u>2nd</u> anniversary following <u>of</u> the suspension.</p>
<p>6.7 Exception for individuals involved in a hearing</p> <p>Despite section 6.6, if a hearing concerning a suspended registrant is commenced under securities legislation or a proceeding concerning the registrant is commenced under the rules of an SRO, the registrant's registration remains suspended.</p>	<p>Exception – hearing</p> <p>7.8 Despite 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 regulator or the securities regulatory authority.</p>	<p>6.7 Exception for individuals involved in a hearing</p> <p>7.8 — Despite 7.7 [revocation of registration], <u>section 6.6</u>, if a hearing concerning a suspended registrant is commenced under the Act, the securities legislation or a proceeding concerning the registrant is commenced under the rules of an SRO, the registrant's registration remains suspended until a decision has been made by the regulator or the securities regulatory authority.</p>
<p>6.8 Application of Part 6 in Ontario</p> <p>Other than section 6.5 [dealing and advising activities suspended], this Part does not apply in Ontario.</p>	<p>New Provision</p>	<p>6.8 <u>Application of Part 6 in Ontario</u></p> <p><u>Other than section 6.5 [dealing and advising activities suspended], this Part does not apply in Ontario.</u></p>

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[Note: In Ontario, measures governing suspension in section 29 of the Securities Act (Ontario) are similar to those in Parts 6 and 10.]		[Note: In Ontario, measures governing suspension in section 29 of the Securities Act (Ontario) are similar to those in Parts 6 and 10.]
Part 7 Categories of registration for firms		
<p>7.1 Dealer categories</p> <p>(1) The following are the categories of registration for a person or company that is required, under securities legislation, to be registered as a dealer:</p> <p>(a) investment dealer;</p> <p>(b) mutual fund dealer;</p> <p>(c) scholarship plan dealer;</p> <p>(d) exempt market dealer;</p> <p>(e) restricted dealer.</p> <p>(2) A person or company registered in the category of</p> <p>(a) investment dealer may act as a dealer or an underwriter in respect of any security,</p> <p>(b) mutual fund dealer may act as a dealer in respect of any security of</p> <p>(i) a mutual fund, or</p> <p>(ii) except in Québec, an investment fund that</p>	<p>Dealer and underwriter categories</p> <p>2.1 (1) A dealer or underwriter, if required to be registered, must be registered by the regulator in one or more of the following categories:</p> <p>(a) investment dealer, being a dealer or underwriter that is permitted to trade in, or act as an underwriter in respect of, any security;</p> <p>(b) mutual fund dealer, being a dealer that is only permitted to trade in securities of</p> <p>(i) mutual funds, and</p> <p>(ii) except in Québec, investment funds that are labour sponsored investment fund corporations or labour sponsored venture capital corporations under provincial legislation;</p> <p>(c) scholarship plan dealer, being a dealer that is only permitted to trade in securities of scholarship plans, educational plans or educational trusts;</p> <p>(d) exempt market dealer, being</p> <p>(i) a dealer that is only permitted to trade</p> <p>A) in securities that are distributed under an exemption from the prospectus requirement,</p>	<p>7.1 Dealer and underwriter categories</p> <p>2.1 (1) A dealer or underwriter, if (1) The following are the categories of registration for a person or company that is required, under securities legislation, to be registered, must be registered by the regulator in one or more of the following categories as a dealer:</p> <p>(a) investment dealer, being a dealer or underwriter that is permitted to trade in, or,</p> <p>(b) mutual fund dealer;</p> <p>(c) scholarship plan dealer;</p> <p>(d) exempt market dealer;</p> <p>(e) restricted dealer.</p> <p>(2) A person or company registered in the category of</p> <p>(a) investment dealer may act as a dealer or an underwriter in respect of, any security;</p> <p>(b) mutual fund dealer, being may act as a dealer that is only permitted to trade in securities of in respect of any security of</p>

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<p>is a labour-sponsored investment fund corporation or labour-sponsored venture capital corporation under legislation of a jurisdiction of Canada,</p> <p>(c) scholarship plan dealer may act as a dealer in respect of a security of a scholarship plan, an educational plan or an educational trust,</p> <p>(d) exempt market dealer may</p> <p>(i) act as a dealer by trading a security that is distributed under an exemption from the prospectus requirement, whether or not a prospectus was filed in respect of the distribution,</p> <p>(ii) act as a dealer by trading a security that, if the trade were a distribution, would be exempt from the prospectus requirement,</p> <p>(iii) receive an order from a client to sell a security that was acquired by the client in a circumstance described in subparagraph (i) or (ii), and may act or solicit in furtherance of receiving such an order, and</p> <p>(iv) act as an underwriter in respect of a distribution of securities that is made under an exemption from the prospectus requirement;</p> <p>(e) restricted dealer may act as a dealer or an underwriter in accordance with the terms, conditions, restrictions or requirements applied to its registration.</p> <p>(3) Despite paragraph (2)(b), in British Columbia a mutual fund dealer may also act as a dealer in respect of securities of any of the</p>	<p>B) in securities that are distributed under a prospectus if the distribution may have been made under an exemption from the prospectus requirement,</p> <p>C) in securities that, if the trade were a distribution, may have been distributed under an exemption from the prospectus requirement, and</p> <p>D) on behalf of a client, any securities acquired by the client in a circumstance described in subparagraph (A), (B) or (C), if the trade is with a registered dealer, and</p> <p>(ii) an underwriter that is only permitted to act as an underwriter in respect of a distribution of securities that may be made under an exemption from the prospectus requirement;</p> <p>(e) restricted dealer, being a dealer that is limited by conditions on its registration to trading in a specified security, class of security or the securities of a class of issuers.</p> <p>(2) Despite subsection (1)(b), in British Columbia a mutual fund dealer is only permitted to trade in securities of</p> <p>(i) mutual funds,</p> <p>(ii) investment funds that are labour sponsored investment fund corporations or labour sponsored venture capital corporations under provincial legislation, and</p> <p>(iii) securities of scholarship plans, educational</p>	<p>(i) <u>a mutual funds fund, and or</u></p> <p>(ii) except in Québec, <u>an investment funds fund</u> that are is a labour _sponsored investment fund corporations corporation or labour _sponsored venture capital corporations corporation under provincial legislation; <u>of a jurisdiction of Canada,</u></p> <p>(c) scholarship plan dealer, being may act as a dealer that is only permitted to trade in securities of scholarship plans, educational plans or educational trusts; in respect of a security of a scholarship plan, an educational plan or an educational trust,</p> <p>(d) exempt market dealer, being may</p> <p>(i) <u>act as</u> a dealer <u>by trading a security</u> that is only permitted to tradeA) in securities that are distributed under an exemption from the prospectus requirement, B) in securities that are distributed under whether or not a prospectus if was filed in respect of the distribution may have been made under an exemption from the prospectus requirement,</p> <p>C(ii) in securities act as a dealer by trading a security that, if the trade were a distribution, may have been distributed under an exemption would be exempt from the prospectus requirement, and</p> <p>D(iii) on behalf of receive an order from a client, any securities to sell a security that was acquired by the client in a circumstance described in subparagraph (A), (B) or (C), if the trade is with a registered dealer (i) or (ii), and may act or solicit in</p>

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<p>following:</p> <p>(a) scholarship plans;</p> <p>(b) educational plans;</p> <p>(c) educational trusts.</p> <p>(4) Subsection (1) does not apply in Ontario.</p> <p>[Note: In Ontario, the same categories of registration for firms acting as dealers as in subsection 7.1(1) are set out under subsection 26(2) of the Securities Act (Ontario).]</p>	<p>plans or educational trusts.</p>	<p><u>furtherance of receiving such an order</u>, and</p> <p>(ii) — an underwriter that is only permitted to <u>(iv) —</u> act as an underwriter in respect of a distribution of securities that may be <u>is</u> made under an exemption from the prospectus requirement;</p> <p>(e) restricted dealer, being <u>may act as</u> a dealer that is limited by <u>or an underwriter in accordance with the terms</u>, conditions on <u>restrictions or requirements applied to</u> its registration to trading in a specified security, class of security or the securities of a class of issuers.</p> <p>(2) <u>(23)</u> Despite subsection (4) paragraph <u>(2)</u>(b), in British Columbia a mutual fund dealer is only permitted to trade in securities of <u>may also act as a dealer in respect of securities of any of the following:</u></p> <p>(i) — mutual funds,</p> <p>(ii) — investment funds that are labour sponsored investment fund corporations or labour sponsored venture capital corporations under provincial legislation, and</p> <p>(iii) a securities of scholarship plans, educational plans or educational trusts.</p> <p><u>(b) — educational plans;</u></p> <p><u>(c) — educational trusts.</u></p> <p><u>(4) — Subsection (1) does not apply in Ontario.</u></p>

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		[Note: In Ontario, the same categories of registration for firms acting as dealers as in subsection 7.1(1) are set out under subsection 26(2) of the Securities Act (Ontario).]
<p>7.2 Adviser categories</p> <p>(1) The following are the categories of registration for a person or company that is required, under securities legislation, to be registered as an adviser:</p> <p>(a) portfolio manager;</p> <p>(b) restricted portfolio manager.</p> <p>(2) A person or company registered in the category of</p> <p>(a) portfolio manager may act as an adviser in respect of any security, and</p> <p>(b) restricted portfolio manager may act as an adviser in respect of any security in accordance with the terms, conditions, restrictions or requirements applied to its registration.</p> <p>(3) Subsection (1) does not apply in Ontario.</p> <p>[Note: In Ontario, the same categories of registration for firms acting as advisers as in subsection 7.2(1) are set out under subsection 26(6) of the Securities Act (Ontario).]</p>	<p>Adviser categories</p> <p>2.3 An adviser, if required to be registered, must be registered by the regulator in one of the following categories:</p> <p>(a) portfolio manager, being an adviser that is permitted to advise in any security;</p> <p>(b) restricted portfolio manager, being an adviser that is limited by conditions on its registration to advising in specified securities, classes of securities or the securities of a class of issuers.</p>	<p>7.2 Adviser categories</p> <p>2.3 An adviser, if required to be registered, must be registered by the regulator in one of the following categories:</p> <p>(1) The following are the categories of registration for a person or company that is required, under securities legislation, to be registered as an adviser:</p> <p>(a) portfolio manager, being an adviser that is permitted to advise in any security;</p> <p>(b) restricted portfolio manager, being an adviser that is limited by conditions on its registration to advising in specified securities, classes of securities or the securities of a class of issuers.</p> <p>(2) A person or company registered in the category of</p> <p>(a) portfolio manager may act as an adviser in respect of any security, and</p> <p>(b) restricted portfolio manager may act as an adviser in respect of any security in accordance with the terms, conditions, restrictions or requirements applied to its registration.</p>

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		<p>(3) <u>Subsection (1) does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, the same categories of registration for firms acting as advisers as in subsection 7.2(1) are set out under subsection 26(6) of the Securities Act (Ontario).]</u></p>
<p>7.3 Investment fund manager category</p> <p>The category of registration for a person or company that is required, under securities legislation, to be registered as an investment fund manager is "investment fund manager".</p>	<p>Investment fund manager category</p> <p>2.6 An investment fund manager, if required to be registered, must be registered by the regulator in the category of investment fund manager, being a person or company that is permitted to direct the business, operations or affairs of an investment fund.</p>	<p>7.3 <u>Investment fund manager category</u></p> <p>2.6 <u>An investment fund manager, if required to be registered, must be registered by the regulator in the category of investment fund manager, being <u>The category of registration for</u> a person or company that is <u>permitted to direct the business, operations or affairs of</u> required, under securities legislation, to be registered as an investment fund <u>manager is</u> "investment fund manager".</u></p>
Part 8 Exemptions from the requirement to register		
Division 1 Exemptions from dealer and underwriter registration		
<p>8.1 Interpretation of "trade" in Québec</p> <p>In this Part, in Québec, "trade" refers to any of the following activities:</p> <p>(a) the activities described in the definition of "dealer" in section 5 of the Securities Act (R.S.Q., c. V-1.1), including the following activities:</p> <p>(i) the sale or disposition of a security by onerous title, whether the terms of payment are on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as provided in paragraph (b);</p> <p>(ii) participation as a trader in any transaction</p>	<p>New Provision</p>	<p>8.1 <u>Interpretation of "trade" in Québec</u></p> <p><u>In this Part, in Québec, "trade" refers to any of the following activities:</u></p> <p><u>(a) the activities described in the definition of "dealer" in section 5 of the Securities Act (R.S.Q., c. V-1.1), including the following activities:</u></p> <p><u>(i) the sale or disposition of a security by onerous title, whether the terms of payment are on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as provided in paragraph (b);</u></p> <p><u>(ii) participation as a trader in any transaction</u></p>

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<p>in a security through the facilities of an exchange or a quotation and trade reporting system;</p> <p>(iii) the receipt by a registrant of an order to buy or sell a security;</p> <p>(b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.</p>		<p><u>in a security through the facilities of an exchange or a quotation and trade reporting system;</u></p> <p><u>(iii) the receipt by a registrant of an order to buy or sell a security.</u></p> <p><u>(b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.</u></p>
<p>8.2 Definition of “securities” in Alberta, British Columbia, New Brunswick and Saskatchewan</p> <p>Despite section 1.2, in Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to “securities” in this Division excludes “exchange contracts”.</p>	New Provision	<p><u>8.2 Definition of “securities” in Alberta, British Columbia, New Brunswick and Saskatchewan</u></p> <p><u>Despite section 1.2, in Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to “securities” in this Division excludes “exchange contracts”.</u></p>
<p>8.3 Interpretation – exemption from underwriter registration requirement</p> <p>In this Division, an exemption from the dealer registration requirement is an exemption from the underwriter registration requirement.</p>	<p style="text-align: center;">Interpretation</p> <p>8.1 (2) In this Division, an exemption from the dealer registration requirement is deemed to be an exemption from the underwriter registration requirement.</p>	<p><u>8.3 Interpretation – exemption from underwriter registration requirement</u></p> <p>8.1 (2) In this Division, an exemption from the dealer registration requirement is deemed to be an exemption from the underwriter registration requirement.</p>
<p>8.4 Person or company not in the business of trading in British Columbia, Manitoba and New Brunswick</p> <p>(1) In British Columbia and New Brunswick, a person or company is exempt from the dealer registration requirement if the person or company</p> <p>(a) is not engaged in the business of trading in securities or exchange contracts as a principal or agent, and</p> <p>(b) does not hold himself, herself or itself out</p>	New Provision	<p><u>8.4 Person or company not in the business of trading in British Columbia, Manitoba and New Brunswick</u></p> <p><u>(1) In British Columbia and New Brunswick, a person or company is exempt from the dealer registration requirement if the person or company</u></p> <p><u>(a) is not engaged in the business of trading in securities or exchange contracts as a principal or agent, and</u></p> <p><u>(b) does not hold himself, herself or itself out</u></p>

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<p>as engaging in the business of trading in securities or exchange contracts as a principal or agent.</p> <p>(2) In Manitoba, a person or company is exempt from the dealer registration requirement if the person or company</p> <p>(a) is not engaged in the business of trading in securities as a principal or agent, and</p> <p>(b) does not hold himself, herself or itself out as engaging in the business of trading in securities as a principal or agent.</p>		<p><u>as engaging in the business of trading in securities or exchange contracts as a principal or agent.</u></p> <p><u>(2) In Manitoba, a person or company is exempt from the dealer registration requirement if the person or company</u></p> <p><u>(a) is not engaged in the business of trading in securities as a principal or agent, and</u></p> <p><u>(b) does not hold himself, herself or itself out as engaging in the business of trading in securities as a principal or agent.</u></p>
<p>8.5 Trades through or to a registered dealer</p> <p>The dealer registration requirement does not apply to a person or company in respect of a trade by the person or company if one of the following applies:</p> <p>(a) the trade is made solely through an agent who is a registered dealer, if the dealer is registered in a category that permits the trade;</p> <p>(b) the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade.</p>	<p>Investment fund distributing through dealer</p> <p>8.2 The dealer registration requirement does not apply to an investment fund or the investment fund manager of the fund that distributes a security of the investment fund's own issue only through a registered dealer.</p> <p>Issuer distributing through dealer</p> <p>8.3 The dealer registration requirement does not apply to an issuer that is trading in securities for the purpose of distributing a security of its own issue for its own account if the trading is done only through a registered dealer.</p>	<p>Investment fund distributing through dealer</p> <p>8.2 The dealer registration requirement does not apply to an investment fund or the investment fund manager of the fund that distributes a security of the investment fund's own issue only through a registered dealer.</p> <p>Issuer distributing through dealer</p> <p>8.3 The dealer registration requirement does not apply to an issuer that is trading in securities for the purpose of distributing a security of its own issue for its own account if the trading is done only through a registered dealer.</p> <p><u>8.5 Trades through or to a registered dealer</u></p> <p><u>The dealer registration requirement does not apply to a person or company in respect of a trade by the person or company if one of the following applies:</u></p> <p><u>(a) the trade is made solely through an agent</u></p>

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		<p><u>who is a registered dealer, if the dealer is registered in a category that permits the trade;</u></p> <p><u>(b) _____ the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade.</u></p>
<p>8.6 Adviser – non-prospectus qualified investment fund</p> <p>(1) The dealer registration requirement does not apply to a registered adviser, or an adviser that is exempt from registration under section 8.26 [international adviser], in respect of a trade in a security of a non-prospectus qualified investment fund if both of the following apply:</p> <p>(a) the adviser acts as the fund’s adviser and investment fund manager;</p> <p>(b) the trade is to a managed account of a client of the adviser.</p> <p>(2) The exemption in subsection (1) is not available if the managed account or non-prospectus qualified investment fund was created or is used primarily for the purpose of qualifying for the exemption.</p> <p>(3) An adviser that relies on subsection (1) must provide written notice to the regulator that it is relying on the exemption within 7 days of its first use of the exemption.</p>	<p>Exemption from dealer registration for advisers</p> <p>2.2 (1) The dealer registration requirement does not apply to a registered adviser, or an adviser that is exempt from registration under section 8.16 [international adviser], that buys or sells a security of a pooled fund administered by the adviser for a fully-managed account that is created and managed by the adviser.</p> <p>(2) The exemption in subsection (1) is not available if the fully-managed account or pooled fund is created or used primarily for the purpose of qualifying for the exemption.</p> <p>(3) The exemption in subsection (1) is not available unless the adviser, within 5 business days of its first use of the exemption, provides written notice to the regulator that it is relying on the exemption.</p>	<p>Exemption from dealer registration for advisers<u>8.6 Adviser – non-prospectus qualified investment fund</u></p> <p>2.2—(1) The dealer registration requirement does not apply to a registered adviser, or an adviser that is exempt from registration under section 8.16<u>8.26</u> [international adviser], that buys or sells a security of a pooled fund administered by the adviser for a fully managed account that is created and managed by the adviser in respect of a trade in a security of a non-prospectus qualified investment fund if both of the following apply:</p> <p><u>(a) _____ the adviser acts as the fund’s adviser and investment fund manager;</u></p> <p><u>(b) _____ the trade is to a managed account of a client of the adviser.</u></p> <p>(2) The exemption in subsection (1) is not available if the fully-managed account or pooled non-prospectus qualified investment fund is <u>was</u> created or <u>is</u> used primarily for the purpose of qualifying for the exemption.</p> <p>(3)The exemption in <u>An adviser that relies on</u> subsection (1) is not available unless the adviser, within 5 business days of its first use of the exemption, provides <u>must provide</u> written notice to the regulator that it is relying on the exemption</p>

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<p>8.7 Investment fund reinvestment</p> <p>(1) Subject to subsections (2), (3), (4) and (5), the dealer registration requirement does not apply to an investment fund, or the investment fund manager of the fund, in respect of a trade in a security with a security holder of the investment fund if the trade is permitted by a plan of the investment fund and is in a security of the investment fund's own issue and if any of the following apply:</p> <p>(a) a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the investment fund's securities is applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions are attributable;</p> <p>(b) the security holder makes an optional cash payment to purchase the security of the investment fund and both of the following apply:</p> <p>(i) the security is of the same class or series of securities described in paragraph (a) that trade on a marketplace;</p> <p>(ii) the aggregate number of securities issued under the optional cash payment does not exceed, in the financial year of the investment fund during which the trade takes place, 2 per cent of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.</p> <p>(2) The exemption in subsection (1) is not available unless the plan that permits the trade is available to every security holder in Canada to</p>	<p>Investment fund reinvestment</p> <p>8.4 (1) Subject to subsections (3), (4) and (5), the dealer registration requirement does not apply to an investment fund or the investment fund manager of the fund trading in a security with a security holder of the investment fund if the trade is permitted by a plan of the investment fund and is in a security of the investment fund's own issue if</p> <p>(a) a dividend or distribution 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</p> <p>(b) subject to subsection (2), the security holder makes an optional cash payment 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.</p> <p>(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 trade takes place, two per cent of the issued and outstanding securities of the class to which the plan relates as at the beginning of the fiscal year.</p> <p>(3) A plan that permits a trade described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution is out of earnings, surplus, capital or other sources available.</p>	<p><u>within 7 days of its first use of the exemption.</u></p> <p><u>8.7</u> Investment fund reinvestment</p> <p>8.4 (1) Subject to subsections <u>(2)</u>, <u>(3)</u>, (4) and (5), the dealer registration requirement does not apply to an investment fund, or the investment fund manager of the fund trading, in respect of a trade in a security with a security holder of the investment fund if the trade is permitted by a plan of the investment fund and is in a security of the investment fund's own issue <u>if and if any of the following apply:</u></p> <p>(a) a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the investments<u>investment</u> fund's securities <u>are</u>is 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;</p> <p>(b) subject to subsection (2), the security holder makes an optional cash payment to purchase the security of the investment fund that <u>and both of the following apply:</u></p> <p><u>(i) the security</u> is of the same class or series of securities described in paragraph (a) that trade on a marketplace;</p> <p>(2ii) The <u>the</u> aggregate number of securities issued under the optional cash payment referred to in paragraph (1)(b) must <u>does</u> not exceed, in any fiscal <u>the financial</u> year of the investment fund during which the trade takes place, two <u>2</u> per cent of the issued and outstanding securities of the class to which the plan relates as at the beginning of the fiscal <u>financial</u> year.</p>

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<p>which the dividend or distribution is available.</p> <p>(3) The exemption in subsection (1) is not available if a sales charge is payable on a trade described in the subsection.</p> <p>(4) At the time of the trade, if the investment fund is a reporting issuer and in continuous distribution, the investment fund must have set out in the prospectus under which the distribution is made</p> <p>(a) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security, and</p> <p>(b) any right that the security holder has to elect to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund and instructions on how the right can be exercised.</p> <p>(5) At the time of the trade, if the investment fund is a reporting issuer and is not in continuous distribution, the investment fund must provide the information required by subsection (4) in its prospectus, annual information form or a material change report.</p>	<p>(4) No sales charge is payable on a trade described in subsection (1).</p> <p>(5) The most recent prospectus of the investment fund, if any, must set out</p> <p>(a) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security,</p> <p>(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</p> <p>(c) instructions on how the right referred to in paragraph (b) can be exercised.</p>	<p>(3) <u>A(2)</u> <u>The exemption in subsection (1) is not available unless the</u> plan that permits <u>a the</u> trade described in subsection (1) must be is available to every security holder in Canada to which the dividend or distribution is out of earnings, surplus, capital or other sources available.</p> <p>(4) <u>No(3)</u> <u>The exemption in subsection (1) is not available if a</u> sales charge is payable on a trade described in <u>the</u> subsection (4).</p> <p>(5) <u>The most recent prospectus of the investment fund, if any, must set out</u></p> <p><u>(4)</u> <u>At the time of the trade, if the investment fund is a reporting issuer and in continuous distribution, the investment fund must have set out in the prospectus under which the distribution is made</u></p> <p>(a) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security, <u>and</u></p> <p>(b) any right that the security holder has to make an election <u>elect</u> to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund; and(e)- instructions on how the right referred to in paragraph (b) can be exercised.</p> <p><u>(5)</u> <u>At the time of the trade, if the investment fund is a reporting issuer and is not in continuous distribution, the investment fund must provide the information required by subsection (4) in its prospectus, annual information form or a material change report.</u></p>

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<p>8.8 Additional investment in investment funds</p> <p>The dealer registration requirement does not apply to an investment fund, or the investment fund manager of the fund, in respect of a trade in a security of the investment fund's own issue with a security holder of the investment fund if all of the following apply:</p> <p>(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;</p> <p>(b) the trade is in respect of a security of the same class or series as the securities initially acquired, as described in paragraph (a);</p> <p>(c) the security holder, as at the date of the trade, holds securities of the investment fund and one or both of the following apply:</p> <p>(i) the acquisition cost of the securities being held was not less than \$150,000;</p> <p>(ii) the net asset value of the securities being held is not less than \$150,000.</p>	<p>Additional investment in investment funds</p> <p>8.5 The dealer registration requirement does not apply to an investment fund or the investment fund manager of the fund in respect of a trade in a security of the investment fund's own issue with a security holder of the investment fund if</p> <p>(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 trade,</p> <p>(b) the trade is for a security of the same class or series as the securities initially acquired, as described in paragraph (a), and</p> <p>(c) the security holder, as at the date of the trade, holds securities of the investment fund that have</p> <p>(i) an acquisition cost of not less than \$150,000, or</p> <p>(ii) a net asset value of not less than \$150,000.</p>	<p><u>8.8</u> Additional investment in investment funds</p> <p>8.5 The dealer registration requirement does not apply to an investment fund, or the investment fund manager of the fund, in respect of a trade in a security of the investment fund's own issue with a security holder of the investment fund if <u>all of the following apply:</u></p> <p>(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 trade, <u>acquisition:</u></p> <p>(b) the trade is for <u>in respect of</u> a security of the same class or series as the securities initially acquired, as described in paragraph (a), and;</p> <p>(c) the security holder, as at the date of the trade, holds securities of the investment fund that have <u>and one or both of the following apply:</u></p> <p>(i) an <u>the</u> acquisition cost of <u>the securities being held was</u> not less than \$150,000, or <u>150,000;</u></p> <p>(ii) a <u>the</u> net asset value of <u>the securities being held is</u> not less than \$150,000.</p>
<p>8.9 Additional investment in investment funds if initial purchase before September 14, 2005</p> <p>The dealer registration requirement does not apply in respect of a trade by an investment fund in a security of its own issue to a purchaser that initially acquired a security of the same class as principal before September 14, 2005 if all of the following apply:</p>	<p>[8.10 45-106]</p>	<p>N/A</p>

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<p>(a) the security was initially acquired under any of the following provisions:</p> <p>(i) in Alberta, sections 86(e) and 131(1)(d) of the Securities Act (Alberta) as they existed prior to their repeal by sections 9(a) and 13 of the Securities Amendment Act (Alberta), 2003 SA c.32 and sections 66.2 and 122.2 of the Alberta Securities Commission Rules (General);</p> <p>(ii) in British Columbia, sections 45(2) (5) and (22), and 74(2) (4) and (19) of the Securities Act (British Columbia);</p> <p>(iii) in Manitoba, sections 19(3) and 58(1)(a) of the Securities Act (Manitoba) and section 90 of the Securities Regulation MR 491/88R;</p> <p>(iv) in New Brunswick, section 2.8 of Local Rule 45-501 Prospectus and Registration Exemptions;</p> <p>(v) in Newfoundland and Labrador, sections 36(1)(e) and 73(1)(d) of the Securities Act (Newfoundland and Labrador);</p> <p>(vi) in Nova Scotia, sections 41(1)(e) and 77(1)(d) of the Securities Act (Nova Scotia);</p> <p>(vii) in Northwest Territories, section 3(c) and (z) of Blanket Order No. 1;</p> <p>(viii) in Nunavut, section 3(c) and (z) of Blanket Order No. 1;</p> <p>(ix) in Ontario, sections 35(1)5 and 72(1)(d) of</p>		

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<p>the Securities Act (Ontario) and section 2.12 of Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004;</p> <p>(x) in Prince Edward Island, section 2(3)(d) of the former Securities Act (Prince Edward Island) and Prince Edward Island Local Rule 45-512 Exempt Distributions - Exemption for Purchase of Mutual Fund Securities;</p> <p>(xi) in Québec, former sections 51 and 155.1(2) of the Securities Act (Québec);</p> <p>(xii) in Saskatchewan, sections 39(1)(e) and 81(1)(d) of The Securities Act, 1988 (Saskatchewan);</p> <p>(b) the trade is for a security of the same class or series as the initial trade;</p> <p>(c) the security holder, as at the date of the trade, holds securities of the investment fund that have one or both of the following characteristics:</p> <p>(i) an acquisition cost of not less than the minimum amount prescribed by securities legislation referred to in paragraph (a) under which the initial trade was conducted;</p> <p>(ii) a net asset value of not less than the minimum amount prescribed by securities legislation referred to in paragraph (a) under which the initial trade was conducted.</p>		
<p>8.10 Private investment club</p> <p>The dealer registration requirement does not apply</p>	<p>Private investment club – investment fund manager exemption</p>	<p><u>8.10</u> Private investment club—investment fund manager exemption</p>

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<p>in respect of a trade in a security of an investment fund if all of the following apply:</p> <p>(a) the fund has no more than 50 beneficial security holders;</p> <p>(b) the fund does not seek and has never sought to borrow money from the public;</p> <p>(c) the fund does not distribute and has never distributed its securities to the public;</p> <p>(d) the fund does not pay or give any remuneration for investment management or administration advice in respect of trades in securities, except normal brokerage fees;</p> <p>(e) the fund, for the purpose of financing its operations, requires security holders to make contributions in proportion to the value of the securities held by them.</p>	<p>8.7 The investment fund manager registration requirement does not apply to a person or company that directs the business, operations or affairs of an investment fund if the investment fund</p> <p>(a) has no more than 50 beneficial security holders,</p> <p>(b) does not seek and has never sought to borrow money from the public,</p> <p>(c) does not and has never distributed its securities to the public,</p> <p>(d) does not pay or give any remuneration for investment advice or in respect of trades in securities, except normal brokerage fees, and</p> <p>(e) for the purpose of financing the operations of the investment fund, requires holders to make contributions in proportion to the value of the securities held by them.</p>	<p>8.7 The investment fund manager <u>dealer</u> registration requirement does not apply to a person or company that directs the business, operations or affairs in respect of a trade in a security of an investment fund if <u>all of the investment fund following apply:</u></p> <p>(a) <u>the fund</u> has no more than 50 beneficial security holders;</p> <p>(b) <u>the fund</u> does not seek and has never sought to borrow money from the public;</p> <p>(c) <u>the fund</u> does not <u>distribute</u> and has never distributed its securities to the public;</p> <p>(d) <u>the fund</u> does not pay or give any remuneration for investment <u>management or administration</u> advice or in respect of trades in securities, except normal brokerage fees, and;</p> <p>(e) <u>the fund</u>, for the purpose of financing the its operations of the investment fund, requires <u>security</u> holders to make contributions in proportion to the value of the securities held by them.</p>
<p>8.11 Private investment fund – loan and trust pools</p> <p>(1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if all of the following apply:</p> <p>(a) the fund 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;</p>	<p>Private investment fund - loan and trust pools</p> <p>8.6 (1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if the investment fund</p> <p>(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,</p>	<p>8.11 Private investment fund – <u>loan and trust pools</u></p> <p>8.6 (1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if <u>all of the investment following apply:</u></p> <p><u>(a) the fund</u> (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</p>

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<p>(b) the fund has no promoter or investment fund manager other than the trust company or trust corporation referred to in paragraph (a);</p> <p>(c) the fund commingles the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(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).</p>	<p>(b) has no promoter or manager other than the trust company or trust corporation referred to in paragraph (a), and</p> <p>(c) co-mingles the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(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).</p> <p>(3) The investment fund manager registration requirement does not apply to a trust company or trust corporation that administers an investment fund referred to in subsection (1).</p>	<p>Canada or a jurisdiction of Canada;</p> <p>(b) <u>the fund</u> has no promoter or <u>investment fund</u> manager other than the trust company or trust corporation referred to in paragraph (a);and;</p> <p>(c) co-mingles <u>the fund commingles</u> the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(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).</p> <p>(3) The investment fund manager registration requirement does not apply to a trust company or trust corporation that administers an investment fund referred to in subsection (1).</p>
<p>8.12 Mortgages</p> <p>(1) In this section, “syndicated mortgage” means a mortgage in which two or more persons or companies participate, directly or indirectly, as lenders in the debt obligation that is secured by the mortgage.</p> <p>(2) Subject to subsection (3), the dealer registration requirement does not apply in respect of a trade in a mortgage on real property in a jurisdiction of Canada by a person or company who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.</p>	<p>Mortgages</p> <p>8.8 (1) In this section, “syndicated mortgage” means a mortgage in which two or more persons participate, directly or indirectly, as lenders in the debt obligation that is secured by the mortgage.</p> <p>(2) Subject to subsection (3), the dealer registration requirement does not apply in respect of a trade in a mortgage on real property in a jurisdiction of Canada by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.</p>	<p><u>8.12</u> Mortgages</p> <p>8.8 (1) In this section, “syndicated mortgage” means a mortgage in which two or more persons <u>or companies</u> participate, directly or indirectly, as lenders in the debt obligation that is secured by the mortgage.</p> <p>(2) Subject to subsection (3), the dealer registration requirement does not apply in respect of a trade in a mortgage on real property in a jurisdiction of Canada by a person <u>or company</u> who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.</p>

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<p>(3) In Alberta, British Columbia, Manitoba, Québec and Saskatchewan, subsection (2) does not apply in respect of a trade in a syndicated mortgage.</p> <p>(4) This section does not apply in Ontario.</p> <p>[Note: In Ontario a similar exemption from the dealer registration requirement is provided under subsection 35(4) of the Securities Act (Ontario).]</p>	<p>(3) In Alberta, British Columbia, Manitoba, Québec and Saskatchewan, subsection (2) does not apply in respect of a trade in a syndicated mortgage.</p>	<p>(3) In Alberta, British Columbia, Manitoba, Québec and Saskatchewan, subsection (2) does not apply in respect of a trade in a syndicated mortgage.</p> <p><u>(4) This section does not apply in Ontario.</u></p> <p><u>[Note: In Ontario a similar exemption from the dealer registration requirement is provided under subsection 35(4) of the Securities Act (Ontario).]</u></p>
<p>8.13 Personal property security legislation</p> <p>(1) The dealer registration requirement does not apply in respect of a trade to a person or company, other than an individual in a security evidencing indebtedness secured by or under a security agreement, secured in accordance with personal property security legislation of a jurisdiction of Canada that provides for the granting of security in personal property.</p> <p>(2) This section does not apply in Ontario.</p> <p>[Note: In Ontario a similar exemption from the dealer registration requirement is provided under subsection 35(2) of the Securities Act (Ontario).]</p>	<p>Personal Property Security legislation</p> <p>8.9 The dealer registration requirement does not apply in respect of a trade in a security evidencing indebtedness secured by or under a security agreement, secured in accordance with personal property security legislation of a jurisdiction of Canada that provides for the granting of security in personal property.</p>	<p><u>8.13</u> Personal Property Security <u>property security</u> legislation</p> <p>8.9 <u>(1)</u> The dealer registration requirement does not apply in respect of a trade <u>to a person or company, other than an individual</u> in a security evidencing indebtedness secured by or under a security agreement, secured in accordance with personal property security legislation of a jurisdiction of Canada that provides for the granting of security in personal property.</p> <p><u>(2) This section does not apply in Ontario.</u></p> <p><u>[Note: In Ontario a similar exemption from the dealer registration requirement is provided under subsection 35(2) of the Securities Act (Ontario).]</u></p>
<p>8.14 Variable insurance contract</p> <p>(1) In this section</p> <p>“contract”, “group insurance”, “insurance company”, “life insurance” and “policy” have the respective meanings assigned to them in the legislation referenced opposite the name of the local</p>	<p>Variable insurance contract</p> <p>8.10 (1) In this section,</p> <p>“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 National</p>	<p><u>8.14</u> Variable insurance contract</p> <p>8.10 <u>(1)</u> In this section,</p> <p>“contract”, “group insurance”, “insurance company”, “life insurance” and “policy” have the respective meanings assigned to them in the legislation for a <u>referenced opposite the name of the local</u></p>

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<p>jurisdiction in Appendix A of NI 45-106;</p> <p>“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.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade in a variable insurance contract by an insurance company if the variable insurance contract is</p> <p>(a) a contract of group insurance,</p> <p>(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,</p> <p>(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</p> <p>(d) a variable life annuity.</p>	<p>Instrument 45-106 Prospectus and Registration Exemptions; and</p> <p>“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.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade in a variable insurance contract by an insurance company if the variable insurance contract is</p> <p>(a) a contract of group insurance,</p> <p>(b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75 per cent of the premium paid up to age 75 years for a benefit payable at maturity,</p> <p>(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</p> <p>(d) a variable life annuity.</p>	<p>jurisdiction referenced in Appendix A of National Instrument NI 45-106 Prospectus and Registration Exemptions; and;</p> <p>“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.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade in a variable insurance contract by an insurance company if the variable insurance contract is</p> <p>(a) a contract of group insurance,</p> <p>(b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75 per cent% of the premium paid up to age 75 years for a benefit payable at maturity,</p> <p>(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</p> <p>(d) a variable life annuity.</p>
<p>8.15 Schedule III banks and cooperative associations – evidence of deposit</p> <p>(1) The dealer registration requirement does not apply in respect of a trade in an evidence of deposit issued by a Schedule III bank or an association governed by the Cooperative Credit</p>	<p>Schedule III banks and cooperative associations - evidence of deposit</p> <p>8.11 The dealer registration requirement does not apply in respect of a trade in an evidence of deposit issued by a Schedule III bank or an association governed by the Cooperative Credit</p>	<p><u>8.15</u> Schedule III banks and cooperative associations = evidence of deposit 8.14</p> <p><u>(1)</u> The dealer registration requirement does not apply in respect of a trade in an evidence of deposit issued by a Schedule III bank or an association governed by the Cooperative Credit</p>

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<p>Associations Act (Canada).</p> <p>(2) This section does not apply in Ontario.</p> <p>[Note: In Ontario, subsection 8.15(1) is not required because the security described in the exemption is excluded from the definition of “security” in subsection 1(1) of the Securities Act (Ontario).]</p>	<p>Associations Act (Canada).</p>	<p>Associations Act (Canada).</p> <p><u>(2) This section does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, subsection 8.15(1) is not required because the security described in the exemption is excluded from the definition of “security” in subsection 1(1) of the Securities Act (Ontario).]</u></p>
<p>8.16 Plan administrator</p> <p>(1) In this section</p> <p>“consultant” has the same meaning as in section 2.22 of NI 45-106;</p> <p>“control person” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“executive officer” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“permitted assign” has the same meaning as in section 2.22 of NI 45-106;</p> <p>“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;</p> <p>“plan administrator” means a trustee, custodian, or administrator, acting on behalf of, or for the benefit of, employees, executive officers, directors or consultants of an issuer or of a related entity of an issuer;</p>	<p>Plan administrators</p> <p>8.12 (1) The dealer registration requirement does not apply in respect of a trade of a security 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</p> <p>(a) the issuer,</p> <p>(b) a current or former employee, executive officer, director or consultant of the issuer or a related entity of the issuer,</p> <p>(c) a permitted assign of a person referred to in paragraph (b),</p> <p>if the trade is pursuant to a plan of the issuer and the security is 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.</p> <p>(2) In this section,</p>	<p><u>8.16</u> Plan administrators <u>administrator</u></p> <p>8.12 (1) The dealer registration requirement does not apply in respect of a trade of a security 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</p> <p>(a) the issuer,</p> <p>(b) a current or former employee, executive officer, director or consultant of the issuer or a related entity of the issuer,</p> <p>(c) a permitted assign of a person referred to in paragraph (b),</p> <p>if the trade is pursuant to a plan of the issuer and the security is 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.</p> <p><u>(21)</u> In this section;</p>

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<p>“related entity” has the same meaning as in section 2.22 of NI 45-106.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade made pursuant to a plan of the issuer in a security of an issuer, or an option to acquire a security of the issuer, made by the issuer, a control person of the issuer, a related entity of the issuer, or a plan administrator of the issuer with any of the following:</p> <p>(a) the issuer;</p> <p>(b) a current or former employee, executive officer, director or consultant of the issuer or a related entity of the issuer;</p> <p>(c) a permitted assign of a person or company referred to in paragraph (b).</p> <p>(3) The dealer registration requirement does not apply in respect of a trade in a security of an issuer, or an option to acquire a security of the issuer, made by a plan administrator of the issuer if</p> <p>(a) the trade is pursuant to a plan of the issuer, and</p> <p>(b) the conditions in section 2.14 of National Instrument 45-102 Resale of Securities are satisfied.</p>	<p>“consultant” has the same meaning as in section 2.22 of National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>“permitted assign” has the same meaning as in section 2.22 of National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>“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</p> <p>“related entity” has the same meaning as in section 2.22 of National Instrument 45-106 Prospectus and Registration Exemptions.</p>	<p>“consultant” has the same meaning as in section 2.22 of National Instrument 45-106 Prospectus and Registration Exemptions NI 45-106;</p> <p>“control person” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“executive officer” has the same meaning as in section 1.1 of NI 45-106;</p> <p>“permitted assign” has the same meaning as in section 2.22 of National Instrument NI 45-106 Prospectus and Registration Exemptions;</p> <p>“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</p> <p>“plan administrator” means a trustee, custodian, or administrator, acting on behalf of, or for the benefit of, employees, executive officers, directors or consultants of an issuer or of a related entity of an issuer;</p> <p>“related entity” has the same meaning as in section 2.22 of NI 45-106.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade made pursuant to a plan of the issuer in a security of an issuer, or an option to acquire a security of the issuer, made by the issuer, a control person of the issuer, a related entity of the issuer, or a plan administrator of the issuer with any of the following:</p>

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		<p><u>(a) the issuer;</u></p> <p><u>(b) a current or former employee, executive officer, director or consultant of the issuer or a related entity of the issuer;</u></p> <p><u>(c) a permitted assign of a person or company referred to in paragraph (b).</u></p> <p><u>(3) The dealer registration requirement does not apply in respect of a trade in a security of an issuer, or an option to acquire a security of the issuer, made by a plan administrator of the issuer if</u></p> <p><u>(a) the trade is pursuant to a plan of the issuer, and</u></p> <p><u>(b) the conditions in section 2.14 of National Instrument 45-102 Resale of Securities are satisfied.</u></p>
<p>8.17 Reinvestment plan</p> <p>(1) Subject to subsections (3), (4) and (5), the dealer registration requirement does not apply in respect of the following trades by an issuer, or by a trustee, custodian or administrator acting for or on behalf of the issuer, to a security holder of the issuer if the trades are permitted by a plan of the issuer:</p> <p>(a) a trade in a security of the issuer's own issue if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the issuer's securities is applied to the purchase of the security;</p> <p>(b) subject to subsection (2), a trade in a security of the issuer's own issue if the security</p>	<p>8.13 Reinvestment plan</p> <p>(1) Subject to subsections (3), (4) and (5), the dealer registration requirement does not apply in respect of the following trades by an issuer, or by a trustee, custodian or administrator acting for or on behalf of the issuer, to a security holder of the issuer if the trades are permitted by a plan of the issuer:</p> <p>(a) a trade in a security of the issuer's own issue if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the issuer's securities is applied to the purchase of the security, and</p> <p>(b) subject to subsection (2), a trade in a</p>	<p><u>8.17</u> Reinvestment plan</p> <p>8.13 (1) Subject to subsections (3), (4) and (5), the dealer registration requirement does not apply in respect of the following trades by an issuer, or by a trustee, custodian or administrator acting for or on behalf of the issuer, to a security holder of the issuer if the trades are permitted by a plan of the issuer:</p> <p>(a) a trade in a security of the issuer's own issue if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the issuer's securities is applied to the purchase of the security, and;</p> <p>(b) subject to subsection (2), a trade in a</p>

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<p>holder makes an optional cash payment to purchase the security of the issuer that trades on a marketplace.</p> <p>(2) The aggregate number of securities issued under the optional cash payment referred to in subsection (1)(b) must not exceed, in any financial year of the issuer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.</p> <p>(3) A plan that permits the trades described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.</p> <p>(4) This section is not available in respect of a trade in a security of an investment fund.</p> <p>(5) Subject to section 8.3.1 [transition – reinvestment plan] of NI 45-106, if the security traded under a plan described in subsection (1) is of a different class or series than the class or series of the security to which the dividend or distribution is attributable, the issuer or the trustee, custodian or administrator must have provided to each participant that is eligible to receive a security under the plan either a description of the material attributes and characteristics of the security traded under the plan or notice of a source from which the participant can obtain the information without charge.</p>	<p>security of the issuer’s own issue if the security holder makes an optional cash payment to purchase the security of the issuer that trades on a marketplace.</p> <p>(2) The aggregate number of securities issued under the optional cash payment referred to in subsection (1)(b) must not exceed, in any financial year of the issuer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.</p> <p>(3) A plan that permits the trades described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.</p> <p>(4) This section does not apply to a trade in a security of an investment fund.</p> <p>(5) Subject to section 8.4.1 [transition – reinvestment plan] of National Instrument 45-106, if the security traded under a plan described in subsection (1) is of a different class or series than the security to which the dividend or distribution is attributable, the issuer or the trustee, custodian or administrator must have provided to each participant that is eligible to receive a security under the plan either a description of the material attributes and characteristics of the security traded under the plan or notice of a source from which the participant can obtain the information without charge.</p>	<p>security of the issuer’s own issue if the security holder makes an optional cash payment to purchase the security of the issuer that trades on a marketplace.</p> <p>(2) The aggregate number of securities issued under the optional cash payment referred to in subsection (1)(b) must not exceed, in any financial year of the issuer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.</p> <p>(3) A plan that permits the trades described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.</p> <p>(4) This section does is not apply to <u>available in respect of</u> a trade in a security of an investment fund.</p> <p>(5) Subject to section 8.4.1 <u>8.4.18.3.1</u> [transition – reinvestment plan] of National Instrument NI <u>National Instrument NI</u> 45-106, if the security traded under a plan described in subsection (1) is of a different class or series than the <u>class or series of the</u> security to which the dividend or distribution is attributable, the issuer or the trustee, custodian or administrator must have provided to each participant that is eligible to receive a security under the plan either a description of the material attributes and characteristics of the security traded under the plan or notice of a source from which the participant can obtain the information without charge.</p>
8.18 International dealer	International dealer	<u>8.18</u> International dealer

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<p>(1) In this section, “foreign security” means</p> <p>(a) a security issued by an issuer incorporated, formed or created under the laws of a foreign jurisdiction, or</p> <p>(b) a security issued by a government of a foreign jurisdiction.</p> <p>(2) Subject to subsections (3) and (4), the dealer registration requirement does not apply in respect of the following:</p> <p>(a) an activity, other than a sale of a security, that is reasonably necessary to facilitate a distribution of securities that are offered primarily in a foreign jurisdiction;</p> <p>(b) a trade in a debt security with a permitted client during the security’s distribution, if the debt security is offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution;</p> <p>(c) a trade in a debt security that is a foreign security with a permitted client, other than during the security’s distribution;</p> <p>(d) a trade in a foreign security with a permitted client, unless the trade is made during the security’s distribution under a prospectus that has been filed with a Canadian securities regulatory authority;</p> <p>(e) a trade in a foreign security with an</p>	<p>8.15 (1) In this section</p> <p>“debt security” has the same meaning as in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>“foreign security” means</p> <p>(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, and</p> <p>(b) a security issued by a country other than Canada or by any political division of the country;</p> <p>“international dealer” means a dealer that is registered under the securities legislation of the foreign 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.</p> <p>(2) Subject to subsection (3), the registration requirement does not apply to an international dealer</p> <p>(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,</p> <p>(b) trading in debt securities with a permitted client in the course of a distribution, where the debt</p>	<p>8.15 (1) In this section</p> <p>“debt security” has the same meaning as in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions;</p> <p>“foreign security” means</p> <p>(a) a security issued by an issuer incorporated, formed or created under the laws of a <u>foreign</u> jurisdiction other than Canada or any province or territory of Canada, and <u>or</u></p> <p>(b) a security issued by a country other than Canada or by any political division of the country; <u>government of a foreign jurisdiction.</u></p> <p>“international dealer” means a dealer that is registered under the securities legislation of the foreign 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.</p> <p>(2) Subject to subsection <u>subsections</u> (3) <u>and</u> (4), the <u>dealer</u> registration requirement does not apply to an international dealer in respect of the following:</p> <p>(a) carrying on those activities <u>an activity</u>, other than sales a sale of securities a security, that are <u>is</u> reasonably necessary to facilitate a distribution of securities that are offered primarily abroad; <u>in a foreign jurisdiction.</u></p>

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<p>investment dealer;</p> <p>(f) a trade in any security with an investment dealer that is acting as principal.</p> <p>(3) The exemptions under subsection (2) are not available to a person or company unless all of the following apply:</p> <p>(a) the head office or principal place of business of the person or company is in a foreign jurisdiction;</p> <p>(b) the person or company is registered under the securities legislation of the foreign 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 dealer would permit it to carry on in the local jurisdiction;</p> <p>(c) the person or company engages in the business of a dealer in the foreign jurisdiction in which its head office or principal place of business is located;</p> <p>(d) the person or company is acting as principal or as agent for the issuer of the securities, for a permitted client, or for a person or company that is not a resident of Canada;</p> <p>(e) the person or company has submitted to the securities regulatory authority a completed Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service.</p> <p>(4) The exemptions under subsection (2) are</p>	<p>securities are offered primarily abroad and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution,</p> <p>(c) trading in a debt security that is a foreign security with a permitted client, other than in the course of the distribution by which the foreign debt security was issued,</p> <p>(d) trading in foreign securities with a permitted client, except in the course of a distribution for which a prospectus has been filed with a Canadian securities regulatory authority,</p> <p>(e) trading in foreign securities with an investment dealer, or</p> <p>(f) trading in any securities with an investment dealer that is acting as principal</p> <p>if the international dealer is acting as principal or as agent for the issuer of the securities, for another permitted client, or for a person that is not a resident of Canada.</p> <p>(3) An international dealer may not rely on subsection (2) unless it has delivered to the securities regulatory authority an executed Form 35-101F1 Submission to Jurisdiction and Appointment of Agent for Service.</p> <p>(4) An international dealer may not rely on subsection (2) to trade with a permitted unless it first notifies the client,</p> <p>(i) that it is not registered in Canada,</p>	<p>(b) trading a trade in a debt securities security with a permitted client in during the course-of-a security's distribution, where if the debt securities are security is offered primarily abroad in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution;</p> <p>(c) trading a trade in a debt security that is a foreign security with a permitted client, other than in during the course-of-the security's distribution by which the foreign debt security was issued;</p> <p>(d) trading a trade in a foreign securities security with a permitted client, except in the course of-a unless the trade is made during the security's distribution for which under a prospectus that has been filed with a Canadian securities regulatory authority;</p> <p>(e) trading a trade in a foreign securities security with an investment dealer;-of;</p> <p>(f) trading a trade in any securities security with an investment dealer that is acting as principal ;</p> <p>(3) The exemptions under subsection (2) are not available to a person or company unless all of the following apply:</p> <p>(a) the head office or principal place of business of the person or company is in a foreign jurisdiction;</p> <p>(b) the person or company is registered under the securities legislation of the foreign 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 dealer would permit it to carry on in the local jurisdiction;</p>

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<p>not available to a person or company in respect of a trade with a permitted client unless one of the following applies:</p> <p>(a) the permitted client is a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;</p> <p>(b) the person or company has notified the permitted client of all of the following:</p> <p>(i) the person or company is not registered in Canada;</p> <p>(ii) the person or company's jurisdiction of residence;</p> <p>(iii) the name and address of the agent for service of process of the person or company in the local jurisdiction;</p> <p>(iv) there may be difficulty enforcing legal rights against the person or company because it is resident outside Canada and all or substantially all of its assets may be situated outside of Canada.</p> <p>(5) A person or company relying on subsection (2) must notify the regulator 12 months after it first submits a Form 31-103F2 under paragraph (3)(e), and each year thereafter, if it continues to rely on subsection (2).</p> <p>(6) In Ontario, subsection (5) does not apply to a person or company that complies with the filing and fee payment requirements applicable to an unregistered exempt international firm under Ontario Securities Commission Rule 13-502 Fees.</p>	<p>(ii) of the international dealer's jurisdiction of residence,</p> <p>(iii) of the name and address of the agent for service of process of the international dealer in the local jurisdiction, and</p> <p>(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.</p> <p>(5) For the purpose of subsection (4), "permitted client" excludes a person or company referred to in paragraph (d) of the definition of permitted client in section 1.1.</p>	<p><u>the securities legislation of the foreign 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 dealer would permit it to carry on in the local jurisdiction;</u></p> <p><u>(c) the person or company engages in the business of a dealer in the foreign jurisdiction in which its head office or principal place of business is located;</u></p> <p>if the international dealer <u>(d) the person or company</u> is acting as principal or as agent for the issuer of the securities, for another a permitted client, or for a person <u>or company</u> that is not a resident of Canada;</p> <p>(3e) An international dealer may not rely on subsection (2) unless it has delivered the person or company has submitted to the securities regulatory authority an executed a completed Form 35-101F4 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service.</p> <p>(4) An international dealer may not rely on <u>The exemptions under</u> subsection (2) to are not <u>available to a person or company in respect of a trade with a permitted client unless it first notifies one of the client, following applies:</u></p> <p><u>(a) the permitted client is a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;</u></p> <p><u>(b) the person or company has notified the permitted client of all of the following:</u></p>

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		<p>(i) that it <u>the person or company</u> is not registered in Canada;</p> <p>(ii) of the international dealer <u>the person or company</u>'s jurisdiction of residence;</p> <p>(iii) of the name and address of the agent for service of process of the international dealer <u>person or company</u> in the local jurisdiction; and;</p> <p>(iv) that there may be difficulty enforcing legal rights against the international dealer <u>person or company</u> because it is resident outside Canada and all or substantially all of its assets are <u>may be</u> situated outside <u>of</u> Canada.</p> <p>_____ (5) _____ For the purpose of subsection (4), "permitted client" excludes a person or company referred to in paragraph (d) of the definition of permitted client in section 1.1.</p> <p><u>(5) _____ A person or company relying on subsection (2) must notify the regulator 12 months after it first submits a Form 31-103F2 under paragraph (3)(e), and each year thereafter, if it continues to rely on subsection (2).</u></p> <p><u>(6) _____ In Ontario, subsection (5) does not apply to a person or company that complies with the filing and fee payment requirements applicable to an unregistered exempt international firm under Ontario Securities Commission Rule 13-502 Fees.</u></p>
8.19 Self-directed registered education savings plan	Self-directed registered educational savings plans	<u>8.19</u> Self-directed registered <u>education savings plans plan</u>
(1) In this section	8.18 The dealer registration requirement does not apply to a trade in a self-directed RESP to a	<u>(1) _____ In this section</u>

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<p>"self-directed RESP" means an educational savings plan registered under the Income Tax Act (Canada)</p> <p>(a) that is structured so that contributions by a subscriber to the plan are deposited directly into an account in the name of the subscriber, and</p> <p>(b) under which the subscriber maintains control and direction over the plan that enables the subscriber to direct how the assets of the plan are to be held, invested or reinvested subject to compliance with the Income Tax Act (Canada).</p> <p>(2) The dealer registration requirement does not apply in respect of a trade in a self-directed RESP to a subscriber if both of the following apply:</p> <p>(a) the trade is made by any of the following:</p> <p>(i) a dealing representative of a mutual fund dealer who is acting on behalf of the mutual fund dealer;</p> <p>(ii) a Canadian financial institution;</p> <p>(iii) in Ontario, a financial intermediary;</p> <p>(b) the self-directed RESP restricts its investments in securities to securities in which the person or company who trades the self-directed RESP is permitted to trade.</p>	<p>subscriber if</p> <p>(a) the trade is made by</p> <p>(i) a mutual fund dealer or a person who is registered as a dealing representative of a mutual fund dealer and who is acting on behalf of the mutual fund dealer, or</p> <p>(ii) a Canadian financial institution or, in Ontario, a financial intermediary or a person who is an officer, salesperson or employee of a Canadian financial institution or, in Ontario, a financial intermediary and who is acting on behalf of the Canadian financial institution or, in Ontario, the financial intermediary, and</p> <p>(b) the self-directed RESP restricts its investments in securities to securities in which the person or company who traded the self-directed RESP is permitted to trade.</p>	<p><u>"self-directed RESP" means an educational savings plan registered under the Income Tax Act (Canada)</u></p> <p><u>(a) that is structured so that contributions by a subscriber to the plan are deposited directly into an account in the name of the subscriber, and</u></p> <p><u>(b) under which the subscriber maintains control and direction over the plan that enables the subscriber to direct how the assets of the plan are to be held, invested or reinvested subject to compliance with the Income Tax Act (Canada).</u></p> <p>8-18 (2) <u>The dealer registration requirement does not apply to in respect of a trade in a self-directed RESP to a subscriber if both of the following apply:</u></p> <p>(a) the trade is made by <u>any of the following:</u></p> <p>(i) a mutual fund dealer or a person who is registered as a dealing representative of a mutual fund dealer and who is acting on behalf of the mutual fund dealer, or;</p> <p>(ii) a Canadian financial institution or, in Ontario, a financial intermediary or a person who is an officer, salesperson or employee of a Canadian financial institution or, in Ontario, a financial intermediary and who is acting on behalf of the Canadian financial institution or, in Ontario, the financial intermediary, and;</p> <p><u>(iii) in Ontario, a financial intermediary;</u></p> <p>(b) the self-directed RESP restricts its investments in securities to securities in which the</p>

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		person or company who traded <u>trades</u> the self-directed RESP is permitted to trade.
<p>8.20 Exchange contract – Alberta, British Columbia, New Brunswick and Saskatchewan</p> <p>(1) In Alberta, British Columbia and New Brunswick, the dealer registration requirement does not apply in respect of the following trades in exchange contracts:</p> <p>(a) a trade by a person or company made</p> <p>(i) solely through an agent who is a registered dealer, if the dealer is registered in a category that permits the trade, or</p> <p>(ii) to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade;</p> <p>(b) subject to subsection (2), a trade resulting from an unsolicited order placed with an individual who is not a resident of, and does not carry on business in, the local jurisdiction.</p> <p>(2) An individual referred to in subsection (1)(b) must not do any of the following:</p> <p>(a) advertise or engage in promotional activity that is directed to persons or companies in the local jurisdiction during the 6 months preceding the trade;</p> <p>(b) pay any commission or finder's fee to any person or company in the local jurisdiction in connection with the trade.</p>	[3.2 45-106]	N/A

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<p>(3) In Saskatchewan, the dealer registration requirement does not apply in respect of either of the following:</p> <p>(a) a trade in an exchange contract made solely through an agent who is a registered dealer, if the dealer is registered in a category that permits the trade;</p> <p>(b) a trade in an exchange contract made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade.</p>		
<p>8.21 Specified debt</p> <p>(1) In this section</p> <p>“approved credit rating” has the same meaning as in National Instrument 81-102 Mutual Funds;</p> <p>“approved credit rating organization” has the same meaning as in National Instrument 81-102 Mutual Funds;</p> <p>“permitted supranational agency” means any of the following:</p> <p>(a) the African Development Bank, established by the Agreement Establishing the African Development Bank which came into force on September 10, 1964, that Canada became a member of on December 30, 1982;</p> <p>(b) the Asian Development Bank, established under a resolution adopted by the United Nations Economic and Social Commission for Asia and the</p>	<p>Specified debt</p> <p>8.19 (1) In this section, “permitted supranational agency” means</p> <p>(a) the African Development Bank, established by the Agreement Establishing the African Development Bank which came into force on September 10, 1964, that Canada became a member of on December 30, 1982;</p> <p>(b) the Asian Development Bank, established under a resolution adopted by the United Nations Economic and Social Commission for Asia and the Pacific in 1965;</p> <p>(c) the Caribbean Development Bank, established by the Agreement Establishing the Caribbean Development Bank which came into force on January 26, 1970, as amended, that Canada is a founding member of;</p> <p>(d) the European Bank for Reconstruction and Development, established by the Agreement</p>	<p><u>8.21</u> Specified debt</p> <p><u>(1)</u> <u>In this section</u></p> <p><u>“approved credit rating” has the same meaning as in National Instrument 81-102 Mutual Funds;</u></p> <p><u>“approved credit rating organization” has the same meaning as in National Instrument 81-102 Mutual Funds;</u></p> <p>8.19 (1) In this section, “permitted supranational agency” means <u>any of the following:</u></p> <p>(a) the African Development Bank, established by the Agreement Establishing the African Development Bank which came into force on September 10, 1964, that Canada became a member of on December 30, 1982;</p> <p>(b) the Asian Development Bank, established under a resolution adopted by the United Nations Economic and Social Commission for Asia and the</p>

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<p>Pacific in 1965;</p> <p>(c) the Caribbean Development Bank, established by the Agreement Establishing the Caribbean Development Bank which came into force on January 26, 1970, as amended, that Canada is a founding member of;</p> <p>(d) the European Bank for Reconstruction and Development, established by the Agreement Establishing the European Bank for Reconstruction and Development and approved by the European Bank for Reconstruction and Development Agreement Act (Canada), that Canada is a founding member of;</p> <p>(e) the Inter-American Development Bank, established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, that Canada is a member of;</p> <p>(f) the International Bank for Reconstruction and Development, established by the Agreement for an International Bank for Reconstruction and Development approved by the Bretton Woods and Related Agreements Act (Canada);</p> <p>(g) the International Finance Corporation, established by Articles of Agreement approved by the Bretton Woods and Related Agreements Act (Canada).</p> <p>(2) The dealer registration requirement does not apply in respect of a trade in any of the following:</p>	<p>Establishing the European Bank for Reconstruction and Development and approved by the European Bank for Reconstruction and Development Agreement Act (Canada), that Canada is a founding member of;</p> <p>(e) the Inter-American Development Bank, established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, that Canada is a member of;</p> <p>(f) the International Bank for Reconstruction and Development, established by the Agreement for an International Bank for Reconstruction and Development approved by the Bretton Woods and Related Agreements Act (Canada); and</p> <p>(g) the International Finance Corporation, established by Articles of Agreement approved by the Bretton Woods and Related Agreements Act (Canada).</p> <p>(2) The dealer registration requirement does not apply to a trade of a debt security</p> <p>(a) of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada,</p> <p>(b) of or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization,</p> <p>(c) of or guaranteed by any municipal</p>	<p>Pacific in 1965;</p> <p>(c) the Caribbean Development Bank, established by the Agreement Establishing the Caribbean Development Bank which came into force on January 26, 1970, as amended, that Canada is a founding member of;</p> <p>(d) the European Bank for Reconstruction and Development, established by the Agreement Establishing the European Bank for Reconstruction and Development and approved by the European Bank for Reconstruction and Development Agreement Act (Canada), that Canada is a founding member of;</p> <p>(e) the Inter-American Development Bank, established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, that Canada is a member of;</p> <p>(f) the International Bank for Reconstruction and Development, established by the Agreement for an International Bank for Reconstruction and Development approved by the Bretton Woods and Related Agreements Act (Canada); and</p> <p>(g) the International Finance Corporation, established by Articles of Agreement approved by the Bretton Woods and Related Agreements Act (Canada).</p> <p>(2) The dealer registration requirement does not apply to <u>in respect of</u> a trade <u>in any of the following:</u></p>

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<p>(a) a debt security issued by or guaranteed by the Government of Canada or the government of a jurisdiction of Canada;</p> <p>(b) a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization;</p> <p>(c) a debt security issued by or guaranteed by a municipal corporation in Canada;</p> <p>(d) a debt security secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and collectible by or through the municipality in which the property is situated;</p> <p>(e) a debt security issued by or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities;</p> <p>(f) a debt security issued by the Comité de gestion de la taxe scolaire de l'île de Montréal;</p> <p>(g) a debt security issued by or guaranteed by a permitted supranational agency if the debt securities are payable in the currency of Canada or the United States of America.</p> <p>(3) Paragraphs (2)(a), (c) and (d) do not apply in Ontario.</p> <p>[Note: In Ontario, exemptions from the dealer registration requirement similar to those in</p>	<p>corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated,</p> <p>(d) of or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,</p> <p>(e) of the Comité de gestion de la taxe scolaire de l'île de Montréal, or</p> <p>(f) of or guaranteed by a permitted supranational agency if the debt securities are payable in the currency of Canada or the United States of America.</p>	<p>(a) a debt security (a) of issued by or guaranteed by the Government of Canada or the government of a jurisdiction of Canada;₂</p> <p>(b) of a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization;₂</p> <p>(c) of a debt security issued by or guaranteed by any a municipal corporation in Canada;₂ of;₂</p> <p>(d) a debt security secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected collectible by or through the municipality in which the property is situated;₂</p> <p>(d) of (e) a debt security issued by or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities;₂</p> <p>(e) of (f) a debt security issued by the Comité de gestion de la taxe scolaire de l'île de Montréal;₂ of;₂</p> <p>(f) of (g) a debt security issued by or guaranteed by a permitted supranational agency if the debt securities are payable in the currency of Canada or the United States of America.</p> <p>(3) Paragraphs (2)(a), (c) and (d) do not apply in Ontario.</p> <p>[Note: In Ontario, exemptions from the dealer</p>

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paragraphs 8.21(a), (c) and (d) are provided under paragraph 2 of subsection 35(1) of the Securities Act (Ontario).]		registration requirement similar to those in paragraphs 8.21(a), (c) and (d) are provided under paragraph 2 of subsection 35(1) of the Securities Act (Ontario).]
<p>8.22 Small security holder selling and purchase arrangements</p> <p>(1) In this section</p> <p>“exchange” means</p> <p>(a) TSX Inc.,</p> <p>(b) TSX Venture Exchange Inc., or</p> <p>(c) an exchange that</p> <p>(i) has a policy that is substantially similar to the policy of the TSX Inc., and</p> <p>(ii) is designated by the securities regulatory authority for the purpose of this section;</p> <p>“policy” means,</p> <p>(a) in the case of TSX Inc., sections 638 and 639 [Odd lot selling and purchase arrangements] of the TSX Company Manual, as amended from time to time,</p> <p>(b) in the case of the TSX Venture Exchange Inc., Policy 5.7 Small Shareholder Selling and Purchase Arrangements, as amended from time to time, or</p>	[3.6 45-106]	N/A

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<p>(c) in the case of an exchange referred to in paragraph (c) of the definition of “exchange”, the rule, policy or other similar instrument of the exchange on small shareholder selling and purchase arrangements.</p> <p>(2) The dealer registration requirement does not apply in respect of a trade by an issuer or its agent, in securities of the issuer that are listed on an exchange, if all of the following apply:</p> <p>(a) the trade is an act in furtherance of participation by the holders of the securities in an arrangement that is in accordance with the policy of that exchange;</p> <p>(b) the issuer and its agent do not provide advice to a security holder about the security holder’s participation in the arrangement referred to in paragraph (a), other than a description of the arrangement’s operation, procedures for participation in the arrangement, or both;</p> <p>(c) the trade is made in accordance with the policy of that exchange, without resort to an exemption from, or variation of, the significant subject matter of the policy;</p> <p>(d) at the time of the trade after giving effect to a purchase under the arrangement, the market value of the maximum number of securities that a security holder is permitted to hold in order to be eligible to participate in the arrangement is not more than \$25 000.</p> <p>(3) For the purposes of subsection (2)(c), an exemption from, or variation of, the maximum number of securities that a security holder is</p>		

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permitted to hold under a policy in order to be eligible to participate in the arrangement provided for in the policy is not an exemption from, or variation of, the significant subject matter of the policy.		
Division 2 registration	Exemptions from adviser registration	
<p>8.23 Dealer without discretionary authority</p> <p>The adviser registration requirement does not apply to a registered dealer, or a dealing representative acting on behalf of the dealer, that provides advice to a client if the advice is</p> <p>(a) in connection with a trade in a security that the dealer and the representative are permitted to make under his, her or its registration,</p> <p>(b) provided by the representative, and</p> <p>(c) not in respect of a managed account of the client.</p>	<p>Exemption from adviser registration for dealers without discretionary authority</p> <p>2.4 The adviser registration requirement does not apply to a registered dealer that advises a client in connection with a security in which the dealer is permitted to trade if</p> <p>(a) the advice is provided by a dealing representative, and</p> <p>(b) the dealer does not manage the client's investment portfolio through discretionary authority granted by the client.</p>	<p>Exemption from adviser registration for dealers <u>8.23 Dealer</u> without discretionary authority</p> <p>2.4—The adviser registration requirement does not apply to a registered dealer that advises, or a dealing representative acting on behalf of the dealer, that provides advice to a client <u>if the advice is</u></p> <p>(a) in connection with a <u>trade in a security in which that</u> the dealer <u>is and the representative are</u> permitted to trade if <u>make under his, her or its registration.</u></p> <p>(a) the advice is provided by a dealing <u>the</u> representative, and</p> <p>(c) <u>not in respect of a managed account of the client.</u></p> <p>(b)—the dealer does not manage the client's investment portfolio through discretionary authority granted by the client.</p>
<p>8.24 IIROC members with discretionary authority</p> <p>The adviser registration requirement does not apply to a registered dealer, or a dealing representative acting on behalf of the dealer, that acts as an adviser in respect of a client's managed account if</p>	<p>Exemption from adviser registration for IDA members with discretionary authority</p> <p>2.5 The adviser registration requirement does not apply to an IDA member that manages a client's investment portfolio through discretionary authority granted by the client.</p>	<p>Exemption from adviser registration for IDA <u>8.24 IIROC</u> members with discretionary authority</p> <p>2.5—The adviser registration requirement does not apply to an IDA member that manages a client's investment portfolio through discretionary authority</p>

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the registered dealer is a member of IIROC and the advising activities are conducted in accordance with the rules of IIROC.		granted by the client <u>a registered dealer, or a dealing representative acting on behalf of the dealer, that acts as an adviser in respect of a client's managed account if the registered dealer is a member of IIROC and the advising activities are conducted in accordance with the rules of IIROC.</u>
<p>8.25 Advising generally</p> <p>(1) For the purposes of subsections (3) and (4), "financial or other interest" includes the following:</p> <p>(a) ownership, beneficial or otherwise, in the security or in another security issued by the same issuer;</p> <p>(b) an option in respect of the security or another security issued by the same issuer;</p> <p>(c) a commission or other compensation received, or expected to be received, from any person or company in connection with the trade in the security;</p> <p>(d) a financial arrangement regarding the security with any person or company;</p> <p>(e) a financial arrangement with any underwriter or other person or company who has any interest in the security.</p> <p>(2) The adviser registration requirement does not apply to a person or company that acts as an adviser if the advice the person or company provides does not purport to be tailored to the needs of the person or company receiving the advice.</p>	<p>Advising generally</p> <p>8.14 (1) The adviser registration requirement does not apply to a person or company that engages in, or holds himself, herself or itself out as engaging in, the business of advising others, either through direct advice or through publications or other media, as to the investing in or the buying or selling of securities, including classes of securities and the securities of a class of issuers, not purporting to be tailored to the needs of the person or company receiving the advice.</p> <p>(2) If a person or company that is exempt from the adviser registration requirement by reason of subsection (1) recommends buying, selling or holding a specified security, a class of securities or the securities of a class of issuers in which any of the following has a financial or other interest, the adviser must disclose the interest concurrently with providing the advice:</p> <p>(a) the adviser;</p> <p>(b) any partner, director or officer of the adviser;</p> <p>(c) any person or company that would be an insider of the adviser if the adviser were a reporting issuer.</p> <p>(3) For the purpose of subsection (2),</p>	<p><u>8.25</u> Advising generally</p> <p>8.14 <u>(1) For the purposes of subsections (3) and (4), "financial or other interest" includes the following:</u></p> <p><u>(a) ownership, beneficial or otherwise, in the security or in another security issued by the same issuer;</u></p> <p><u>(b) an option in respect of the security or another security issued by the same issuer;</u></p> <p><u>(c) a commission or other compensation received, or expected to be received, from any person or company in connection with the trade in the security;</u></p> <p><u>(d) a financial arrangement regarding the security with any person or company;</u></p> <p><u>(e) a financial arrangement with any underwriter or other person or company who has any interest in the security.</u></p> <p><u>(2)</u> The adviser registration requirement does not apply to a person or company that engages in, or holds himself, herself or itself out as engaging in, the business of advising others, either through direct advice or through publications or other media, as to the investing in or the buying or selling of securities,</p>

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<p>(3) If a person or company that is exempt under subsection (2) recommends buying, selling or holding a specified security, a class of securities or the securities of a class of issuers in which any of the following has a financial or other interest, the person or company must disclose the interest concurrently with providing the advice:</p> <p>(a) the person or company;</p> <p>(b) any partner, director or officer of the person or company;</p> <p>(c) any other person or company that would be an insider of the first-mentioned person or company if the first-mentioned person or company were a reporting issuer.</p> <p>(4) If the financial or other interest of the person or company includes an interest in an option described in paragraph (b) of the definition of “financial or other interest” in subsection (1), the disclosure required by subsection (3) must include a description of the terms of the option.</p> <p>(5) This section does not apply in Ontario.</p> <p>[Note: In Ontario, measures similar to those in section 7.24 are in section 34 of the Securities Act (Ontario).]</p>	<p>“financial or other interest” includes</p> <p>(a) ownership, beneficial or otherwise, in the security or in another security issued by the same issuer,</p> <p>(b) an option in the security, including the terms of the option,</p> <p>(c) a commission or other compensation received, or expected to be received, from any person or company in connection with a trade in the security,</p> <p>(d) a financial arrangement regarding the security with any person or company, and</p> <p>(e) a financial arrangement with any underwriter or other person or company who has any interest in the securities.</p>	<p>including classes of securities and the securities of a class of issuers, not purporting acts as an adviser if the advice the person or company provides does not purport to be tailored to the needs of the person or company receiving the advice.</p> <p>(23) If a person or company that is exempt from the adviser registration requirement by reason of under subsection (42) recommends buying, selling or holding a specified security, a class of securities or the securities of a class of issuers in which any of the following has a financial or other interest, the adviser <u>person or company</u> must disclose the interest concurrently with providing the advice:</p> <p>(a) the adviser <u>person or company</u>;</p> <p>(b) any partner, director or officer of the adviser <u>person or company</u>;</p> <p>(c) any <u>other</u> person or company that would be an insider of the adviser if the adviser first-mentioned person or company if the first-mentioned person or company <u>person or company</u> were a reporting issuer.</p> <p>—————(3)————— For the purpose of subsection (2), “financial or other interest” includes</p> <p>(a)————— ownership, beneficial or otherwise, in the security or in another security issued by the same issuer,</p> <p>(b)————— an option in the security, including the terms of the option,</p> <p>(c)————— a commission or other compensation received, or expected to be received, from any</p>

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		<p>person or company in connection with a trade in the security;</p> <p>(d) — a financial arrangement regarding the security with any person or company, and</p> <p>(e) — a financial arrangement with any underwriter or other person or company who has any interest in the securities.</p> <p><u>(4) — If the financial or other interest of the person or company includes an interest in an option described in paragraph (b) of the definition of “financial or other interest” in subsection (1), the disclosure required by subsection (3) must include a description of the terms of the option.</u></p> <p><u>(5) — This section does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, measures similar to those in section 7.24 are in section 34 of the Securities Act (Ontario).]</u></p>
<p>8.26 International adviser</p> <p>(1) Despite section 1.2, in Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to “securities” in this section excludes “exchange contracts”.</p> <p>(2) In this section</p> <p>“aggregate consolidated gross revenue” does not include the gross revenue of an affiliate of the adviser if the affiliate is registered in a jurisdiction of Canada;</p>	<p>International adviser</p> <p>8.16 (1) In this section</p> <p>“international adviser” means an adviser that</p> <p>(a) has its head office or principal place of business in a foreign jurisdiction,</p> <p>(b) is registered, or operates under an exemption from registration, under the securities legislation of the foreign jurisdiction in which its head office or principal place of business is located in a category of registration that permits it to carry</p>	<p><u>8.26 International adviser</u></p> <p><u>(1) — Despite section 1.2, in Alberta, British Columbia, New Brunswick and Saskatchewan, a reference to “securities” in this section excludes “exchange contracts”.</u></p> <p><u>(2) — In this section</u></p> <p><u>“aggregate consolidated gross revenue” does not include the gross revenue of an affiliate of the adviser if the affiliate is registered in a jurisdiction of Canada;</u></p>

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<p>“foreign security” means</p> <p>(a) a security issued by an issuer incorporated, formed or created under the laws of a foreign jurisdiction, and</p> <p>(b) a security issued by a government of a foreign jurisdiction;</p> <p>“permitted client” has the meaning given to the term in section 1.1 [definitions] except that it excludes a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer.</p> <p>(3) The adviser registration requirement does not apply to a person or company in respect of its acting as an adviser to a permitted client if the adviser does not advise in Canada on securities of Canadian issuers, unless providing that advice is incidental to its providing advice on a foreign security.</p> <p>(4) The exemption under subsection (3) is not available unless all of the following apply:</p> <p>(a) the adviser’s head office or principal place of business is in a foreign jurisdiction;</p> <p>(b) the adviser is registered, or operates under an exemption from registration, under the securities legislation of the foreign 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 an adviser would permit it to carry on in the local jurisdiction;</p>	<p>on the activities in that jurisdiction that a registered adviser is permitted to carry on in the local jurisdiction, and</p> <p>(c) engages in the business of an adviser in the foreign jurisdiction in which its head office or principal place of business is located.</p> <p>(2) The adviser registration requirement does not apply to an international adviser that is acting as an adviser for a permitted client if</p> <p>(a) it 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,</p> <p>(b) it notifies the client, before advising the client,</p> <p>(i) that it is not registered in Canada,</p> <p>(ii) of the international adviser’s jurisdiction of residence,</p> <p>(iii) of the name and address of the agent for service of process of the international adviser in the local jurisdiction, and</p> <p>(iv) that there may be difficulty enforcing legal rights against the international adviser because it is resident outside Canada and all or substantially all of its assets are situated outside Canada,</p> <p>(c) it does not advise clients in Canada with</p>	<p><u>“foreign security” means</u></p> <p><u>(a) a security issued by an issuer incorporated, formed or created under the laws of a foreign jurisdiction, and</u></p> <p><u>(b) a security issued by a government of a foreign jurisdiction;</u></p> <p><u>“permitted client” has the meaning given to the term in section 1.1 [definitions] except that it excludes a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer.</u></p> <p><u>(3) The adviser registration requirement does not apply to a person or company in respect of its acting as an adviser to a permitted client if the adviser does not advise in Canada on securities of Canadian issuers, unless providing that advice is incidental to its providing advice on a foreign security.</u></p> <p>8.16 (1) In this section “international adviser” means an adviser that</p> <p><u>(4) The exemption under subsection (3) is not available unless all of the following apply:</u></p> <p>(a) has its <u>the adviser’s</u> head office or principal place of business <u>is</u> in a foreign jurisdiction;</p> <p>(b) <u>the adviser</u> is registered, or operates under an exemption from registration, under the securities legislation of the foreign 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 a registered</p>

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<p>(c) the adviser engages in the business of an adviser in the foreign jurisdiction in which its head office or principal place of business is located;</p> <p>(d) during its most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the adviser, its affiliates and its affiliated partnerships was derived from the portfolio management activities of the adviser, its affiliates and its affiliated partnerships in Canada;</p> <p>(e) before advising a client, the adviser notifies the client of all of the following:</p> <p>(i) the adviser is not registered in Canada;</p> <p>(ii) the jurisdiction of residence of the adviser;</p> <p>(iii) the name and address of the adviser's agent for service of process in the local jurisdiction;</p> <p>(iv) that there may be difficulty enforcing legal rights against the adviser because it is resident outside Canada and all or substantially all of its assets may be situated outside of Canada;</p> <p>(f) the adviser has submitted to the securities regulatory authority a completed Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service.</p> <p>(5) A person or company relying on subsection (3) must notify the regulator 12 months after it first submits a Form 31-103F2 under paragraph (4)(f), and each year thereafter, if it continues to rely on</p>	<p>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, and</p> <p>(d) during its most recent fiscal year, not more than ten per cent of the aggregate consolidated gross revenue of the international adviser, its affiliates and its affiliated partnerships is derived from the portfolio management activities of the international adviser, its affiliates and its affiliated partnerships in Canada.</p>	<p><u>registration as an</u> adviser is permitted <u>would permit it</u> to carry on in the local jurisdiction, and;</p> <p>(c) <u>the adviser</u> engages in the business of an adviser in the foreign jurisdiction in which its head office or principal place of business is located.;</p> <p>(2) The adviser registration requirement does not apply to an international adviser that is acting as an adviser for a permitted client if</p> <p>(a) it 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;</p> <p><u>(d) during its most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the adviser, its affiliates and its affiliated partnerships was derived from the portfolio management activities of the adviser, its affiliates and its affiliated partnerships in Canada;</u></p> <p>(b) it (e) before advising a client, the adviser notifies the client, before advising of all of the client, following:</p> <p>(i) that it <u>the adviser</u> is not registered in Canada.;</p> <p>(ii) of the international adviser's jurisdiction of residence, <u>of the adviser;</u></p> <p>(iii) of the name and address of the <u>adviser's</u> agent for service of process of the international</p>

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<p>subsection (3).</p> <p>(6) In Ontario, subsection (5) does not apply to a person or company that complies with the filing and fee payment requirements applicable to an unregistered exempt international firm under Ontario Securities Commission Rule 13-502 Fees.</p>		<p>adviser in the local jurisdiction, and;</p> <p>(iv) that there may be difficulty enforcing legal rights against the international adviser because it is resident outside Canada and all or substantially all of its assets are situated outside Canada, <u>may be situated outside of Canada</u>;</p> <p><u>(f) the adviser has submitted to the securities regulatory authority a completed Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service.</u></p> <p>(c) it 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, and</p> <p>(d) during its most recent fiscal year, not more than ten per cent of the aggregate consolidated gross revenue of the international adviser, its affiliates and its affiliated partnerships is derived from the portfolio management activities of the international adviser, its affiliates and its affiliated partnerships in Canada.</p> <p><u>(5) A person or company relying on subsection (3) must notify the regulator 12 months after it first submits a Form 31-103F2 under paragraph (4)(f), and each year thereafter, if it continues to rely on subsection (3).</u></p> <p><u>(6) In Ontario, subsection (5) does not apply to a person or company that complies with the filing and fee payment requirements applicable to an unregistered exempt international firm under Ontario Securities Commission Rule 13-502 Fees.</u></p>

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Division 3 Exemptions from investment fund manager registration		Division 3 Exemptions from investment fund manager registration
<p>8.27 Private investment club</p> <p>The investment fund manager registration requirement does not apply to a person or company in respect of its acting as an investment fund manager for an investment fund if all of the following apply:</p> <p>(a) the fund has no more than 50 beneficial security holders;</p> <p>(b) the fund does not seek and has never sought to borrow money from the public;</p> <p>(c) the fund does not distribute and has never distributed its securities to the public;</p> <p>(d) the fund does not pay or give any remuneration for investment management or administration advice in respect of trades in securities, except normal brokerage fees;</p> <p>(e) the fund, for the purpose of financing its operations, requires security holders to make contributions in proportion to the value of the securities held by them.</p>	<p>Private investment club – investment fund manager exemption</p> <p>8.7 The investment fund manager registration requirement does not apply to a person or company that directs the business, operations or affairs of an investment fund if the investment fund</p> <p>(a) has no more than 50 beneficial security holders,</p> <p>(b) does not seek and has never sought to borrow money from the public,</p> <p>(c) does not and has never distributed its securities to the public,</p> <p>(d) does not pay or give any remuneration for investment advice or in respect of trades in securities, except normal brokerage fees, and</p> <p>(e) for the purpose of financing the operations of the investment fund, requires holders to make contributions in proportion to the value of the securities held by them.</p>	<p>8.27 Private investment club—investment fund manager exemption</p> <p>8.7—The investment fund manager registration requirement does not apply to a person or company that directs the business, operations or affairs of in respect of its acting as an investment fund manager for an investment fund if all of the investment fund following apply:</p> <p>(a) the fund has no more than 50 beneficial security holders;</p> <p>(b) the fund does not seek and has never sought to borrow money from the public;</p> <p>(c) the fund does not distribute and has never distributed its securities to the public;</p> <p>(d) the fund does not pay or give any remuneration for investment management or administration advice or in respect of trades in securities, except normal brokerage fees, and</p> <p>(e) the fund, for the purpose of financing the its operations of the investment fund, requires security holders to make contributions in proportion to the value of the securities held by them.</p>
<p>8.28 Capital accumulation plan exemption</p> <p>(1) In this section, “capital accumulation plan” means a tax assisted investment or savings plan, including a defined contribution registered pension plan, a group registered retirement savings plan, a</p>	New Provision	<p>8.28 Capital accumulation plan exemption</p> <p>(1) In this section, “capital accumulation plan” means a tax assisted investment or savings plan, including a defined contribution registered pension plan, a group registered retirement savings plan, a</p>

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<p>group registered education savings plan, or a deferred profit-sharing plan, established by a plan sponsor that permits a member to make investment decisions among two or more investment options offered within the plan, and in Quebec and Manitoba, includes a simplified pension plan.</p> <p>(2) The investment fund manager registration requirement does not apply to a person or company that acts as an investment fund manager for an investment fund if the person or company is only required to be registered as an investment fund manager because the investment fund is an investment option in a capital accumulation plan.</p>		<p><u>group registered education savings plan, or a deferred profit-sharing plan, established by a plan sponsor that permits a member to make investment decisions among two or more investment options offered within the plan, and in Quebec and Manitoba, includes a simplified pension plan.</u></p> <p><u>(2) The investment fund manager registration requirement does not apply to a person or company that acts as an investment fund manager for an investment fund if the person or company is only required to be registered as an investment fund manager because the investment fund is an investment option in a capital accumulation plan.</u></p>
<p>8.29 Private investment fund – loan and trust pools</p> <p>(1) The investment fund manager registration requirement does not apply to a trust company or trust corporation that administers an investment fund if all of the following apply:</p> <p>(a) the trust company or trust corporation 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;</p> <p>(b) the fund has no promoter or investment fund manager other than the trust company or trust corporation;</p> <p>(c) the fund commingles the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(2) The exemption in subsection (1) is not available to a trust company or trust corporation registered under the laws of Prince Edward Island</p>	<p>Private investment fund - loan and trust pools</p> <p>8.6 (1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if the investment fund</p> <p>(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,</p> <p>(b) has no promoter or manager other than the trust company or trust corporation referred to in paragraph (a), and</p> <p>(c) co-mingles the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(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</p>	<p><u>8.29</u> Private investment fund – loan and trust pools</p> <p>8.6 (1) The dealer <u>investment fund manager</u> registration requirement does not apply in respect of a trade in a security of <u>to a trust company or trust corporation that administers</u> an investment fund if <u>all of the investment fund following apply:</u></p> <p>(a) is administered by a <u>the</u> 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;</p> <p>(b) <u>the fund</u> has no promoter or <u>investment fund</u> manager other than the trust company or trust corporation referred to in paragraph (a), and;</p> <p>(c) co-mingles <u>the fund commingles</u> the money of different estates and trusts for the purpose of facilitating investment.</p> <p>(2) Despite <u>The exemption in</u> subsection</p>

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<p>unless it is also registered under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada.</p>	<p>jurisdiction of Canada is not a trust company or trust corporation for the purpose of paragraph (1)(a).</p> <p style="text-align: center;">(3) The investment fund manager registration requirement does not apply to a trust company or trust corporation that administers an investment fund referred to in subsection (1).</p>	<p>(1) is not available to a trust company or trust corporation registered under the laws of Prince Edward Island that unless it is not also 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).</p> <p>———— (3) ——— The investment fund manager registration requirement does not apply to a trust company or trust corporation that administers an investment fund referred to in subsection (1).</p>
Division 4 Mobility exemption – firms		<u>Division 4 Mobility exemption – firms</u>
<p>8.30 Client mobility exemption – firms</p> <p>The dealer registration requirement and the adviser registration requirement do not apply to a person or company if all of the following apply:</p> <p>(a) the person or company is registered as a dealer or adviser in its principal jurisdiction;</p> <p>(b) the person or company does not act as a dealer, underwriter or adviser in the local jurisdiction other than as it is permitted to in its principal jurisdiction according to its registration;</p> <p>(c) the person or company does not act as a dealer, underwriter or adviser in the local jurisdiction other than in respect of 10 or fewer eligible clients;</p> <p>(d) the person or company complies with Parts 13 [dealing with clients – individuals and firms] and 14 [handling client accounts – firms];</p> <p>(e) the person or company deals fairly, honestly and in good faith in the course of its</p>	<p>Mobility exemption – registered firm</p> <p>8.23 If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to a person or company if the person or company</p> <p>(a) is registered as a dealer or adviser in its principal jurisdiction,</p> <p>(b) is trading or advising in securities with an eligible client,</p> <p>(c) does not trade 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,</p> <p>(d) has 10 or fewer eligible clients in the local jurisdiction, and</p> <p>(e) complies with section 8.25 [mobility exemption conditions].</p>	<p>Mobility exemption — registered firm</p> <p><u>8.30 Client mobility exemption – firms</u></p> <p>8.23 — If the local jurisdiction is a non-principal jurisdiction, the <u>The dealer</u> registration requirement does <u>and the adviser registration requirement do</u> not apply to a person or company if <u>all of the following apply:</u></p> <p><u>(a) —</u> the person or company (a) — is registered as a dealer or adviser in its principal jurisdiction;<u>;</u></p> <p>(b) — is trading or advising in securities with an eligible client;</p> <p>(c) — does not trade or advise in securities (b) <u>the person or company does not act as a dealer, underwriter or adviser</u> in the local jurisdiction other than as it is permitted to in its principal jurisdiction according to its category of registration;<u>;</u></p> <p>(d) — has (c) the person or company does not act as a dealer, underwriter or adviser in the local jurisdiction other than in respect of 10 or fewer</p>

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dealings with an eligible client.	<p>Mobility exemption – registered individual</p> <p>Mobility exemption conditions</p> <p>8.25 For the purposes of paragraphs 8.23(e) and 8.24(f) the person or company must</p> <p>(b) act fairly, honestly and in good faith in the course of its dealings with an eligible client.</p>	<p>eligible clients in the local jurisdiction, and;</p> <p>(d) _____ the person or company complies with Parts 13 [dealing with clients – individuals and firms] and 14 [handling client accounts – firms];</p> <p>(e) _____ complies with section 8.25 [mobility exemption conditions];</p> <p>Mobility exemption – registered individual</p> <p>Mobility exemption conditions</p> <p>8.25 _____ For the purposes of paragraphs 8.23(e) and 8.24(f) (e) the person or company must (b) _____ act deals fairly, honestly and in good faith in the course of its dealings with an eligible client.</p>
Part 9 Membership in a self-regulatory organization	PART 3 – SRO MEMBERSHIP	
9.1 IIROC membership for investment dealers	IDA membership for investment dealers	IDA <u>9.1</u> IIROC membership for investment dealers
An investment dealer must not act as a dealer unless the investment dealer is a “Dealer Member”, as defined under the rules of IIROC.	3.1 (1) No person or company may be registered as an investment dealer unless the person or company is a member of the IDA.	3.1 _____ (1) _____ No person or company may be registered as an An investment dealer must not act as a dealer unless the person or company is a member of the IDA. investment dealer is a “Dealer Member”, as defined under the rules of IIROC.
9.2 MFDA membership for mutual fund dealers	MFDA membership for mutual fund dealers	<u>9.2</u> MFDA membership for mutual fund dealers
Except in Québec, a mutual fund dealer must not act as a dealer unless the mutual fund dealer is a “member”, as defined under the rules of the MFDA.	3.2 Except in Québec, no person or company may be registered as a mutual fund dealer unless the person or company is a member of the MFDA.	3.2 _____ Except in Québec, no person or company may be registered as a mutual fund dealer must not act as a dealer unless the person or company mutual fund dealer is a “member”, as defined under the rules of the MFDA.
9.3 Exemptions from certain requirements for SRO members	Exceptions for SRO members	Exceptions <u>9.3</u> Exemptions from certain requirements for SRO members

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<p>(1) An investment dealer that is a member of IIROC is exempt from the following requirements to the extent the provisions apply to the activities of an investment dealer:</p> <p>(a) section 12.1 [capital requirements];</p> <p>(b) section 12.2 [notifying the regulator of a subordination agreement];</p> <p>(c) section 12.3 [insurance – dealer];</p> <p>(d) section 12.6 [global bonding or insurance];</p> <p>(e) section 12.7 [notifying the regulator of a change, claim or cancellation];</p> <p>(f) section 12.10 [annual financial statements];</p> <p>(g) section 12.11 [interim financial information];</p> <p>(h) section 12.12 [delivering financial information – dealer];</p> <p>(i) subsection 13.2(3) [know your client];</p> <p>(j) section 13.3 [suitability];</p> <p>(k) section 13.12 [restriction on lending to clients];</p>	<p>3.3 (1) A registrant that is a member of the IDA, or a dealing representative of a member of the IDA, is exempt from each requirement in the following sections that applies to a registered dealer, or a dealing representative, if the registrant complies with the by-laws, regulations and policies of the IDA that deal with the same subject matter:</p> <p>(a) section 4.18 [capital requirement];</p> <p>(b) section 4.19 [report capital deficiency];</p> <p>(c) section 4.21 [insurance – dealer];</p> <p>(d) section 4.25 [notice of change, claim, or cancellation];</p> <p>(e) section 4.26 [appointment of auditor];</p> <p>(f) section 4.27 [direction to auditor];</p> <p>(g) section 4.28 [delivering financial information – dealer];</p> <p>(h) section 5.4 [providing relationship disclosure information];</p> <p>(i) section 5.5 [suitability];</p> <p>(j) section 5.7 [margin];</p> <p>(k) section 5.8 [disclosure when recommending use of borrowed money];</p>	<p>3.3 (1) A registrant that is a member of the IDA, or a dealing representative of a member of the IDA, is exempt from each requirement in the following sections that applies to a registered dealer, or a dealing representative, if the registrant complies with the by-laws, regulations and policies of the IDA that deal with the same subject matter:</p> <p><u>(1) An investment dealer that is a member of IIROC is exempt from the following requirements to the extent the provisions apply to the activities of an investment dealer:</u></p> <p>(a) section 4.18<u>12.1</u> [capital requirement <u>requirements</u>];</p> <p>(b) section 4.19 [report capital deficiency]; <u>12.2</u> [notifying the regulator of a subordination agreement];</p> <p>(c) section 4.21<u>12.3</u> [insurance – dealer];</p> <p>(d) section 4.25 [notice of change, claim, or cancellations]; <u>12.6</u> [global bonding or insurance];</p> <p>(e) section 4.26 [appointment of auditor]; <u>12.7</u> [notifying the regulator of a change, claim or cancellation];</p> <p>(f) section 4.27 [direction to auditor]; <u>12.10</u> [annual financial statements];</p> <p>(g) section 4.28 [delivering financial information – dealer]; <u>12.11</u> [interim financial information];</p>

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<p>(l) section 13.13 [disclosure when recommending the use of borrowed money];</p> <p>(m) subsection 14.2(2) [relationship disclosure information];</p> <p>(n) section 14.6 [holding client assets in trust];</p> <p>(o) section 14.8 [securities subject to a safekeeping agreement];</p> <p>(p) section 14.9 [securities not subject to a safekeeping agreement];</p> <p>(q) section 14.12 [content and delivery of trade confirmation].</p> <p>(2) Despite subsection (1), if a registered firm is a member of IIROC and is registered as an investment fund manager, the firm is not exempt from the following requirements:</p> <p>(a) section 12.1 [capital requirements];</p> <p>(b) section 12.2 [notifying the regulator of a subordination agreement];</p> <p>(c) section 12.7 [notifying the regulator of a change, claim or cancellation];</p> <p>(d) section 12.10 [annual financial statements];</p> <p>(e) section 12.11 [interim financial information].</p>	<p>(l) section 5.10 [holding client assets in trust];</p> <p>(m) section 5.11 [securities subject to safekeeping agreement];</p> <p>(n) section 5.12 [securities not subject to safekeeping agreement];</p> <p>(o) section 5.18 [confirmation of trade – general];</p> <p>(p) except in Québec, section 5.29 [dispute resolution service].</p> <p>(2) Except in Québec, the provisions listed in subsection (1) do not apply to a registrant that is a member or approved person of the MFDA if the registrant complies with the by-laws, rules and policies of the MFDA that deal with the same subject matter.</p> <p>(3) In Québec, the provisions listed in subsection (1) do not apply to a mutual fund dealer or a dealing representative of a mutual fund dealer if the registrant complies with the regulation on mutual fund dealer requirements in Québec.</p>	<p>(h) section 5.4 [providing relationship disclosure information]; <u>12.12</u> [delivering financial information – dealer];</p> <p>(i) section 5.5 [suitability]; <u>(i) subsection 13.2(3) [know your client];</u></p> <p>(j) section 5.7 [margin]; <u>13.3</u> [suitability];</p> <p>(k) section 5.8 [disclosure when recommending use of borrowed money]; <u>13.12</u> [restriction on lending to clients];</p> <p>(l) section 5.10 [holding client assets in trust]; <u>13.13</u> [disclosure when recommending the use of borrowed money];</p> <p>(m) section 5.11 [securities subject to safekeeping agreement]; subsection 14.2(2) [relationship disclosure information];</p> <p>(n) section 5.12 [securities not subject to safekeeping agreement]; <u>14.6</u> [holding client assets in trust];</p> <p>(o) section 5.18 [confirmation of trade – general]; <u>14.8</u> [securities subject to a safekeeping agreement];</p> <p>(p) except in Québec, section 5.29 [dispute resolution service]; <u>14.9</u> [securities not subject to a safekeeping agreement];</p> <p>(q) section 14.12 [content and delivery of trade confirmation].</p>

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<p>(3) A registered firm that is a member of the MFDA is exempt from each requirement listed in subsection (1) that applies to a mutual fund dealer other than the following:</p> <p>(a) subsection 13.2(3) [know your client];</p> <p>(b) section 13.12 [restriction on lending to clients].</p> <p>(4) Despite subsection (3), if a registered firm is a member of the MFDA and is registered as an investment fund manager, the firm is not exempt from the following requirements:</p> <p>(a) section 12.1 [capital requirements];</p> <p>(b) section 12.2 [notifying the regulator of a subordination agreement];</p> <p>(c) section 12.7 [notifying the regulator of a change, claim or cancellation];</p> <p>(d) section 12.10 [annual financial statements];</p> <p>(e) section 12.11 [interim financial information].</p> <p>(5) Subsection (3) does not apply in Québec.</p> <p>(6) In Québec, the requirements listed in subsection (1), other than subsection 13.2(3) [know your client] and section 13.12 [restriction on lending to clients] do not apply to a mutual fund dealer if the registrant complies with the applicable regulations</p>		<p>(2) — Except in Québec, the provisions listed in subsection (1) do not apply to a registrant that is a member or approved person of the MFDA if the registrant complies with the by-laws, rules and policies of the MFDA that deal with the same subject matter.</p> <p><u>(2) — Despite subsection (1), if a registered firm is a member of IIROC and is registered as an investment fund manager, the firm is not exempt from the following requirements:</u></p> <p><u>(a) — section 12.1 [capital requirements];</u></p> <p><u>(b) — section 12.2 [notifying the regulator of a subordination agreement];</u></p> <p><u>(c) — section 12.7 [notifying the regulator of a change, claim or cancellation];</u></p> <p><u>(d) — section 12.10 [annual financial statements];</u></p> <p><u>(e) — section 12.11 [interim financial information].</u></p> <p><u>(3) — A registered firm that is a member of the MFDA is exempt from each requirement listed in subsection (1) that applies to a mutual fund dealer other than the following:</u></p> <p><u>(a) — subsection 13.2(3) [know your client];</u></p> <p><u>(b) — section 13.12 [restriction on lending to clients].</u></p>

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on mutual fund dealer in Québec.		<p><u>(4) _____ Despite subsection (3), if a registered firm is a member of the MFDA and is registered as an investment fund manager, the firm is not exempt from the following requirements:</u></p> <p><u>(a) _____ section 12.1 [capital requirements];</u></p> <p><u>(b) _____ section 12.2 [notifying the regulator of a subordination agreement];</u></p> <p><u>(c) _____ section 12.7 [notifying the regulator of a change, claim or cancellation];</u></p> <p><u>(d) _____ section 12.10 [annual financial statements];</u></p> <p><u>(e) _____ section 12.11 [interim financial information].</u></p> <p><u>(5) _____ Subsection (3) does not apply in Québec.</u></p> <p>(3) (6) In Québec, the provisions-requirements listed in subsection (1), <u>other than subsection 13.2(3) [know your client] and section 13.12 [restriction on lending to clients]</u> do not apply to a mutual fund dealer or a dealing representative of a mutual fund dealer if the registrant complies with the regulation applicable regulations on mutual fund dealer requirements in Québec.</p>
Part 10 Suspension and revocation of registration – firms		
Division 1 When a firm's registration is suspended		
10.1 Failure to pay fees	Failure to pay fees	<u>10.1 _____</u> Failure to pay fees
	7.5 (1) A registered firm is suspended on	7.5 _____ (1) _____ A registered firm is suspended on

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<p>(1) In this section, “annual fees” means</p> <p>(a) in Alberta, the fees required under section 2.1 of the Schedule - Fees in Alta. Reg. 115/95 – Securities Regulation,</p> <p>(b) in British Columbia, the annual fees required under section 22 of the Securities Regulation, B.C. Reg. 196/97,</p> <p>(c) in Manitoba, the fees required under paragraph 1.(2)(a) of the Manitoba Fee Regulation, M.R 491\88R,</p> <p>(d) in New Brunswick, the fees required under section 2.2 (c) of Local Rule 11-501 Fees,</p> <p>(e) in Newfoundland and Labrador, the fees required under section 143 of the Securities Act,</p> <p>(f) in Nova Scotia, the fees required under Part XIV of the Regulations,</p> <p>(g) in Northwest Territories, the fees required under sections 1(c) and 1(e) of the Securities Fee regulations, R-066-2008;</p> <p>(h) in Nunavut, the fees required under section 1(a) of the Schedule to R-003-2003 to the Securities Fee regulation, R.R.N.W.T. 1990, c.20,</p> <p>(i) in Prince Edward Island, the fees required under section 175 of the Securities Act R.S.P.E.I., Cap. S-3.1,</p>	<p>the 30th day after the date its annual fees were due if the firm has not paid its annual fees.</p> <p>(2) In subsection (1), “annual fees” means</p> <p>(a) in Alberta, the fee required under section 8 of Alta. Reg. 115/95 – Securities Regulation,</p> <p>(b) in British Columbia, the fee required under section 22 of Securities Regulation B.C. Reg 196/97,</p> <p>(c) in Québec, the fee required under section 271.5 of the Québec Securities Regulation,</p> <p>(d) in Ontario, the participation fee required under Ontario Securities Commission Rule 13-502 Fees, and</p> <p>(e) in Saskatchewan, the annual registration fee required to be paid by a registrant under section 176 of The Securities Regulations (Saskatchewan).</p>	<p>the 30th day after the date its annual fees were due if the firm has not paid its annual fees.</p> <p>(2) <u>(1)</u> In subsection (1) <u>this section</u>, “annual fees” means</p> <p>(a) in Alberta, the fee <u>fees</u> required under section 82.1 <u>of the Schedule - Fees in</u> Alta. Reg. 115/95 – Securities Regulation,</p> <p>(b) in British Columbia, the fee <u>annual fees</u> required under section 22 of the Securities Regulation, B.C. Reg. 196/97,</p> <p>(c) in Québec, the fee required under section 271.5 of the Québec Securities Regulation, <u>Manitoba, the fees required under paragraph 1.(2)(a) of the Manitoba Fee Regulation, M.R 491\88R.</u></p> <p>(d) in Ontario, the participation fee required under Ontario Securities Commission Rule 13-502 Fees, and <u>New Brunswick, the fees required under section 2.2 (c) of Local Rule 11-501 Fees.</u></p> <p>(e) in Saskatchewan, the annual registration fee required to be paid by a registrant under section 176 of The Securities Regulations (Saskatchewan). <u>Newfoundland and Labrador, the fees required under section 143 of the Securities Act.</u></p> <p><u>(f) _____ in Nova Scotia, the fees required under Part XIV of the Regulations.</u></p> <p><u>(g) _____ in Northwest Territories, the fees required under sections 1(c) and 1(e) of the Securities Fee regulations, R-066-2008;</u></p>

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<p>(j) in Québec, the fees required under section 271.5 of the Québec Securities Regulation,</p> <p>(k) in Saskatchewan, the annual registration fees required to be paid by a registrant under section 176 of The Securities Regulations (Saskatchewan), and</p> <p>(l) in Yukon, the fees required under O.I.C. 2009\66, pursuant to section 168 of the Securities Act.</p> <p>(2) If a registered firm has not paid the annual fees by the 30th day after the date the annual fees were due, the registration of the firm is suspended until reinstated or revoked under securities legislation.</p>		<p>(h) in Nunavut, the fees required under section 1(a) of the Schedule to R-003-2003 to the Securities Fee regulation, R.R.N.W.T. 1990, c.20.</p> <p>(i) in Prince Edward Island, the fees required under section 175 of the Securities Act R.S.P.E.I., Cap. S-3.1.</p> <p>(j) in Québec, the fees required under section 271.5 of the Québec Securities Regulation.</p> <p>(k) in Saskatchewan, the annual registration fees required to be paid by a registrant under section 176 of The Securities Regulations (Saskatchewan), and</p> <p>(l) in Yukon, the fees required under O.I.C. 2009\66, pursuant to section 168 of the Securities Act.</p> <p>(2) If a registered firm has not paid the annual fees by the 30th day after the date the annual fees were due, the registration of the firm is suspended until reinstated or revoked under securities legislation.</p>
<p>10.2 If IIROC membership is revoked or suspended</p> <p>If IIROC revokes or suspends a registered firm's membership, the firm's registration in the category of investment dealer is suspended until reinstated or revoked under securities legislation.</p>	<p>Suspension of IDA approval</p> <p>7.3 (1) If the IDA revokes or suspends a registered firm's membership, the firm's registration in the category of investment dealer is suspended.</p>	<p>Suspension of IDA approval10.2 If IIROC membership is revoked or suspended</p> <p>7.3 (1) If the IDA If IIROC revokes or suspends a registered firm's membership, the firm's registration in the category of investment dealer is suspended until reinstated or revoked under securities legislation.</p>
<p>10.3 If MFDA membership is revoked or suspended</p>	<p>Suspension of MFDA approval</p>	<p>Suspension of10.3 If MFDA approval membership is revoked or suspended</p>

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<p>Except in Québec, if the MFDA revokes or suspends a registered firm's membership, the firm's registration in the category of mutual fund dealer is suspended until reinstated or revoked under securities legislation.</p>	<p>7.4 (1) If the MFDA revokes or suspends a registered firm's membership, the firm's registration in the category of mutual fund dealer is suspended.</p> <p>(3) This section does not apply in Québec.</p>	<p>7.4 (1) If <u>Except in Québec, if</u> the MFDA revokes or suspends a registered firm's membership, the firm's registration in the category of mutual fund dealer is suspended <u>until reinstated or revoked under securities legislation.</u></p> <p>(3) This section does not apply in Québec.</p>
<p>10.4 Activities not permitted while a firm's registration is suspended</p> <p>If a registered firm's registration in a category is suspended, the firm must not act as a dealer, an underwriter, an adviser, or an investment fund manager, as the case may be, under that category.</p>	<p>Activities requiring registration are prohibited</p> <p>7.1 If the registration of a registered firm or a registered individual in a category is suspended, he, she or it must not act as a dealer, an adviser, or an investment fund manager in that category.</p>	<p><u>10.4</u> Activities requiring not permitted while a firm's registration are prohibited <u>is suspended</u></p> <p>7.1 If the registration of a registered firm or a registered individual's registration in a category is suspended, he, she or it <u>the firm</u> must not act as a dealer, an <u>underwriter, an</u> adviser, or an investment fund manager in, as the case may be, under that category.</p>
Division 2 Revoking a firm's registration		
<p>10.5 Revocation of a suspended registration – firm</p> <p>If a registration has been suspended under this Part and it has not been reinstated, the registration is revoked on the 2nd anniversary of the suspension.</p>	<p>Revocation of registration</p> <p>7.7 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.</p>	<p><u>10.5</u> Revocation of <u>a suspended</u> registration <u>= firm</u></p> <p>7.7 If a registration has been suspended under this Part and it has not been reinstated, the registration is revoked on the <u>second 2nd</u> anniversary <u>following of</u> the suspension.</p>
<p>10.6 Exception for firms involved in a hearing</p> <p>Despite section 10.5, if a hearing concerning a suspended registrant is commenced under securities legislation or under the rules of an SRO, the registrant's registration remains suspended.</p>	<p>Exception – hearing</p> <p>7.8 Despite 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 regulator or the securities regulatory authority.</p>	<p><u>10.6</u> Exception for firms involved in a hearing</p> <p>7.8 Despite 7.7 [revocation of registration], section 10.5, if a hearing concerning a suspended registrant is commenced under the Act securities legislation or under the rules of an SRO, <u>the Act securities legislation or under the rules of an SRO,</u> <u>the registrant's</u> registration remains suspended until a decision has been made by the regulator or the securities regulatory authority.</p>

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<p>10.7 Application of Part 10 in Ontario</p> <p>Other than section 10.4 [activities not permitted while a firm's registration is suspended], this Part does not apply in Ontario.</p> <p>[Note: In Ontario, measures governing suspension in section 29 of the Securities Act (Ontario) are similar to those in Parts 6 and 10.]</p>	<p>New Provision</p>	<p><u>10.7 Application of Part 10 in Ontario</u></p> <p><u>Other than section 10.4 [activities not permitted while a firm's registration is suspended], this Part does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, measures governing suspension in section 29 of the Securities Act (Ontario) are similar to those in Parts 6 and 10.]</u></p>
<p>Part 11 Internal controls and systems</p>		
<p>Division 1 Compliance</p>		
<p>11.1 Compliance system</p> <p>A registered firm must establish, maintain and apply policies and procedures that establish a system of controls and supervision sufficient to</p> <p>(a) provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation, and</p> <p>(b) manage the risks associated with its business in accordance with prudent business practices.</p>	<p>Compliance system</p> <p>5.23 (1) A registered firm must establish, maintain and apply a system of controls and supervision sufficient to</p> <p>(a) provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation, and</p> <p>(b) manage the risks associated with its business in conformity with prudent business practices.</p> <p>(2) The system of controls referred to in subsection (1) must be documented in the form of written policies and procedures.</p>	<p><u>11.1 Compliance system</u></p> <p>5.23 (1) A registered firm must establish, maintain and apply <u>policies and procedures that establish</u> a system of controls and supervision sufficient to</p> <p>(a) provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation, and</p> <p>(b) manage the risks associated with its business in conformity <u>accordance</u> with prudent business practices.</p> <p>(2) The system of controls referred to in subsection (1) must be documented in the form of written policies and procedures.</p>
<p>11.2 Designating an ultimate designated person</p> <p>(1) A registered firm must designate an individual who is registered under securities legislation in the category of ultimate designated person to perform the functions described in section 5.1 [responsibilities of the ultimate designated</p>	<p>Ultimate designated person</p> <p>2.9 (1) A registered firm must have an individual who is registered under securities legislation in the category of ultimate designated person to perform the functions described in section 5.24 [ultimate designated person – functions].</p>	<p>Ultimate <u>11.2 Designating an ultimate designated person</u></p> <p>2.9 (1) A registered firm must have <u>designate</u> an individual who is registered under securities legislation in the category of ultimate designated person to perform the functions</p>

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<p>person].</p> <p>(2) A registered firm must not designate an individual to act as the firm's ultimate designated person unless the individual is one of the following:</p> <p>(a) the chief executive officer or sole proprietor of the registered firm;</p> <p>(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;</p> <p>(c) an individual acting in a capacity similar to that of an officer described in paragraph (a) or (b).</p> <p>(3) If an individual who is registered as a registered firm's ultimate designated person ceases to meet any of the conditions listed in subsection (2), the registered firm must designate another individual to act as its ultimate designated person.</p>	<p>(2) An individual must not act as the ultimate designated person of a registered firm unless the individual is</p> <p>(a) the chief executive officer or sole proprietor of the registered firm,</p> <p>(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</p> <p>(c) an individual acting in a capacity similar to that of an officer described in paragraph (a) or (b).</p>	<p>described in section 5-24 <u>5.1</u> [responsibilities of the ultimate designated person—functions].</p> <p>(2) An A registered firm must not designate an individual must not to act as the <u>firm's</u> ultimate designated person of a registered firm unless the individual is <u>one of the following</u>:</p> <p>(a) the chief executive officer or sole proprietor of the registered firm;</p> <p>(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</p> <p>(c) an individual acting in a capacity similar to that of an officer described in paragraph (a) or (b).</p> <p><u>(3) If an individual who is registered as a registered firm's ultimate designated person ceases to meet any of the conditions listed in subsection (2), the registered firm must designate another individual to act as its ultimate designated person.</u></p>
<p>11.3 Designating a chief compliance officer</p> <p>(1) A registered firm must designate an individual who is registered under securities legislation in the category of chief compliance officer to perform the functions described in section 5.2 [responsibilities of the chief compliance officer].</p> <p>(2) A registered firm must not designate an individual to act as the firm's chief compliance officer unless the individual has satisfied the applicable conditions in Part 3 [registration requirements – individuals] and the individual is one</p>	<p>Chief compliance officer</p> <p>2.10 (1) A registered firm must have an individual who is registered under securities legislation in the category of chief compliance officer to perform the functions described in section 5.25 [chief compliance officer – functions].</p> <p>(2) An individual must not act as the chief compliance officer for a registered firm unless the individual is an officer or partner of the registered firm, or the firm's sole proprietor.</p>	<p>Chief <u>11.3</u> <u>Designating a chief</u> compliance officer</p> <p>2.10 (1) A registered firm must have <u>designate</u> an individual who is registered under securities legislation in the category of chief compliance officer to perform the functions described in section 5-25 <u>5.2</u> [responsibilities of the chief compliance officer—functions].</p> <p>(2) An A registered firm must not designate an individual must not to act as the <u>firm's</u> chief compliance officer for a registered firm unless the individual is <u>has satisfied the applicable</u></p>

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<p>of the following:</p> <p>(a) an officer or partner of the registered firm;</p> <p>(b) the sole proprietor of the registered firm.</p> <p>(3) If an individual who is registered as a registered firm's chief compliance officer ceases to meet any of the conditions listed in subsection (2), the registered firm must designate another individual to act as its chief compliance officer.</p>		<p><u>conditions in Part 3 [registration requirements – individuals] and the individual is one of the following:</u></p> <p><u>(a) _____ an officer or partner of the registered firm;</u></p> <p><u>(b) _____ the firm's sole proprietor of the registered firm.</u></p> <p><u>(3) _____ If an individual who is registered as a registered firm's chief compliance officer ceases to meet any of the conditions listed in subsection (2), the registered firm must designate another individual to act as its chief compliance officer.</u></p>
<p>11.4 Providing access to board</p> <p>A registered firm must permit its ultimate designated person and its chief compliance officer to directly access the firm's board of directors, or individuals acting in a similar capacity for the firm, at such times as the ultimate designated person or the chief compliance officer may consider necessary or advisable in view of his or her responsibilities.</p>	<p>Access to board or partnership</p> <p>5.26 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.</p>	<p>Access<u>11.4 Providing access</u> to board or partnership</p> <p>5.26—A registered firm must permit its ultimate designated person and its chief compliance officer to directly access the <u>firm's</u> board of directors or partnership at such times as either of them may independently deem, <u>or individuals acting in a similar capacity for the firm, at such times as the ultimate designated person or the chief compliance officer may consider</u> necessary or advisable in view of his or her responsibilities.</p>
<p>Division 2 Books and records</p>		
<p>11.5 General requirements for records</p> <p>(1) A registered firm must maintain records to</p> <p>(a) accurately record its business activities, financial affairs, and client transactions, and</p> <p>(b) demonstrate the extent of the firm's</p>	<p>Records – general requirements</p> <p>5.15 (1) A registered firm must maintain records to</p> <p>(a) accurately record its business activities, financial affairs, and client transactions, and</p>	<p>Records—general<u>11.5 General</u> requirements <u>for records</u></p> <p>5.15—(1) A registered firm must maintain records to</p> <p>(a) accurately record its business activities, financial affairs, and client transactions, and</p>

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<p>compliance with applicable requirements of securities legislation.</p> <p>(2) The records required under subsection (1) include, but are not limited to, records that do the following:</p> <p>(a) permit timely creation and audit of financial statements and other financial information required to be filed or delivered to the securities regulatory authority;</p> <p>(b) permit determination of the registered firm's capital position;</p> <p>(c) demonstrate compliance with the registered firm's capital and insurance requirements;</p> <p>(d) demonstrate compliance with internal control procedures;</p> <p>(e) demonstrate compliance with the firm's policies and procedures;</p> <p>(f) permit the identification and segregation of client cash, securities, and other property;</p> <p>(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;</p> <p>(h) provide an audit trail for</p>	<p>(b) demonstrate compliance with applicable requirements of securities legislation.</p> <p>(2) Such records must include, but are not limited to, records that</p> <p>(a) permit timely creation and audit of financial statements and other financial information required to be filed or delivered to the securities regulatory authority,</p> <p>(b) permit determination of the registered firm's capital position,</p> <p>(c) demonstrate compliance with the registered firm's capital and insurance requirements,</p> <p>(d) demonstrate compliance with internal control procedures,</p> <p>(e) demonstrate compliance with the firm's policies and procedures,</p> <p>(f) permit the identification and segregation of client cash, securities, and other property,</p> <p>(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,</p> <p>(h) provide an audit trail for</p> <p>(i) client instructions and orders, and</p>	<p>(b) demonstrate <u>the extent of the firm's</u> compliance with applicable requirements of securities legislation.</p> <p>(2) Such The records must <u>required under subsection (1)</u> include, but are not limited to, records that <u>do the following</u>:</p> <p>(a) permit timely creation and audit of financial statements and other financial information required to be filed or delivered to the securities regulatory authority;</p> <p>(b) permit determination of the registered firm's capital position;</p> <p>(c) demonstrate compliance with the registered firm's capital and insurance requirements;</p> <p>(d) demonstrate compliance with internal control procedures;</p> <p>(e) demonstrate compliance with the firm's policies and procedures;</p> <p>(f) permit the identification and segregation of client cash, securities, and other property;</p> <p>(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;</p> <p>(h) provide an audit trail for</p>

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<p>(i) client instructions and orders, and</p> <p>(ii) each trade transmitted or executed for a client or by the registered firm on its own behalf;</p> <p>(i) permit the generation of account activity reports for clients;</p> <p>(j) provide securities pricing as may be required by securities legislation;</p> <p>(k) document the opening of client accounts, including any agreements with clients;</p> <p>(l) demonstrate compliance with sections 13.2 [know your client] and 13.3 [suitability];</p> <p>(m) demonstrate compliance with complaint-handling requirements;</p> <p>(n) document correspondence with clients;</p> <p>(o) document compliance and supervision actions taken by the firm.</p>	<p>(ii) each trade transmitted or executed for a client or by the registered firm on its own behalf,</p> <p>(i) permit creation of account activity reports for clients,</p> <p>(j) provide securities pricing as may be required by securities legislation,</p> <p>(k) demonstrate compliance with client account opening requirements,</p> <p>(l) document correspondence with clients, and</p> <p>(m) document compliance and supervision actions taken by the firm.</p>	<p>(i) client instructions and orders, and</p> <p>(ii) each trade transmitted or executed for a client or by the registered firm on its own behalf;;</p> <p>(i) permit creation <u>the generation</u> of account activity reports for clients;;</p> <p>(j) provide securities pricing as may be required by securities legislation;</p> <p>(k) demonstrate compliance with client account opening requirements, <u>document the opening of client accounts, including any agreements with clients;</u></p> <p><u>(l) demonstrate compliance with sections 13.2 [know your client] and 13.3 [suitability];</u></p> <p><u>(m) demonstrate compliance with complaint-handling requirements;</u></p> <p>(n) document correspondence with clients,;</p> <p>(o) document compliance and supervision actions taken by the firm.</p>
<p>11.6 Form, accessibility and retention of records</p> <p>(1) A registered firm must keep a record that it is required to keep under securities legislation</p> <p>(a) for 7 years from the date the record is created,</p>	<p>Records – form, accessibility and retention</p> <p>5.16 (1) A registered firm must keep its records safe and in a durable form.</p> <p>(2) For a period of two years after the creation of a record, a registered firm must keep the</p>	<p>Records – form <u>11.6 Form</u>, accessibility and retention 5.16 of records</p> <p>(1) A registered firm must keep its records a <u>record that it is required to keep under securities legislation</u></p>

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<p>(b) in a safe location and in a durable form, and</p> <p>(c) in a manner that permits it to be provided to the regulator or the securities regulatory authority in a reasonable period of time.</p> <p>(2) A record required to be provided to the regulator or the securities regulatory authority must be provided in a format that is capable of being read by the regulator or the securities regulatory authority.</p> <p>(3) Paragraph (1)(c) does not apply in Ontario.</p> <p>[Note: In Ontario, how quickly a registered firm is require to provide information to the regulator is addressed in subsection 19(3) of the Securities Act (Ontario).]</p>	<p>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.</p> <p>(3) A record provided under subsection (2) must be in a form that is capable of being read by the regulator.</p> <p>(4) A registered firm must keep</p> <p>(a) an activity record for seven years from the date of the act, and</p> <p>(b) a relationship record for seven years from the date the person or company ceases to be a client of the registered firm.</p> <p>(5) In subsection (4),</p> <p>“activity record” includes</p> <p>(a) a confirmation of a transaction required under section 5.18 [confirmation of trade – general],</p> <p>(b) a communication between the registrant and the client made in respect of a purchase or sale of a security, including a record of an oral communication,</p> <p>(c) a statement of account and portfolio required under section 5.22 [statements of account and portfolio],</p> <p>(d) a referral of the client that is subject to</p>	<p><u>(a) for 7 years from the date the record is created.</u></p> <p><u>(b) in a safe location and in a durable form, and</u></p> <p>(2c) 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 <u>or the securities regulatory authority</u> in a reasonable period of time.</p> <p>(32) A record provided under subsection (2) <u>A record required to be provided to the regulator or the securities regulatory authority must be provided in a form format that is capable of being read by the regulator or the securities regulatory authority.</u></p> <p><u>(3) Paragraph (1)(c) does not apply in Ontario.</u></p> <p><u>[Note: In Ontario, how quickly a registered firm is require to provide information to the regulator is addressed in subsection 19(3) of the Securities Act (Ontario).]</u></p> <p>(4) A registered firm must keep</p> <p>(a) an activity record for seven years from the date of the act, and</p> <p>(b) a relationship record for seven years from the date the person or company ceases to be a client of the registered firm.</p>

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	<p>Division 2 [referral arrangements] of Part 6; and</p> <p>“relationship record” means a document, other than an activity record, that describes the relationship between a registrant and a client of the registrant including</p> <p>(a) a communication between the registrant and the client not made in respect of a purchase or sale of a security, including a record of an oral communication,</p> <p>(b) an agreement entered into between the registrant and the client,</p> <p>(c) a client complaint,</p> <p>(d) relationship disclosure information provided to the client under section 5.4 [providing relationship disclosure information].</p>	<p>———— (5) ———— In subsection (4);</p> <p>“activity record” includes</p> <p>(a) ———— a confirmation of a transaction required under section 5.18 [confirmation of trade — general];</p> <p>(b) ———— a communication between the registrant and the client made in respect of a purchase or sale of a security, including a record of an oral communication;</p> <p>(c) ———— a statement of account and portfolio required under section 5.22 [statements of account and portfolio];</p> <p>(d) ———— a referral of the client that is subject to Division 2 [referral arrangements] of Part 6; and</p> <p>“relationship record” means a document, other than an activity record, that describes the relationship between a registrant and a client of the registrant including</p> <p>(a) ———— a communication between the registrant and the client not made in respect of a purchase or sale of a security, including a record of an oral communication;</p> <p>(b) ———— an agreement entered into between the registrant and the client;</p> <p>(c) ———— a client complaint;</p>

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		(d) — relationship disclosure information provided to the client under section 5.4 [providing relationship disclosure information].
Division 3 Certain business transactions		<u>Division 3 Certain business transactions</u>
<p>11.7 Tied settling of securities transactions</p> <p>A registered firm must not require a person or company to settle that person's or company's transaction with the registered firm through that person's or company'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 would be, to a reasonable person, necessary to provide the specific product or service that the person or company has requested.</p>	<p>Settling securities transactions</p> <p>6.9 A registered firm must not require a person or company to settle that person's or company's transaction with the registered firm through that person's or company'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 or company has requested.</p>	<p>Settling securities transactions</p> <p><u>11.7 Tied settling of</u> securities transactions</p> <p>6.9 — A registered firm must not require a person or company to settle that person's or company's transaction with the registered firm through that person's or company'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 <u>would be, to a reasonable person,</u> necessary to provide the specific product or service that the person or company has requested.</p>
<p>11.8 Tied selling</p> <p>A dealer, adviser or investment fund manager must not require another person or company</p> <p>(a) to buy, sell or hold a security as a condition, or on terms that would appear to a reasonable person to be a condition, of supplying or continuing to supply a product or service, or</p> <p>(b) to buy, sell or use a product or service as a condition, or on terms that would appear to a reasonable person to be a condition, of buying or selling a security.</p>	<p>Tied selling</p> <p>6.10 No person or company shall require another person or company</p> <p>(a) to buy, sell or hold particular securities 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</p> <p>(b) to buy, sell or use any products or services as a condition, or on terms that would appear to a reasonable person to be a condition, of buying or selling particular securities.</p>	<p><u>11.8</u> Tied selling</p> <p>6.10 — No person or company shall <u>A dealer, adviser or investment fund manager must not</u> require another person or company</p> <p>(a) to buy, sell or hold particular securities a <u>security</u> as a condition, or on terms that would appear to a reasonable person to be a condition, of supplying or continuing to supply products a product <u>or services service,</u> or</p> <p>(b) to buy, sell or use any products a product <u>or services service</u> as a condition, or on terms that would appear to a reasonable person to be a condition, of buying or selling particular securities a <u>security.</u></p>
<p>11.9 Registrant acquiring a registered firm's</p>	<p>Acquiring a registered firm's securities or assets</p>	<p><u>Acquiring</u> <u>11.9</u> <u>Registrant acquiring</u> a registered</p>

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<p>securities or assets</p> <p>(1) A registrant must give the regulator written notice in accordance with subsection (2) if it proposes to acquire any of the following:</p> <p>(a) beneficial ownership of, or direct or indirect control or direction over, a security of a registered firm;</p> <p>(b) beneficial ownership of, or direct or indirect control or direction over, a security of a person or company of which a registered firm is a subsidiary;</p> <p>(c) all or a substantial part of the assets of a registered firm.</p> <p>(2) The notice required under subsection (1) must be delivered to the regulator at least 30 days before the proposed acquisition and must include all relevant facts regarding the acquisition sufficient to enable the regulator to determine if the acquisition is</p> <p>(a) likely to give rise to a conflict of interest,</p> <p>(b) likely to hinder the registered firm in complying with securities legislation,</p> <p>(c) inconsistent with an adequate level of investor protection, or</p> <p>(d) otherwise prejudicial to the public interest.</p> <p>(3) Subsection (1) does not apply to the following:</p>	<p>6.8 (1) A person or company must give the regulator written notice at least 30 days before the acquisition if it proposes to acquire,</p> <p>(a) directly or indirectly, beneficial ownership of, or control or direction over, ten per cent or more of the securities of a registered firm, or</p> <p>(b) a substantial part of the assets of a registered firm.</p> <p>(2) The notice required under subsection (1) must include all relevant facts regarding the acquisition to permit the regulator to determine if it is</p> <p>(i) likely to give rise to conflicts of interest,</p> <p>(ii) likely to hinder the registered firm in complying with securities legislation,</p> <p>(iii) inconsistent with an adequate level of investor protection, or</p> <p>(iv) otherwise prejudicial to the public interest.</p> <p>(3) If, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</p> <p>(4) Following receipt of a notice of objection under subsection (3), the person or</p>	<p>firm's securities or assets</p> <p>6.8 (1) A person or company <u>registrant</u> must give the regulator written notice <u>at least 30 days before the acquisition in accordance with subsection (2)</u> if it proposes to acquire, <u>any of the following</u>:</p> <p>(a) directly or indirectly, beneficial ownership of, or <u>direct or indirect</u> control or direction over, ten per cent or more of the securities <u>a security</u> of a registered firm, or;</p> <p>(b) <u>beneficial ownership of, or direct or indirect control or direction over, a security of a person or company of which a registered firm is a subsidiary</u>;</p> <p>(c) <u>all or</u> a substantial part of the assets of a registered firm.</p> <p>(2) The notice required under subsection (1) must <u>be delivered to the regulator at least 30 days before the proposed acquisition and must</u> include all relevant facts regarding the acquisition <u>sufficient to permit enable</u> the regulator to determine if it <u>the acquisition</u> is</p> <p>(a) likely to give rise to conflicts <u>a conflict</u> of interest,</p> <p>(b) likely to hinder the registered firm in complying with securities legislation,</p> <p>(c) inconsistent with an adequate level of investor protection, or</p>

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<p>(a) a proposed acquisition in connection with an amalgamation, merger, arrangement, reorganization or treasury issue if the beneficial ownership of, or direct or indirect control or direction over, the person or company whose security is to be acquired will not change;</p> <p>(b) a registrant who, alone or in combination with any other person or company, proposes to acquire securities that, together with the securities already beneficially owned, or over which direct or indirect control or direction is already exercised, do not exceed more than 10% of any class or series of securities that are listed and posted for trading on an exchange.</p> <p>(4) Except in Ontario and British Columbia, if, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</p> <p>(5) In Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1)(a) or (c), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</p> <p>(6) Following receipt of a notice of objection under subsection (4) or (5), the person or company who submitted the notice to the regulator may request an opportunity to be heard on the matter.</p>	<p>company who submitted the notice to the regulator may request the regulator to hold a hearing on the matter.</p> <p>(5) Subsection (1) does not apply to</p> <p>(a) an acquisition by a registered firm in the ordinary course of its business of trading in securities, or</p> <p>(b) an amalgamation, merger, arrangement or reorganization in which the direct or indirect beneficial ownership of a registered firm does not change.</p>	<p>(4) otherwise prejudicial to the public interest.</p> <p><u>(3) Subsection (1) does not apply to the following:</u></p> <p><u>(a) a proposed acquisition in connection with an amalgamation, merger, arrangement, reorganization or treasury issue if the beneficial ownership of, or direct or indirect control or direction over, the person or company whose security is to be acquired will not change;</u></p> <p><u>(b) a registrant who, alone or in combination with any other person or company, proposes to acquire securities that, together with the securities already beneficially owned, or over which direct or indirect control or direction is already exercised, do not exceed more than 10% of any class or series of securities that are listed and posted for trading on an exchange.</u></p> <p><u>(4) Except in Ontario and British Columbia, if, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</u></p> <p>(35) -# In Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it. <u>(a) or (c), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</u></p>

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		<p style="text-align: center;">(4-6) Following receipt of a notice of objection under subsection (34) or (5), the person or company who submitted the notice to the regulator may request <u>an opportunity to be heard on the regulator to hold a hearing on the matter.</u></p> <p style="text-align: center;">(5) Subsection (1) does not apply to</p> <p style="text-align: center;">(a) an acquisition by a registered firm in the ordinary course of its business of trading in securities, or</p> <p style="text-align: center;">(b) an amalgamation, merger, arrangement or reorganization in which the direct or indirect beneficial ownership of a registered firm does not change.</p>
<p>11.10 Registered firm whose securities are acquired</p> <p>(1) A registered firm must give the regulator written notice in accordance with subsection (2) if it knows or has reason to believe that any person or company, alone or in combination with any other person or company, is about to acquire, or has acquired, beneficial ownership of, or direct or indirect control or direction over, 10% or more of any class or series of voting securities of any of the following:</p> <p>(a) the registered firm;</p> <p>(b) a person or company of which the registered firm is a subsidiary.</p> <p>(2) The notice required under subsection (1) must,</p>	<p>[6.7 of Feb 2007]</p> <p>Acquisition of securities or assets of a registrant</p> <p>6.7 (1) A person or company must give prior written notice to the regulator of the direct or indirect acquisition of</p> <p>(a) beneficial ownership of, or control or direction over,</p> <p>(i) ten per cent or more of the securities of a registrant; and Proposed NI 31-103 Registration Requirements Supplement to the OSC Bulletin February 23, 2007 51 (2007) 30 OSCB (Supp-2)</p> <p>(ii) any increase thereafter of more than 5 per cent of the outstanding securities of the registrant; and</p>	<p>[6.7 of Feb 2007] Acquisition of <u>11.10 Registered firm whose securities or assets of a registrant are acquired</u></p> <p>6.7 (1) A person or company must give prior written notice to the regulator of the direct or indirect acquisition of (a) beneficial ownership of, or (1) <u>A registered firm must give the regulator written notice in accordance with subsection (2) if it knows or has reason to believe that any person or company, alone or in combination with any other person or company, is about to acquire, or has acquired, beneficial ownership of, or direct or indirect control or direction over, (i) ten per cent 10% or more of the any class or series of voting securities of a registrant; and any of the following:</u> Proposed NI 31-103 Registration Requirements Supplement to the OSC Bulletin February 23, 2007 51 (2007) 30 OSCB (Supp-2) <u>(ii) any increase thereafter of more than 5 per cent</u></p>

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<p>(a) be delivered to the regulator as soon as possible,</p> <p>(b) include the name of each person or company involved in the acquisition, and</p> <p>(c) after the registered firm has applied reasonable efforts to gather all relevant facts, include facts regarding the acquisition sufficient to enable the regulator to determine if the acquisition is</p> <p>(i) likely to give rise to a conflict of interest,</p> <p>(ii) likely to hinder the registered firm in complying with securities legislation,</p> <p>(iii) inconsistent with an adequate level of investor protection, or</p> <p>(iv) otherwise prejudicial to the public interest.</p> <p>(3) This section does not apply to an amalgamation, merger, arrangement, reorganization or treasury issue in which the beneficial ownership of a registered firm does not change.</p> <p>(4) This section does not apply if notice of the transaction was provided under section 11.9 [registrant acquiring a registered firm's securities or assets].</p> <p>(5) Except in British Columbia and Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the person or company making the acquisition that the</p>	<p>(b) a substantial part of the assets of a registrant.</p> <p>(2) The notice in subsection (1) must</p> <p>(a) be filed with the regulator at least 30 days before the acquisition; and</p> <p>(b) include all relevant facts to permit the regulator to determine if the acquisition</p> <p>(i) is likely to give rise to conflicts of interest;</p> <p>(ii) is likely to hinder the registrant in complying with the conditions of registration applicable to it;</p> <p>(iii) is inconsistent with an adequate level of investor protection; or</p> <p>(iv) is otherwise prejudicial to the public interest.</p> <p>(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.</p> <p>(4) Following receipt of a notice of objection under subsection (3), the person or company who submitted the notice to the regulator may request the regulator to hold a hearing on the matter.</p> <p>(5) Subsection (1) does not apply to an acquisition by a registrant in the ordinary course of its business</p>	<p>of the outstanding securities of the registrant; and</p> <p><u>(a) the registered firm;</u></p> <p>(b) a substantial part of the assets of a registrant.</p> <p><u>(b) a person or company of which the registered firm is a subsidiary.</u></p> <p>(2) The notice is <u>required under</u> subsection (1) must.</p> <p>(a) be filed with <u>delivered to</u> the regulator at least 30 days before <u>as soon as possible</u>.</p> <p><u>(b) include the name of each person or company involved in</u> the acquisition; and</p> <p>(b) include (c) <u>after the registered firm has applied reasonable efforts to gather</u> all relevant facts to permit, include facts regarding the acquisition sufficient to enable the regulator to determine if the acquisition (i) is</p> <p><u>(i)</u> likely to give rise to conflicts <u>a conflict</u> of interest; and</p> <p>(ii) is- likely to hinder the registrant <u>registered firm</u> in complying with the conditions of registration applicable to <u>securities legislation</u>.</p> <p>(iii) is- inconsistent with an adequate level of investor protection; or</p>

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<p>regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</p> <p>(6) In Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1)(a), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</p> <p>(7) Following receipt of a notice of objection under subsection (5) or (6), the person or company proposing to make the acquisition may request an opportunity to be heard on the matter.</p>	<p>of dealing in securities.</p>	<p>(iv) is otherwise prejudicial to the public interest.</p> <p>(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.</p> <p><u>(3) This section does not apply to an amalgamation, merger, arrangement, reorganization or treasury issue in which the beneficial ownership of a registered firm does not change.</u></p> <p><u>(4) This section does not apply if notice of the transaction was provided under section 11.9 [registrant acquiring a registered firm's securities or assets].</u></p> <p><u>(5) Except in British Columbia and Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</u></p> <p><u>(6) In Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1)(a), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.</u></p> <p><u>(7) Following receipt of a notice of objection under subsection (3) or (6), the person or company who submitted the notice proposing to make the regulator acquisition may request the regulator to hold a hearing an opportunity to be heard on the</u></p>

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		matter. (5) Subsection (1) does not apply to an acquisition by a registrant in the ordinary course of its business of dealing in securities.
Part 12 Financial condition		
Division 1 Working capital		
12.1 Capital requirements	Capital requirement	<u>12.1</u> Capital requirement <u>requirements</u>
(1) 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 possible.	4.18 (1) A registered firm must ensure that its excess working capital, as calculated using Form 31-103F1 Calculation of excess working capital, is not less than zero.	<u>(1) 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 possible.</u>
(2) A registered firm must ensure that its excess working capital, as calculated using Form 31-103F1 Calculation of Excess Working Capital, is not less than zero for 2 consecutive days.	(2) For the purpose of completing Form 31-103F1 Calculation of excess working capital, the minimum capital is	4.18 (2) A registered firm must ensure that its excess working capital, as calculated using Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u> , is not less than zero for 2 consecutive days .
(3) For the purpose of completing Form 31-103F1 Calculation of Excess Working Capital, the minimum capital is	(a) \$25,000, for an adviser,	<u>(23)</u> For the purpose of completing Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u> , the minimum capital is
(a) \$25,000, for a registered adviser that is not also a registered dealer or a registered investment fund manager,	(b) \$50,000, for a dealer, and	(a) \$25,000, for an adviser, a registered adviser that is not also a registered dealer or a registered investment fund manager,
(b) \$50,000, for a registered dealer that is not also a registered investment fund manager, and	(c) \$100,000, for an investment fund manager.	(b) \$50,000, for a dealer <u>registered dealer that is not also a registered investment fund manager,</u> and
(c) \$100,000, for a registered investment fund manager.	(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 no later than the 20th business day after the end of the month.	(c) \$100,000, for an <u>a registered</u> investment
(4) Paragraph (3)(c) does not apply to a	Report capital deficiency	
	4.19 If, at any time, the excess working capital of a registered firm, as calculated using Form 31-	

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<p>registered investment fund manager that is exempt from the dealer registration requirement under section 8.6 [adviser – non-prospectus qualified investment fund] in respect of all investment funds for which it acts as adviser.</p>	<p>103F1 Calculation of excess working capital, is less than zero, the registered firm must notify the regulator as soon as practicable.</p>	<p>fund manager.</p> <p>(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 no later than the 20th business day after the end of the month.</p> <p>Report capital deficiency</p> <p><u>(4) Paragraph (3)(c) does not apply to a registered investment fund manager that is exempt from the dealer registration requirement under section 8.6 [adviser – non-prospectus qualified investment fund] in respect of all investment funds for which it acts as adviser.</u></p> <p>4.19 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.</p>
<p>12.2 Notifying the regulator of a subordination agreement</p> <p>If a registered firm has executed a subordination agreement, the effect of which is to exclude an amount from its long-term related party debt as calculated on Form 31-103F1 Calculation of Excess Working Capital, the firm must notify the regulator 5 days before it</p> <p>(a) repays the loan or any part of the loan, or</p> <p>(b) terminates the agreement.</p>	<p>Subordination agreement – notice requirement</p> <p>4.20 If a registered firm has executed a subordination agreement for the purpose of reducing its long-term related party debt on Form 31-103F1 Calculation of excess working capital, the firm must notify the regulator 5 days before it</p> <p>(a) repays the loan or any part of the loan, or</p> <p>(b) terminates the agreement.</p>	<p>Subordination <u>12.2 Notifying the regulator of a subordination agreement</u> —notice requirement</p> <p>4.20 <u>If a registered firm has executed a subordination agreement for the purpose of reducing, the effect of which is to exclude an amount from</u> its long-term related party debt <u>as calculated</u> on Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u>, the firm must notify the regulator 5 days before it</p> <p>(a) repays the loan or any part of the loan, or</p> <p>(b) terminates the agreement.</p>
<p>Division 2 Insurance</p>		

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<p>12.3 Insurance – dealer</p> <p>(1) A registered dealer must maintain bonding or insurance</p> <p>(a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage.</p> <p>(2) A registered dealer must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts for each clause:</p> <p>(a) \$50,000 per employee, agent and dealing representative or \$200,000, whichever is less;</p> <p>(b) one per cent of the total client assets that the dealer holds or has access to, as calculated using the dealer's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) one per cent of the dealer's total assets, as calculated using the dealer's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(d) the amount determined to be appropriate by a resolution of the dealer's board of directors, or individuals acting in a similar capacity for the firm.</p> <p>(3) In Québec, this section does not apply to a scholarship plan dealer or a mutual fund dealer registered only in Québec.</p>	<p>Insurance – dealer</p> <p>4.21 (1) A registered dealer must maintain bonding or insurance with a single loss limit in the highest of the following amounts:</p> <p>(a) \$50,000 per employee, agent and dealing representative or \$200,000, whichever is less;</p> <p>(b) one per cent 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;</p> <p>(c) one per cent of the dealer's total assets, as calculated using the dealer's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(d) the amount determined to be appropriate by a resolution of the board of directors of the dealer.</p> <p>(2) A registered dealer must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p> <p>(a) that contains the clauses set out in Appendix A,</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) whose terms are otherwise acceptable to the regulator.</p> <p>(3) In Québec, this section does not</p>	<p><u>12.3</u> Insurance – dealer</p> <p>4.21 (1) A registered dealer must maintain bonding or insurance with a single loss limit</p> <p><u>(a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and</u></p> <p><u>(b) that provides for a double aggregate limit or a full reinstatement of coverage.</u></p> <p><u>(2) A registered dealer must maintain bonding or insurance in respect of each clause set out in Appendix A and</u> in the highest of the following amounts <u>for each clause:</u></p> <p>(a) \$50,000 per employee, agent and dealing representative or \$200,000, whichever is less;</p> <p>(b) one per cent 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;</p> <p>(c) one per cent of the dealer's total assets, as calculated using the dealer's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(d) the amount determined to be appropriate by a resolution of the <u>dealer's</u> board of directors of the dealer, or individuals acting in a similar capacity for the firm.</p> <p>(2) A registered dealer must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p>

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	apply to a scholarship plan dealer.	<p>(a) — that contains the clauses set out in Appendix A,</p> <p>(b) — that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) — whose terms are otherwise acceptable to the regulator.</p> <p>(3) In Québec, this section does not apply to a scholarship plan dealer <u>or a mutual fund dealer registered only in Québec.</u></p>
<p>12.4 Insurance – adviser</p> <p>(1) A registered adviser must maintain bonding or insurance</p> <p>(a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage.</p> <p>(2) A registered adviser that does not hold or have access to client assets must maintain bonding or insurance in respect of each clause set out in Appendix A and in the amount of \$50,000 for each clause.</p> <p>(3) A registered adviser that holds or has access to client assets must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts for each clause:</p>	<p>Insurance – adviser</p> <p>4.22 (1) A registered adviser that does not handle, hold, or have access to client assets, including cheques and other similar instruments, must maintain bonding or insurance with a single loss limit of \$50,000.</p> <p>(2) A registered adviser that handles, holds, or has access to client assets, including cheques and other similar instruments, must maintain bonding or insurance with a single loss limit in the highest of the following amounts:</p> <p>(a) one per cent of assets under management that the adviser handles, holds, or has access to, as calculated using the adviser’s most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the adviser’s total assets, as calculated using the adviser’s most recent financial records, or \$25,000,000, whichever is less;</p>	<p><u>12.4</u> Insurance – adviser</p> <p>4.22 (1) A registered adviser <u>must maintain bonding or insurance</u></p> <p>(a) — that contains the clauses set out in Appendix A [bonding and insurance clauses], and</p> <p>(b) — that provides for a double aggregate limit or a full reinstatement of coverage.</p> <p>(2) A registered adviser that does not handle, hold, or have access to client assets, including cheques and other similar instruments, must maintain bonding or insurance with a single loss limit of \$50,000 in respect of each clause set out in Appendix A and in the amount of \$50,000 for each clause.</p> <p>(23) A registered adviser that handles, holds, or has access to client assets, including cheques and other similar instruments, must maintain bonding or insurance with a single loss</p>

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<p>(a) one per cent of assets under management that the adviser holds or has access to, as calculated using the adviser's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the adviser's total assets, as calculated using the adviser's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the adviser's board of directors or individuals acting in a similar capacity for the firm.</p>	<p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the board of directors of the adviser.</p> <p style="padding-left: 40px;">(3) A registered adviser must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p> <p>(a) that contains the clauses set out in Appendix A,</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) whose terms are otherwise acceptable to the regulator.</p>	<p>limit in respect of each clause set out in Appendix A and in the highest of the following amounts <u>for each clause</u>:</p> <p>(a) one per cent of assets under management that the adviser handles, holds, or has access to, as calculated using the adviser's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the adviser's total assets, as calculated using the adviser's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the <u>adviser's</u> board of directors of the adviser. <u>or individuals acting in a similar capacity for the firm.</u></p> <p>———— (3) ——— A registered adviser must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p> <p>(a) ——— that contains the clauses set out in Appendix A,</p> <p>(b) ——— that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) ——— whose terms are otherwise acceptable to the regulator.</p>
12.5 Insurance – investment fund manager	Insurance – investment fund manager	<u>12.5</u> Insurance – investment fund manager
(1) A registered investment fund manager	4.23 (1) A registered investment fund	4.23 (1) A registered investment fund

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<p>must maintain bonding or insurance</p> <p>(a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage.</p> <p>(2) A registered investment fund manager must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts for each clause:</p> <p>(a) one per cent of assets under management, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the investment fund manager's total assets, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the investment fund manager's board of directors or individuals acting in a similar capacity for the firm.</p>	<p>manager must maintain bonding or insurance with a single loss limit in the highest of the following amounts:</p> <p>(a) one per cent of assets under management, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the investment fund manager's total assets, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the directors of the investment fund manager.</p> <p>(2) A registered investment fund manager must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p> <p>(a) that contains the clauses set out in Appendix A,</p> <p>(b) that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) whose terms are otherwise acceptable to the regulator.</p>	<p>manager must maintain bonding or insurance with a single loss limit</p> <p><u>(a) that contains the clauses set out in Appendix A [bonding and insurance clauses], and</u></p> <p><u>(b) that provides for a double aggregate limit or a full reinstatement of coverage.</u></p> <p><u>(2) A registered investment fund manager must maintain bonding or insurance in respect of each clause set out in Appendix A and in the highest of the following amounts: for each clause:</u></p> <p>(a) one per cent of assets under management, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(b) one per cent of the investment fund manager's total assets, as calculated using the investment fund manager's most recent financial records, or \$25,000,000, whichever is less;</p> <p>(c) \$200,000;</p> <p>(d) the amount determined to be appropriate by a resolution of the directors of the investment fund manager's <u>board of directors or individuals acting in a similar capacity for the firm.</u></p> <p>(2) A registered investment fund manager must maintain bonding or insurance, provided by an insurer lawfully carrying on business in the local jurisdiction,</p>

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		<p>(a) — that contains the clauses set out in Appendix A,</p> <p>(b) — that provides for a double aggregate limit or a full reinstatement of coverage, and</p> <p>(c) — whose terms are otherwise acceptable to the regulator.</p>
<p>12.6 Global bonding or insurance</p> <p>A registered firm may not maintain bonding or insurance under this Division that benefits, or names as an insured, another person or company unless the bond provides, without regard to the claims, experience or any other factor referable to that other person or company, the following:</p> <p>(a) the registered firm has the right to claim directly against the insurer in respect of losses, and any payment or satisfaction of those losses must be made directly to the registered firm;</p> <p>(b) the individual or aggregate limits under the policy may only be affected by claims made by or on behalf of</p> <p>(i) the registered firm, or</p> <p>(ii) a subsidiary of the registered firm whose financial results are consolidated with those of the registered firm.</p>	<p>4.24 Global financial institution bonds</p> <p>For the purposes of this Division, a registered firm may maintain bonding or insurance that benefits, or names as an insured, another person or company only if the bond provides that, without regard to the claims, experience or any other factor referable to that other person or company,</p> <p>(a) the registered firm has the right to claim directly against the insurer in respect of losses, and any payment or satisfaction of such losses must be made directly to the registered firm, and</p> <p>(b) the individual or aggregate limits under the policy may only be affected by claims made by or on behalf of</p> <p>(i) the registered firm, or</p> <p>(ii) a subsidiary of the registered firm whose financial results are consolidated with those of the registered firm.</p>	<p><u>12.6</u> Global financial institution bonds <u>bonding or insurance</u></p> <p>4.24 — For the purposes of this Division, a registered firm may <u>not</u> maintain bonding or insurance <u>under this Division</u> that benefits, or names as an insured, another person or company <u>only if unless</u> the bond provides that, without regard to the claims, experience or any other factor referable to that other person or company, <u>the following:</u></p> <p>(a) the registered firm has the right to claim directly against the insurer in respect of losses, and any payment or satisfaction of such those losses must be made directly to the registered firm, and;</p> <p>(b) the individual or aggregate limits under the policy may only be affected by claims made by or on behalf of</p> <p>(i) the registered firm, or</p> <p>(ii) a subsidiary of the registered firm whose financial results are consolidated with those of the registered firm.</p>

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<p>12.7 Notifying the regulator of a change, claim or cancellation</p> <p>A registered firm must, as soon as possible, notify the regulator in writing of any change in, claim made under, or cancellation of any insurance policy required under this Division.</p>	<p>Notice of change, claim or cancellation</p> <p>4.25 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.</p>	<p>Notice<u>12.7</u> Notifying the regulator of a change, claim or cancellation</p> <p>4.25—A registered firm must, as soon as practicable <u>possible</u>, notify the regulator in writing of any change in, claim made under, or cancellation of any insurance policy required under this Division.</p>
Division 3 Audits		
<p>12.8 Direction by a regulator to conduct an audit or review</p> <p>A registered firm must direct its auditor in writing to conduct any audit or review required by the regulator during its registration and must submit a copy of the direction to the regulator</p> <p>(a) with its application for registration, and</p> <p>(b) no later than the 7th day after the registered firm changes its auditor.</p>	<p>Direction to auditor</p> <p>4.27 (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</p> <p>(a) with its application for registration, and</p> <p>(b) no later than the 5th business day after the registered firm changes its auditor.</p> <p>(2) The regulator may order a registered firm to direct its auditor, at the registered firm's expense, to conduct any audit or review required by the regulator and deliver the audit or review to the regulator as soon as practicable.</p>	<p><u>12.8</u> Direction to auditor <u>by a regulator to conduct an audit or review</u></p> <p>4.27 (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<u>submit</u> a copy of the direction to the regulator</p> <p>(a) with its application for registration, and</p> <p>(b) no later than the <u>5</u>7th business-day after the registered firm changes its auditor.</p> <p>————(2)————The regulator may order a registered firm to direct its auditor, at the registered firm's expense, to conduct any audit or review required by the regulator and deliver the audit or review to the regulator as soon as practicable.</p>
<p>12.9 Co-operating with the auditor</p> <p>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.</p>	<p>Cooperation with auditor</p> <p>4.33 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.</p>	<p>Cooperation<u>12.9</u> Co-operating with <u>the</u> auditor</p> <p>4.33—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.</p>
Division 4 Financial reporting		

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<p>12.10 Annual financial statements</p> <p>(1) The annual financial statements delivered to the regulator under this Division must include the following:</p> <p>(a) an income statement, a statement of retained earnings and a cash flow statement, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</p> <p>(b) a balance sheet, signed by at least one director of the registered firm, as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</p> <p>(c) notes to the financial statements.</p> <p>(2) The annual financial statements delivered to the regulator under this Division must be audited.</p> <p>(3) The annual financial statements delivered to the regulator under this Division must be prepared in accordance with National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, except that the statements must be prepared on a non-consolidated basis.</p>	<p>Content of annual financial statements</p> <p>4.31 The annual financial statements delivered to the regulator under this Division must include</p> <p>(a) an income statement, a statement of retained earnings and a statement of cash flows, each for the fiscal year, and</p> <p>(b) a balance sheet as at the end of the fiscal year, signed by at least one director of the registered firm.</p> <p>Preparation of financial statements</p> <p>4.32 (1) The annual and quarterly financial statements delivered to the regulator under this Division must be prepared in accordance with generally accepted accounting principles, except that the statements are to be prepared on an unconsolidated basis.</p> <p>(2) The annual financial statements delivered to the regulator under this Division must be accompanied by an auditor's report that is prepared in accordance with generally accepted auditing standards.</p>	<p>Content of annual financial statements</p> <p><u>12.10 Annual</u> financial statements</p> <p>4.31 (1) The annual financial statements delivered to the regulator under this Division must include <u>the following</u>:</p> <p>(a) an income statement, a statement of retained earnings and a <u>cash flow</u> statement of cash flows, each for the fiscal year, and, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</p> <p>(b) a balance sheet as at the end of the fiscal year, signed by at least one director of the registered firm as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;</p> <p>(c) <u>notes to the financial statements.</u></p> <p>Preparation of financial statements</p> <p><u>(2) The annual financial statements delivered to the regulator under this Division must be audited.</u></p> <p>4.32 (1) The annual and quarterly financial statements delivered to the regulator under this Division must be prepared in accordance with generally accepted accounting principles <u>National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency</u>, except that the statements are to be <u>must</u> be prepared on an unconsolidated <u>a non-consolidated</u> basis.</p>

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		<p>———— (2) ——— The annual financial statements delivered to the regulator under this Division must be accompanied by an auditor's report that is prepared in accordance with generally accepted auditing standards.</p>
<p>12.11 Interim financial information</p> <p>(1) The interim financial information delivered to the regulator under this Division may be limited to the following:</p> <p>(a) an income statement for the interim period and for the same period of the immediately preceding financial year, if any;</p> <p>(b) a balance sheet, signed by at least one director of the registered firm, as at the end of the interim period and for the same period of the immediately preceding financial year, if any.</p> <p>(2) The interim financial information delivered to the regulator under this Division must be prepared using the same accounting principles that the registered firm uses to prepare its annual financial statements.</p>	<p>New Provision</p>	<p><u>12.11 Interim financial information</u></p> <p><u>(1) The interim financial information delivered to the regulator under this Division may be limited to the following:</u></p> <p><u>(a) an income statement for the interim period and for the same period of the immediately preceding financial year, if any;</u></p> <p><u>(b) a balance sheet, signed by at least one director of the registered firm, as at the end of the interim period and for the same period of the immediately preceding financial year, if any.</u></p> <p><u>(2) The interim financial information delivered to the regulator under this Division must be prepared using the same accounting principles that the registered firm uses to prepare its annual financial statements.</u></p>
<p>12.12 Delivering financial information – dealer</p> <p>(1) A registered dealer must deliver the following to the regulator no later than the 90th day after the end of its financial year:</p> <p>(a) its annual financial statements for the financial year;</p> <p>(b) a completed Form 31-103F1 Calculation of Excess Working Capital, showing the calculation of</p>	<p>Delivering financial information – dealer</p> <p>4.28 (1) A registered dealer must deliver to the regulator no later than the 90th day after the end of its fiscal year</p> <p>(a) its annual financial statements for the fiscal year, and</p> <p>(b) a completed Form 31-103F1 Calculation of excess working capital, showing the calculation of</p>	<p><u>12.12 Delivering financial information – dealer</u></p> <p>4.28 <u>(1) A registered dealer must deliver the following</u> to the regulator no later than the 90th day after the end of its fiscal <u>financial</u> year.</p> <p>(a) its annual financial statements for the fiscal <u>financial</u> year, and;</p> <p>(b) a completed Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u>.</p>

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<p>the dealer's excess working capital as at the end of the financial year and as at the end of the immediately preceding financial year, if any.</p> <p>(2) A registered dealer must deliver the following to the regulator no later than the 30th day after the end of the first, second and third quarter of its financial year:</p> <p>(a) its interim financial information for the quarter;</p> <p>(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, if any.</p> <p>(3) Subsection (2) does not apply to an exempt market dealer.</p>	<p>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.</p> <p>(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</p> <p>(a) its financial statements for the quarter, and</p> <p>(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.</p>	<p>showing the calculation of the dealer's excess working capital as at the end of the fiscal <u>financial</u> year and as at the end of the immediately preceding fiscal <u>financial</u> year, <u>if any</u>.</p> <p>(2) A registered dealer must deliver <u>the following</u> to the regulator no later than the 30th day after the end of the first, second and third quarter of its fiscal <u>financial</u> year:</p> <p>(a) its <u>interim</u> financial statements <u>information</u> for the quarter, and;</p> <p>(b) a completed Form 31-103F1 Calculation of excess-working-capital <u>Excess Working Capital</u>, 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, <u>if any</u>.</p> <p><u>(3) Subsection (2) does not apply to an exempt market dealer.</u></p>
<p>12.13 Delivering financial information – adviser</p> <p>A registered adviser must deliver the following to the regulator no later than the 90th day after the end of its financial year:</p> <p>(a) its annual financial statements for the financial year;</p> <p>(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 financial year and as at the end of the immediately preceding financial year, if any.</p>	<p>Delivering financial information – adviser</p> <p>4.29 A registered adviser must deliver to the regulator no later than the 90th day after the end of its fiscal year</p> <p>(a) its annual financial statements for the fiscal year, and</p> <p>(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.</p>	<p><u>12.13</u> Delivering financial information – adviser</p> <p>4.29 A registered adviser must deliver <u>the following</u> to the regulator no later than the 90th day after the end of its fiscal <u>financial</u> year:</p> <p>(a) its annual financial statements for the fiscal <u>financial</u> year, and;</p> <p>(b) a completed Form 31-103F1 Calculation of excess-working-capital <u>Excess Working Capital</u>, showing the calculation of the adviser's excess working capital as at the end of the fiscal <u>financial</u> year and as at the end of the immediately preceding fiscal <u>financial</u> year, <u>if any</u>.</p>

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<p>12.14 Delivering financial information – investment fund manager</p> <p>(1) A registered investment fund manager must deliver the following to the regulator no later than the 90th day after the end of its financial year:</p> <p>(a) its annual financial statements for the financial year;</p> <p>(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 financial year and as at the end of the immediately preceding financial year, if any;</p> <p>(c) a description of any net asset value adjustment made in respect of an investment fund managed by the investment fund manager during the financial year.</p> <p>(2) A registered investment fund manager must deliver the following to the regulator no later than the 30th day after the end of the first, second and third quarter of its financial year:</p> <p>(a) its interim financial information for the quarter;</p> <p>(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, if any;</p>	<p>Delivering financial information – investment fund manager</p> <p>4.30 (1) A registered investment fund manager must deliver to the regulator no later than the 90th day after the end of its fiscal year</p> <p>(a) its annual financial statements for the fiscal year,</p> <p>(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</p> <p>(c) a description of any net asset value adjustment made during the fiscal year.</p> <p>(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</p> <p>(a) its financial statements for the quarter,</p> <p>(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</p> <p>(c) a description of any net asset value adjustment made during the quarter.</p> <p>(3) A description of a net asset value</p>	<p>12.14 Delivering financial information – investment fund manager</p> <p>4.30-</p> <p>(1) A registered investment fund manager must deliver <u>the following</u> to the regulator no later than the 90th day after the end of its fiscal <u>financial</u> year;<u>;</u></p> <p>(a) its annual financial statements for the fiscal <u>financial</u> year;<u>;</u></p> <p>(b) a completed Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u>, showing the calculation of the investment fund manager’s excess working capital as at the end of the fiscal <u>financial</u> year and as at the end of the immediately preceding fiscal <u>financial</u> year, and if any;<u>;</u></p> <p>(c) a description of any net asset value adjustment made <u>in respect of an investment fund managed by the investment fund manager</u> during the fiscal <u>financial</u> year.</p> <p>(2) A registered investment fund manager must deliver <u>the following</u> to the regulator no later than the 30th day after the end of the first, second and third quarter of its fiscal <u>financial</u> year;<u>;</u></p> <p>(a) its <u>interim</u> financial statements <u>information</u> for the quarter;<u>;</u></p> <p>(b) a completed Form 31-103F1 Calculation of excess working capital <u>Excess Working Capital</u>, 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</p>

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<p>(c) a description of any net asset value adjustment made in respect of an investment fund managed by the investment fund manager during the quarter.</p> <p>(3) A description of a net asset value adjustment referred to in this section must include the following:</p> <p>(a) the name of the fund;</p> <p>(b) assets under administration of the fund;</p> <p>(c) the cause of the adjustment;</p> <p>(d) the dollar amount of the adjustment;</p> <p>(e) 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.</p>	<p>adjustment referred to in this section must include</p> <p>(a) the cause of the adjustment,</p> <p>(b) the dollar amount of the adjustment, and</p> <p>(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.</p>	<p>preceding quarter, and <u>if any:</u></p> <p>(c) a description of any net asset value adjustment made <u>in respect of an investment fund managed by the investment fund manager</u> during the quarter.</p> <p>(3) A description of a net asset value adjustment referred to in this section must include <u>the following:</u></p> <p>(a) <u>the name of the fund;</u></p> <p>(b) <u>assets under administration of the fund;</u></p> <p>(c) <u>the cause of the adjustment;</u></p> <p>(bd) the dollar amount of the adjustment, and;</p> <p>(ee) 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.</p>
Part 13 Dealing with clients – individuals and firms		
Division 1 Know your client and suitability		
<p>13.1 Investment fund managers exempt from this Division</p> <p>This Division does not apply to an investment fund manager.</p>	<p>Exemption for investment fund managers</p> <p>5.1 This Division does not apply to an investment fund manager.</p>	<p>Exemption for investment <u>13.1 Investment</u> fund managers <u>exempt from this Division</u></p> <p>5.1 This Division does not apply to an investment fund manager.</p>
13.2 Know your client	Know-your-client	<u>13.2</u> Know- your- client
(1) For the purpose of paragraph 2(b) in	5.3 (1) A registrant must take reasonable	5.3 (1) <u>For the purpose of paragraph 2(b)</u>

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<p>Ontario, Nova Scotia and New Brunswick, “insider” has the meaning ascribed to that term in the Securities Act except that “reporting issuer”, as it appears in the definition of “insider”, is to be read as “reporting issuer or any other issuer whose securities are publicly traded”.</p> <p>(2) A registrant must take reasonable steps to</p> <p>(a) establish the identity of a client and, if the registrant has cause for concern, make reasonable inquiries as to the reputation of the client,</p> <p>(b) establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded,</p> <p>(c) ensure that it has sufficient information regarding all of the following to enable it to meet its obligations under section 13.3 or, if applicable, the suitability requirement imposed by an SRO:</p> <p>(i) the client’s investment needs and objectives;</p> <p>(ii) the client’s financial circumstances;</p> <p>(iii) the client’s risk tolerance, and</p> <p>(d) establish the creditworthiness of the client if the registered firm is financing the client’s acquisition of a security.</p> <p>(3) For the purpose of establishing the identity of a client that is a corporation, partnership or trust under paragraph (2)(a), the registrant must establish</p>	<p>steps to</p> <p>(a) establish the identity of a client and, where there may be cause for concern, the reputation of the client,</p> <p>(b) ascertain whether a client is an insider of an issuer,</p> <p>(c) ensure that it has sufficient information about a client to enable it to meet its regulatory obligations when it</p> <p>(i) makes a recommendation to the client,</p> <p>(ii) accepts an instruction to trade from the client, or</p> <p>(iii) makes a discretionary purchase or sale of a security on behalf of the client, and</p> <p>(d) establish the creditworthiness of a client, if the registered firm is financing the client’s acquisition of a security.</p> <p>(2) For the purpose of establishing the identity of a client that is a corporation under paragraph (1)(a), the registrant must establish the nature of the client’s business and the identity of any individual who is a beneficial owner, directly or indirectly, of more than ten per cent of the client.</p> <p>(3) In paragraph (1)(b), “insider” has the meaning ascribed to that term in the Act except that “reporting issuer”, as it appears in the definition of “insider”, is to be read as “issuer”.</p>	<p><u>in Ontario, Nova Scotia and New Brunswick, “insider” has the meaning ascribed to that term in the Securities Act except that “reporting issuer”, as it appears in the definition of “insider”, is to be read as “reporting issuer or any other issuer whose securities are publicly traded”.</u></p> <p><u>(2)</u> A registrant must take reasonable steps to</p> <p>(a) establish the identity of a client and, where there may be if the registrant has cause for concern, <u>make reasonable inquiries as to</u> the reputation of the client,</p> <p>(b) ascertain <u>establish</u> whether a the client is an insider of an issuer, a reporting issuer or any other issuer whose securities are publicly traded,</p> <p>(c) ensure that it has sufficient information about a client <u>regarding all of the following</u> to enable it to meet its regulatory obligations when it <u>under section 13.3 or, if applicable, the suitability requirement imposed by an SRO:</u></p> <p>(i) makes a recommendation to the client, ’s <u>investment needs and objectives;</u></p> <p>(ii) accepts an instruction to trade from the client, ’s <u>financial circumstances;</u></p> <p>(iii) makes a discretionary purchase or sale of a security on behalf of the client’s <u>risk tolerance,</u> and</p>

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<p>the following:</p> <p>(a) the nature of the client's business;</p> <p>(b) the identity of any individual who,</p> <p>(i) in the case of a corporation, is a beneficial owner of, or exercises direct or indirect control or direction over, more than 10% of the voting rights attached to the outstanding voting securities of the corporation, or</p> <p>(ii) in the case of a partnership or trust, exercises control over the affairs of the partnership or trust.</p> <p>(4) A registrant must take reasonable steps to keep the information required under this section current.</p> <p>(5) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p> <p>(6) Paragraph (2)(c) does not apply to a registrant in respect of a permitted client if</p> <p>(a) the permitted client has waived, in writing, the requirements under subsections 13.3(1) and (2), and</p> <p>(b) the registrant does not act as an adviser in respect of a managed account of the permitted client.</p>	<p>(4) A registrant must make reasonable efforts to keep the information required under this section current.</p> <p>(5) Paragraph (1)(c) does not apply if</p> <p>(a) the client is a permitted client that has waived, in writing, the requirements under subsections 5.5(1) and (2) [suitability], or</p> <p>(b) the client is a permitted client and the registrant is an exempt market dealer.</p> <p>(6) Paragraph (1)(d) does not apply if the client is a permitted client and the registrant is an exempt market dealer.</p> <p>(7) Despite subsections (5) and (6), this section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p>	<p>(d) establish the creditworthiness of a <u>the</u> client; if the registered firm is financing the client's acquisition of a security.</p> <p>(23) For the purpose of establishing the identity of a client that is a corporation, <u>partnership or trust</u> under paragraph (42)(a), the registrant must establish <u>the following</u>:</p> <p><u>(a) the nature of the client's business</u> and;</p> <p><u>(b) the identity of any individual who</u>;</p> <p><u>(i) in the case of a corporation</u>, is a beneficial owner, directly or indirectly, of more than ten per cent of the client, of, or exercises direct or indirect control or direction over, more than 10% of the voting rights attached to the outstanding voting securities of the corporation, or</p> <p>(3) In paragraph (1)(b), "insider" has the meaning ascribed to that term in the Act except that "reporting issuer", as it appears in the definition of "insider", is to be read as "issuer".</p> <p><u>(ii) in the case of a partnership or trust, exercises control over the affairs of the partnership or trust.</u></p> <p>(4) A registrant must make <u>take</u> reasonable efforts <u>steps</u> to keep the information required under this section current.</p> <p>(5) Paragraph (1)(c) does not apply if</p> <p>(a) the client is a permitted client that has</p>

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		<p>waived, in writing, the requirements under subsections 5.5(1) and (2) [suitability], or</p> <p>(b) — the client is a permitted client and the registrant is an exempt market dealer.</p> <p>(6) — Paragraph (1)(d) does not apply if the client is a permitted client and the registrant is an exempt market dealer.</p> <p>(7) — Despite subsections (5) and (6), this (5) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p> <p><u>(6) — Paragraph (2)(c) does not apply to a registrant in respect of a permitted client if</u></p> <p><u>(a) — the permitted client has waived, in writing, the requirements under subsections 13.3(1) and (2), and</u></p> <p><u>(b) — the registrant does not act as an adviser in respect of a managed account of the permitted client.</u></p>
<p>13.3 Suitability</p> <p>(1) A registrant must take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from a client to buy or sell a security, or makes a purchase or sale of a security for a client’s managed account, the purchase or sale is suitable for the client.</p> <p>(2) If a client instructs a registrant to buy, sell or hold a security and in the registrant’s reasonable opinion following the instruction would not be</p>	<p>Suitability</p> <p>5.5 (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</p> <p>(a) financial circumstances,</p>	<p><u>13.3</u> Suitability</p> <p>5.5 (1) A registrant must take reasonable steps to ensure that, before it makes a recommendation to, or accepts instructions an <u>instruction</u> from, a client <u>to buy or sell a security</u>, or makes a discretionary purchase or sale of a security on behalf of for a client’s <u>managed account</u>, the proposed purchase or sale is suitable for the client with reference to the client’s</p>

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<p>suitable for the client, the registrant must inform the client of the registrant's opinion and must not buy or sell the security unless the client instructs the registrant to proceed nonetheless.</p> <p>(3) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p> <p>(4) This section does not apply to a registrant in respect of a permitted client if</p> <p>(a) the permitted client has waived, in writing, the requirements under this section, and</p> <p>(b) the registrant does not act as an adviser in respect of a managed account of the permitted client.</p>	<p>(b) risk tolerance,</p> <p>(c) investment knowledge, and</p> <p>(d) investment needs and objectives.</p> <p>(2) If a client instructs a registrant to buy, sell or hold a security and in the registrant's opinion, acting reasonably, following the instruction would not be suitable for the client, the registrant must inform the client of the registrant's opinion and must not buy or sell the security unless the client instructs the registrant to proceed nonetheless.</p> <p>(3) This section does not apply in respect of a permitted client if</p> <p>(a) the permitted client has waived, in writing, the requirements under subsections (1) and (2), or</p> <p>(b) the registrant is an exempt market dealer.</p> <p>(4) Despite subsection (3), this section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p>	<p>(a) financial circumstances,</p> <p>(b) risk tolerance,</p> <p>(c) investment knowledge, and</p> <p>(d) investment needs and objectives.</p> <p>(2) If a client instructs a registrant to buy, sell or hold a security and in the registrant's <u>reasonable</u> opinion, acting reasonably, following the instruction would not be suitable for the client, the registrant must inform the client of the registrant's opinion and must not buy or sell the security unless the client instructs the registrant to proceed nonetheless.</p> <p><u>(3) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</u></p> <p>(34) This section does not apply <u>to a registrant</u> in respect of a permitted client if</p> <p>(a) the permitted client has waived, in writing, the requirements under subsections (1) and (2), or <u>this section, and</u></p> <p>(b) the registrant is an exempt market dealer. <u>does not act as an adviser in respect of a managed account of the permitted client.</u></p>
Division 2	Conflicts of interest	

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<p>13.4 Identifying and responding to conflicts of interest</p> <p>(1) A registered firm must take reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that the registered firm in its reasonable opinion would expect to arise, between the firm, including each individual acting on the firm's behalf, and a client.</p> <p>(2) A registered firm must respond to an existing or potential conflict of interest identified under subsection (1).</p> <p>(3) If a reasonable investor would expect to be informed of a conflict of interest identified under subsection (1), the registered firm must disclose, in a timely manner, the nature and extent of the conflict of interest to the client whose interest conflicts with the interest identified.</p> <p>(4) This section does not apply to an investment fund manager in respect of an investment fund that is subject to National Instrument 81-107 Independent Review Committee for Investment Funds.</p>	<p>Identifying and responding to conflicts of interest</p> <p>6.1 (1) A registered firm must make reasonable efforts to identify existing conflicts of interest and conflicts the registered firm, acting reasonably, would expect to arise between the firm, including each individual acting on the firm's behalf, and its clients.</p> <p>(2) A registered firm must respond to a conflict of interest identified under subsection (1).</p> <p>(3) If a client, acting reasonably, would expect to be informed of a conflict of interest identified under subsection (1), the registered firm must disclose the nature and extent of the conflict of interest to the client.</p> <p>(4) This section does not apply to an investment fund manager in respect of an investment fund that is subject to National Instrument 81-107 Independent Review Committee for Investment Funds.</p>	<p><u>13.4</u> Identifying and responding to conflicts of interest</p> <p>6.1 (1) A registered firm must make<u>take</u> reasonable efforts <u>steps</u> to identify existing <u>material</u> conflicts of interest, and <u>material</u> conflicts <u>of interest</u> <u>that</u> the registered firm, acting reasonably, in its <u>reasonable opinion</u> would expect to arise, between the firm, including each individual acting on the firm's behalf, and its clients <u>a client</u>.</p> <p>(2) A registered firm must respond to a <u>an existing or potential</u> conflict of interest identified under subsection (1).</p> <p>(3) If a client, acting reasonably, <u>reasonable investor</u> would expect to be informed of a conflict of interest identified under subsection (1), the registered firm must disclose, <u>in a timely manner,</u> the nature and extent of the conflict of interest to the client <u>whose interest conflicts with the interest identified</u>.</p> <p>(4) This section does not apply to an investment fund manager in respect of an investment fund that is subject to National Instrument 81-107 Independent Review Committee for Investment Funds.</p>
<p>13.5 Restrictions on certain managed account transactions</p> <p>(1) In this section, “responsible person” means, for a registered adviser,</p> <p>(a) the adviser,</p> <p>(b) a partner, director or officer of the adviser,</p>	<p>Prohibition on certain managed account transactions</p> <p>6.1 (1) In this section, “responsible person” means, for a registered adviser,</p> <p>(a) the adviser, and</p> <p>(b) each of the following who has access to, or</p>	<p><u>13.4</u> Prohibition <u>Restrictions on certain managed account transactions</u></p> <p>6.2 (1) In this section, “responsible person” means, for a registered adviser,</p> <p>(a) the adviser,</p> <p><u>(b) a partner, director or officer of the adviser,</u></p>

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<p>and</p> <p>(c) each of the following who has access to, or participates in formulating, an investment decision made on behalf of a client of the adviser or advice to be given to a client of the adviser:</p> <p>(i) an employee or agent of the adviser;</p> <p>(ii) an affiliate of the adviser;</p> <p>(iii) a partner, director, officer, employee or agent of an affiliate of the adviser.</p> <p>(2) A registered adviser must not knowingly cause an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to do any of the following:</p> <p>(a) purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director unless</p> <p>(i) this fact is disclosed to the client, and</p> <p>(ii) the written consent of the client to the purchase is obtained before the purchase;</p> <p>(b) purchase or sell a security from or to the investment portfolio of any of the following:</p> <p>(i) a responsible person;</p> <p>(ii) an associate of a responsible person;</p>	<p>participates in formulating, an investment decision to be made on behalf of a client of the adviser or advice to be given to a client of the adviser:</p> <p>(i) a partner, director, officer, employee or agent of the adviser,</p> <p>(ii) an affiliate of the adviser,</p> <p>(iii) a partner, director, officer, employee or agent of an affiliate of the adviser,</p> <p>(iv) an associate of a person or company listed in subparagraph (i), (ii) or (iii).</p> <p>(2) A registered adviser must not cause an investment portfolio managed by it to</p> <p>(a) purchase or sell a security of an issuer in which a responsible person is a partner, officer, director, or employee, or for which a responsible person is an agent, unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase,</p> <p>(b) purchase or sell a security in which a responsible person has direct or indirect beneficial ownership, or over which a responsible person exercises control or direction, unless this fact is disclosed to the client and the client consents to the purchase in writing before the purchase,</p> <p>(c) purchase or sell a security from or to another investment portfolio managed by the adviser or a responsible person including an investment fund for which the adviser or responsible person acts as adviser, or</p>	<p>and</p> <p>(b) each of the following who has access to, or participates in formulating, an investment decision to be made on behalf of a client of the adviser or advice to be given to a client of the adviser:</p> <p>(i) <u>an employee or agent of the adviser;</u></p> <p>(ii) an affiliate of the adviser;</p> <p>(iii) a partner, director, officer, employee or agent of an affiliate of the adviser;</p> <p>(iv) an associate of a person or company listed in subparagraph (i), (ii) or (iii).</p> <p>(2) A registered adviser must not <u>knowingly</u> cause an investment portfolio managed by it to, <u>including an investment fund for which it acts as an adviser, to do any of the following:</u></p> <p>(a) purchase or sell a security of an issuer in which a responsible person <u>or an associate of a responsible person</u> is a partner, officer, <u>or</u> director, or employee, or for which a responsible person is an agent, unless</p> <p>(i) <u>this fact is disclosed to the client,</u> and</p> <p>(ii) <u>the written consent of the client to the purchase is obtained before the purchase;</u></p> <p>(b) purchase or sell a security in which a responsible person has direct or indirect beneficial ownership, or over which a responsible person</p>

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<p>(iii) an investment fund for which a responsible person acts as an adviser;</p> <p>(c) provide a guarantee or loan to a responsible person or an associate of a responsible person.</p>	<p>(d) provide a guarantee or loan to a responsible person.</p>	<p>exercises control or direction, unless this fact is disclosed to the client and the client consents to the purchase in writing before the purchase, (e) purchase or sell a security from or to another <u>the</u> investment portfolio managed by <u>of any</u> of the adviser or following:</p> <p>(i) _____ a responsible person including:</p> <p>(ii) _____ an associate of a responsible person;</p> <p>(iii) _____ an investment fund for which the adviser or a responsible person acts as adviser, or <u>an adviser:</u></p> <p>(d) <u>(c)</u> provide a guarantee or loan to a responsible person <u>or an associate of a responsible person.</u></p>
<p>13.6 Disclosure when recommending related or connected securities</p> <p>A registered firm must not make a recommendation in any medium of communication to buy, sell or hold a security issued by the registered firm, a security of a related issuer or, during the security's distribution, a security of a connected issuer of the registered firm, unless any of the following apply:</p> <p>(a) the firm discloses, in the same medium of communication, the nature and extent of the relationship or connection between the firm and the issuer;</p> <p>(b) the recommendation is in respect of a security of a mutual fund, a scholarship plan, an educational plan or an educational trust that is an affiliate of the registered firm and the names of the registered firm and the fund, plan or trust, as the</p>	<p>Recommendations</p> <p>6.5 A registered firm must not make 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 of the registered firm, unless</p> <p>(a) the recommendation is in a publication that</p> <p>(i) is published or distributed by the registered firm regularly in the ordinary course of its business, and</p> <p>(ii) includes in a conspicuous position and large type, a complete statement of the relationship or connection between the registered firm and the issuer,</p>	<p>Recommendations <u>13.6 Disclosure when recommending related or connected securities</u></p> <p>6.5 —A registered firm must not make a recommendation in any medium of communication to buy, sell or hold its own securities, securities <u>a security issued by the registered firm, a security</u> of a related issuer or, in the course of a <u>during the security's</u> distribution, securities <u>a security</u> of a connected issuer of the registered firm, unless <u>any of the following apply:</u></p> <p>(a) the recommendation is <u>firm discloses,</u> in a publication that</p> <p>(i) _____ is published or distributed by the registered firm regularly in the ordinary course of its business, and (ii) includes in a conspicuous position and large type, a complete statement <u>the same medium of communication, the nature and extent</u> of the</p>

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<p>case may be, are sufficiently similar to indicate that they are affiliated.</p>	<p>(b) the registered firm is acting as an underwriter in a distribution of the securities,</p> <p>(c) the recommendation is in respect of 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, or</p> <p>(d) the recommendation is in respect of a security of a scholarship or educational plan or trust that is an affiliate of the registered firm and the names of the registered firm and the scholarship or educational plan or trust are sufficiently similar to disclose that they are affiliated.</p>	<p>relationship or connection between the registered firm and the issuer;</p> <p>(b) the registered firm is acting as an underwriter in a distribution of the securities, (c) the recommendation is in respect of a security of a mutual fund, <u>a scholarship plan, an educational plan or an educational trust</u> that is an affiliate of the registered firm and the names of the registered firm and the fund, <u>plan or trust, as the case may be,</u> are sufficiently similar to disclose <u>indicate</u> that they are affiliated; or</p> <p>(d) the recommendation is in respect of a security of a scholarship or educational plan or trust that is an affiliate of the registered firm and the names of the registered firm and the scholarship or educational plan or trust are sufficiently similar to disclose that they are affiliated.</p>
<p>Division 3 Referral arrangements</p>		<p>Division 2-<u>3</u> Referral arrangements</p>
<p>13.7 Definitions – referral arrangements</p> <p>In this Division</p> <p>“client” includes a prospective client;</p> <p>“referral arrangement” means any arrangement in which a registrant agrees to pay or receive a referral fee;</p> <p>“referral fee” means any form of compensation, direct or indirect, paid for the referral of a client to or from a registrant.</p>	<p>Definitions – referral arrangements</p> <p>6.11 For the purposes of this section to section 6.15 [application and transition to prior referral arrangements]</p> <p>“client” includes a prospective client;</p> <p>“referral arrangement” means any arrangement in which a registrant agrees to pay or receive a referral fee; and</p> <p>“referral fee” means any form of compensation, direct or indirect, paid for the referral of a client to or from a registrant.</p>	<p><u>13.7</u> Definitions – referral arrangements</p> <p>6.11 For the purposes of this section to section 6.15 [application and transition to prior referral arrangements]</p> <p><u>In this Division</u></p> <p>“client” includes a prospective client;</p> <p>“referral arrangement” means any arrangement in which a registrant agrees to pay or receive a referral fee; and</p> <p>“referral fee” means any form of compensation, direct or indirect, paid for the referral of a client to or from a registrant.</p>

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<p>13.8 Permitted referral arrangements</p> <p>A registrant must not participate in a referral arrangement unless,</p> <p>(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</p> <p>(i) the registrant,</p> <p>(ii) the person or company making or receiving the referral, and</p> <p>(iii) if the registrant is a registered individual, the registered firm on whose behalf the registered individual acts,</p> <p>(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</p> <p>(c) the registrant ensures that the information prescribed by subsection 13.10(1) [disclosing referral arrangements to clients] is provided to the client in writing before the earlier of the opening of the client's account or any services are provided to the client by the person or company receiving the referral.</p>	<p>Permitted referral arrangements</p> <p>6.12 A registrant must not participate in a referral arrangement unless,</p> <p>(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</p> <p>(i) the registrant,</p> <p>(ii) the person or company making or receiving the referral, and</p> <p>(iii) if the registrant is a registered individual, the registered firm on whose behalf the registered individual acts,</p> <p>(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</p> <p>(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.</p>	<p><u>13.8</u> Permitted referral arrangements</p> <p>6.12—A registrant must not participate in a referral arrangement unless,</p> <p>(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</p> <p>(i) the registrant,</p> <p>(ii) the person or company making or receiving the referral, and</p> <p>(iii) if the registrant is a registered individual, the registered firm on whose behalf the registered individual acts,</p> <p>(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</p> <p>(c) the registrant ensures that the information prescribed by subsection 6.13<u>13.10</u>(1) [disclosing referral arrangements to clients] is provided to the client in writing before the earlier of <u>the opening of</u> the client's account or any services are provided to the client under by the person or company receiving the referral arrangement.</p>
<p>13.9 Verifying the qualifications of the person or company receiving the referral</p> <p>A registrant that refers a client to another person or company must take reasonable steps to satisfy himself, herself or itself that the person or company has the appropriate qualifications to provide the services, and if applicable, is registered to provide</p>	<p>Reasonable diligence when referring clients</p> <p>6.14 A registrant that refers a client to another person or company must take reasonable steps to satisfy itself that the person or company has the appropriate qualifications to provide the services, and if applicable, is registered to provide those</p>	<p>Reasonable diligence when referring clients<u>13.9</u> <u>Verifying the qualifications of the person or company receiving the referral</u></p> <p>6.14—A registrant that refers a client to another person or company must take reasonable steps to satisfy <u>himself, herself or</u> itself that the person or company has the appropriate qualifications to</p>

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those services.	services.	provide the services, and if applicable, is registered to provide those services.
<p>13.10 Disclosing referral arrangements to clients</p> <p>(1) The written disclosure of the referral arrangement required by subsection 13.8(c) [permitted referral arrangements] must include the following:</p> <p>(a) the name of each party to the referral arrangement;</p> <p>(b) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;</p> <p>(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;</p> <p>(d) the method of calculating the referral fee and, to the extent possible, the amount of the fee;</p> <p>(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;</p> <p>(f) if a referral is made to a registrant, a statement that all activity requiring registration resulting from the referral arrangement will be</p>	<p>6.13 (1) Written disclosure of the referral arrangement as required by subsection 6.12(c) [permitted referral arrangements] must include the following:</p> <p>(a) the name of each party to the referral arrangement;</p> <p>(b) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;</p> <p>(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;</p> <p>(d) the method of calculating the referral fee and, to the extent possible, the amount of the fee;</p> <p>(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;</p> <p>(f) if a referral is made to a registrant, a statement that all activity requiring registration resulting from the referral arrangement will be</p>	<p><u>13.10</u> Disclosing referral arrangements to clients</p> <p>6.13 (1) Written <u>The written</u> disclosure of the referral arrangement as required by subsection 6.12<u>13.8</u>(c) [permitted referral arrangements] must include the following:</p> <p>(a) the name of each party to the referral arrangement;</p> <p>(b) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;</p> <p>(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;</p> <p>(d) the method of calculating the referral fee and, to the extent possible, the amount of the fee;</p> <p>(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;</p> <p>(f) if a referral is made to a registrant, a statement that all activity requiring registration resulting from the referral arrangement will be</p>

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<p>provided by the registrant receiving the referral;</p> <p>(g) any other information that a reasonable client would consider important in evaluating the referral arrangement.</p> <p>(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 as soon as possible and no later than the 30th day before the date on which a referral fee is next paid or received.</p>	<p>provided by the registrant receiving the referral; and</p> <p>(g) any other information that a reasonable client would consider important in evaluating the referral arrangement.</p> <p>(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 as soon as practicable and no later than the 30th day before the date on which a referral fee is next paid or received.</p>	<p>provided by the registrant receiving the referral; and</p> <p>(g) any other information that a reasonable client would consider important in evaluating the referral arrangement.</p> <p>(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 as soon as practicable <u>possible</u> and no later than the 30th day before the date on which a referral fee is next paid or received.</p>
<p>13.11 Referral arrangements before this Instrument came into force</p> <p>(1) This Division applies to a referral arrangement entered into before this Instrument came into force if a referral fee is paid under the referral arrangement after this Instrument comes into force.</p> <p>(2) Subsection (1) does not apply until 6 months after this Instrument comes into force.</p>	<p>Application and transition to prior referral arrangements</p> <p>6.15 (1) Sections 6.12 [permitted referral arrangements] to 6.14 [reasonable diligence when referring clients] apply to a referral arrangement entered into before this Instrument came into force if a referral fee is paid under the referral arrangement after this Instrument comes into force.</p> <p>(2) Subsection (1) does not apply until the 180th day after this Instrument comes into force.</p>	<p>Application and transition to prior referral<u>13.11</u> <u>Referral</u> arrangements <u>before this</u> <u>Instrument came into force</u></p> <p>6.15 (1) Sections 6.12 [permitted referral arrangements] to 6.14 [reasonable diligence when referring clients] apply <u>(1) This Division applies</u> to a referral arrangement entered into before this Instrument came into force if a referral fee is paid under the referral arrangement after this Instrument comes into force.</p> <p>(2) Subsection (1) does not apply until the 180th day <u>6 months</u> after this Instrument comes into force.</p>
<p>Division 4 Loans and margin</p>		
<p>13.12 Restriction on lending to clients</p> <p>A registrant must not lend money, extend credit or provide margin to a client.</p>	<p>Margin</p> <p>5.7 A registrant must not lend, extend credit or provide margin to a client.</p>	<p>Margin <u>13.12</u> <u>Restriction on lending to clients</u></p> <p>5.7 A registrant must not lend <u>money</u>, extend credit or provide margin to a client.</p>
<p>13.13 Disclosure when recommending the use of borrowed money</p>	<p>Disclosure when recommending use of borrowed money</p>	<p><u>13.13</u> Disclosure when recommending <u>the</u> use of borrowed money</p>

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<p>(1) If a registrant recommends that a client should use borrowed money to finance any part of a purchase of a security, the registrant must, before the purchase, provide the client with a written statement that is substantially similar to the following:</p> <p style="padding-left: 40px;">“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.”</p> <p>(2) Subsection (1) does not apply if</p> <p>(a) the registrant has provided the client with the statement described under subsection (1) no earlier than the 180th day before the date of the proposed purchase,</p> <p>(b) the proposed purchase is on margin and the client’s margin account is maintained at a registered firm that is a member of IIROC or the MFDA, or</p> <p>(c) the client is a permitted client.</p>	<p>5.8 (1) If a registrant recommends that a client should use borrowed money to finance any part of a purchase of a security, the registrant must, before the purchase, provide the client with a written statement in substantially the following form:</p> <p style="padding-left: 40px;">“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.”</p> <p>(2) Subsection (1) does not apply if</p> <p>(a) the registrant has provided the client with the statement described under subsection (1) no earlier than the 180th day before the date of the proposed purchase,</p> <p>(b) the proposed purchase is on margin and the client’s margin account is maintained with a registered firm that is a member of the IDA or the MFDA, or</p> <p>(c) the client is a permitted client.</p>	<p>5.8 (1) If a registrant recommends that a client should use borrowed money to finance any part of a purchase of a security, the registrant must, before the purchase, provide the client with a written statement in that is substantially <u>similar to</u> the following form:</p> <p style="padding-left: 40px;">“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.”</p> <p>(2) Subsection (1) does not apply if</p> <p>(a) the registrant has provided the client with the statement described under subsection (1) no earlier than the 180th day before the date of the proposed purchase,</p> <p>(b) the proposed purchase is on margin and the client’s margin account is maintained with<u>at</u> a registered firm that is a member of the IDA<u>IIROC</u> or the MFDA, or</p> <p>(c) the client is a permitted client.</p>
Division 5 Complaints		
<p>13.14 Application of this Division</p> <p>(1) This Division does not apply to an investment fund manager.</p> <p>(2) A registered firm in Québec is deemed to comply with this Division if it complies with sections</p>	<p>Exemption for investment fund managers and exempt market dealers</p> <p>5.27 This Division does not apply to</p> <p>(a) an investment fund manager, or</p>	<p>Exemption for investment fund managers and exempt market dealers</p> <p><u>13.14 Application of this Division</u></p> <p>5.27 (1) This Division does not apply to (a)—an investment fund manager, or</p>

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168.1.1 to 168.1.3 of the Securities Act (Québec).	<p>(b) an exempt market dealer in respect of a permitted client.</p> <p>5.32 A registered firm in Québec complies with Division 6 if it complies with sections 168.1.1 to 168.1.3 of the Québec Securities Act.</p>	<p>(b) an exempt market dealer in respect of a permitted client.</p> <p>5.32 (2) A registered firm in Québec complies is <u>deemed to comply</u> with <u>this</u> Division 6 if it complies with sections 168.1.1 to 168.1.3 of the <u>Québec</u> Securities Act <u>(Québec)</u>.</p>
13.15 Handling complaints	Complaints	Complaints <u>13.15 Handling complaints</u>
A registered firm must document and, in a manner that a reasonable investor would consider fair and effective, respond to each complaint made to the registered firm about any product or service offered by the firm or a representative of the firm.	5.28 A registered firm must document, and effectively and fairly respond to, each complaint made to the registered firm about any product or service offered by the firm or a representative of the firm.	5.28 A registered firm must document, and effectively and fairly <u>and, in a manner that a reasonable investor would consider fair and effective</u> , respond to, each complaint made to the registered firm about any product or service offered by the firm or a representative of the firm.
13.16 Dispute resolution service	Dispute resolution service	<u>13.16</u> Dispute resolution service
<p>(1) A registered firm must ensure that independent dispute resolution or mediation services are made available, at the firm's expense, to a client to resolve a complaint made by the client about any trading or advising activity of the firm or one of its representatives.</p> <p>(2) If a person or company makes a complaint to a registered firm about any trading or advising activity of the firm or one of its representatives, the registered firm must as soon as possible inform the person or company of how to contact and use the dispute resolution or mediation services which are provided to the firm's clients.</p>	<p>5.29 (1) A registered firm must participate in an independent dispute resolution service unless required by securities legislation to use the dispute resolution service provided by the securities regulatory authority.</p> <p>(2) If a person or company makes a complaint to a registered firm about any trading or advising activity of the firm or one of its representatives, the registered firm must as soon as practicable inform the person or company of how to contact and use</p> <p>(a) the dispute resolution service in which the firm participates, or</p> <p>(b) the dispute resolution service of the securities regulatory authority, if it provides a dispute resolution service.</p>	<p>5.29 (1) A registered firm must participate in an <u>ensure that</u> independent dispute resolution service unless required by securities legislation to use the dispute resolution service provided by the securities regulatory authority or mediation services are made available, at the firm's expense, to a client to resolve a complaint made by the client about any trading or advising activity of the firm or one of its representatives.</p> <p>(2) If a person or company makes a complaint to a registered firm about any trading or advising activity of the firm or one of its representatives, the registered firm must as soon as practicable <u>possible</u> inform the person or company of how to contact and use (a) the dispute resolution service in which the firm participates, or (b) the dispute resolution service of the securities regulatory authority, if it provides a dispute resolution service. or mediation services which are provided to the firm's clients.</p>

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Part 14 Handling client accounts – firms		
Division 1 Exemption for investment fund managers		
<p>14.1 Investment fund managers exempt from Part 14</p> <p>Other than section 14.6[holding client assets in trust], this Part does not apply to an investment fund manager.</p>	<p>Exemption for investment fund managers and exempt market dealers</p> <p>5.17 This Division does not apply to</p> <p>(a) an investment fund manager, or</p> <p>(b) an exempt market dealer that does not handle, hold, or have access to client assets, including cheques and other similar instruments.</p>	<p>14.1 Exemption for investment <u>Investment</u> fund managers and exempt market dealers <u>exempt from Part 14</u></p> <p>5.17 This Division <u>Other than section 14.6[holding client assets in trust], this Part</u> does not apply to (a) an investment fund manager, or (b) an exempt market dealer that does not handle, hold, or have access to client assets, including cheques and other similar instruments.</p>
Division 2 Disclosure to clients		
<p>14.2 Relationship disclosure information</p> <p>(1) A registered firm must deliver to a client all information that a reasonable investor would consider important about the client's relationship with the registrant.</p> <p>(2) The information required to be delivered under subsection (1) includes all of the following:</p> <p>(a) a description of the nature or type of the client's account;</p> <p>(b) a discussion that identifies the products or services the registered firm offers to a client;</p> <p>(c) a description of the types of risks that a client should consider when making an investment decision;</p>	<p>Providing relationship disclosure information</p> <p>5.4 (1) A registrant must provide a client with relationship disclosure information before the registrant first</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(2) If there is a significant change to the relationship disclosure information provided to a client under subsection (1), the registrant must make reasonable efforts to notify its clients of the change in a timely manner, and wherever practicable before the registrant next</p> <p>(a) purchases or sells a security for the client,</p>	<p>Providing relationship <u>14.2 Relationship</u> disclosure information</p> <p>5.4 (1) A registrant must provide a client with relationship disclosure information before the registrant first</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(2) If there is a significant change to the relationship disclosure information provided to a client under subsection (1), the registrant must make reasonable efforts to notify its clients of the change in a timely manner, and wherever practicable before the registrant next</p>

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<p>(d) a description of the risks to a client of using borrowed money to finance a purchase of a security;</p> <p>(e) a description of the conflicts of interest that the registered firm is required to disclose to a client under securities legislation;</p> <p>(f) disclosure of all costs to a client for the operation of an account;</p> <p>(g) a description of the costs a client will pay in making, holding and selling investments;</p> <p>(h) a description of the compensation paid to the registered firm in relation to the different types of products that a client may purchase through the registered firm;</p> <p>(i) a description of the content and frequency of reporting for each account or portfolio of a client;</p> <p>(j) disclosure that independent dispute resolution or mediation services are available to a client, at the firm's expense, to mediate any dispute that might arise between the client and the firm about a product or service of the firm;</p> <p>(k) a statement that the firm has an 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;</p> <p>(l) the information a registered firm must collect about the client under section 13.2 [know your client].</p>	<p>or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(3) For the purpose of this section, "relationship disclosure information" means information that a reasonable client would consider important respecting the client's relationship with the registrant and includes, subject to subsections (4), (5) and (6), the following:</p> <p>(a) a description of the nature of the client's account or the type of account held by the client;</p> <p>(b) 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;</p> <p>(c) a discussion of investment risk factors and types of risks that should be considered by the client when making an investment decision, including the risk of using borrowed money to finance a purchase of a security;</p> <p>(d) a description of the conflicts of interest that the registered firm is required to disclose under securities legislation;</p> <p>(e) disclosure of all service fees and charges in respect of the operation of the client's accounts;</p> <p>(f) 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</p>	<p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(3) For the purpose of this section, "relationship disclosure information" means <u>(1) A registered firm must deliver to a client all information that a reasonable client investor would consider important respecting about the client's relationship with the registrant and includes, subject to subsections (4), (5) and (6),</u></p> <p><u>(2) The information required to be delivered under subsection (1) includes all of the following:</u></p> <p>(a) a description of the nature of the client's account or the <u>or</u> type of account held by the client's <u>account</u>;</p> <p>(b) a discussion that identifies which the <u>products or services offered by the</u> registered firm will meet the client's investment objectives and how they will do so <u>offers to a client</u>;</p> <p>(c) a discussion of investment risk factors and description of the types of risks that should be considered by the <u>a</u> client should consider when making an investment decision, including the risk;</p> <p><u>(d) a description of the risks to a client</u> of using borrowed money to finance a purchase of a security;</p> <p>(e) a description of the conflicts of interest that the registered firm is required to disclose <u>to a client</u></p>

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<p>(3) A registered firm must deliver to a client the information in subsection (1) before the firm first</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(4) If there is a significant change to the information delivered to a client under subsection (1), the registered firm must take reasonable steps to notify the client of the change in a timely manner and, if possible, before the firm next</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(5) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</p> <p>(6) This section does not apply to a registrant in respect of a permitted client if</p> <p>(a) the permitted client has waived, in writing, the requirements under this section, and</p> <p>(b) the registrant does not act as an adviser in respect of a managed account of the permitted client.</p>	<p>purchase through the registered firm;</p> <p>(g) a description of the content and frequency of reporting for each account or portfolio of the client;</p> <p>(h) information about how the client can contact the firm;</p> <p>(i) notice that a dispute resolution service is available to mediate any dispute that might arise between the client and the firm regarding a product or service of the firm;</p> <p>(j) the information a registered firm is required to collect about the client under section 5.3 [know-your-client].</p> <p>(4) Despite subsection (3), relationship disclosure information provided by an exempt market dealer to a client is not required to include the information referred to in paragraphs (3)(a), (e) and (g) if the dealer does not handle, hold or have access to the client's assets, including cheques and other similar instruments.</p> <p>(5) In addition to the information required under subsection (3), relationship disclosure information provided by a dealer must include 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.</p> <p>(6) In addition to the information required under subsection (3), relationship disclosure information provided by an adviser must</p>	<p>under securities legislation;</p> <p>(ef) disclosure of all service fees and charges in respect of costs to a client for the operation of the client's accounts <u>an account</u>;</p> <p>(fg) a description of the costs the a client will pay in making and, holding <u>and selling</u> investments and;</p> <p>(h) <u>a description of</u> the compensation paid to the registered firm in relation to the different types of products that the a client may purchase through the registered firm;</p> <p>(gj) a description of the content and frequency of reporting for each account or portfolio of the a client;</p> <p>(h) information about how the client can contact the firm;</p> <p>(j) notice disclosure that <u>a independent dispute resolution service is or mediation services are</u> available to <u>a client, at the firm's expense, to</u> mediate any dispute that might arise between the client and the firm regarding about a product or service of the firm;</p> <p>(j) the information a registered firm is required to collect about the client under section 5.3 [know-your-client].</p> <p>(4) Despite subsection (3), relationship disclosure information provided by an exempt market dealer to a client is not required to include the information referred to in paragraphs</p>

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	<p>include the following:</p> <p>(a) if the client's account is a fully-managed account, a description of the adviser's discretionary authority;</p> <p>(b) a description of how the adviser will ensure that investments made are suitable for the client based on the information provided by the client;</p> <p>(c) a statement that there is no guarantee, implied or otherwise, that the investments made will be successful;</p> <p>(d) a discussion of investment risk factors and types of risks that should be considered by the client when deciding to invest using an adviser;</p> <p>(e) if the client's account is a fully-managed account and a person or company exempted from registration under section 8.17 [sub-advisers] provides advice in respect of the account, information about the role of the person or company and their relationship to the client.</p> <p>(7) This section does not apply to an exempt market dealer in respect of a permitted client.</p>	<p>(3)(a), (e) and (g) if the dealer does not handle, hold or have access to the client's assets, including cheques and other similar instruments. (5) In addition to the information required under subsection (3), relationship disclosure information provided by a dealer must include a description of the nature and scope of the firm's <u>(k) a statement that the firm has an</u> 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;</p> <p><u>(l) the information a registered firm must collect about the client under section 13.2 [know your client].</u></p> <p><u>(3) A registered firm must deliver to a client the information in subsection (1) before the firm first</u></p> <p><u>(a) purchases or sells a security for the client, or</u></p> <p><u>(b) advises the client to purchase, sell or hold a security.</u></p> <p><u>(4) If there is a significant change to the information delivered to a client under subsection (1), the registered firm must take reasonable steps to notify the client of the change in a timely manner and, if possible, before the firm next</u></p> <p><u>(a) purchases or sells a security for the client, or</u></p> <p><u>(b) advises the client to purchase, sell or hold a security.</u></p>

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		<p><u>(5) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.</u></p> <p>———— (6) ——— In addition to the information required under subsection (3), relationship disclosure information provided by an adviser must include the following:</p> <p><u>(6) This section does not apply to a registrant in respect of a permitted client if</u></p> <p>(a) ——— if the client's account is a fully managed account, a description of the adviser's discretionary authority;</p> <p><u>(a) the permitted client has waived, in writing, the requirements under this section, and</u></p> <p>(b) a description of how the registrant does not act as an adviser will ensure that investments made are suitable for the client based on the information provided by the client;</p> <p>(c) ——— a statement that there is no guarantee, implied or otherwise, that the investments made will be successful;</p> <p>(d) ——— a discussion of investment risk factors and types of risks that should be considered by the client when deciding to invest using an adviser;</p> <p>(e) ——— if the client's account is a fully managed account and a person or company exempted from registration under section 8.17 [sub-advisers] provides advice in respect of the account, information about the role of the person or company and their relationship to the client. ——— (7) ——— This section does not apply to an exempt market dealer</p>

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		in respect of a <u>in respect of a managed account of</u> the permitted client.
<p>14.3 Disclosure to clients about the fair allocation of investment opportunities</p> <p>A registered adviser must deliver to a client a summary of the policies required under section 11.1 [compliance system] that provide reasonable assurance that the firm and each individual acting on its behalf complies with section 14.10 [allocating investment opportunities fairly] and that summary must be delivered</p> <p>(a) when the adviser opens an account for the client, and</p> <p>(b) if there is a significant change to the summary last delivered to the client, in a timely manner and, if possible, before the firm next</p> <p>(i) purchases or sells a security for the client, or</p> <p>(ii) advises the client to purchase, sell or hold a security.</p>	<p>Allocating investment opportunities fairly</p> <p>6.7 (2) A registered adviser must provide a client with a copy of the written policies required under section 5.23 [compliance system] that respond to the requirement under subsection (1)</p> <p>(a) when the adviser opens an account for the client, and</p> <p>(b) if there is a significant change to the policies last provided to the client, the earlier of</p> <p>(i) the 45th day after the date the policies were changed, or</p> <p>(ii) as soon as practicable after next advising the client to purchase, sell or hold a security.</p>	<p>Allocating <u>14.3 Disclosure to clients about the fair allocation of</u> investment opportunities fairly</p> <p>6.7 (2)—A registered adviser must provide <u>deliver</u> to a client with a copy summary of the written policies required under section 5.23 <u>11.1</u> [compliance system] that respond to the requirement under subsection (1) <u>provide reasonable assurance that the firm and each individual acting on its behalf complies with section 14.10 [allocating investment opportunities fairly] and that summary must be delivered</u></p> <p>(a) when the adviser opens an account for the client, and</p> <p>(b) if there is a significant change to the policies <u>summary</u> last provided <u>delivered</u> to the client, the earlier of <u>in a timely manner and, if possible, before the firm next</u></p> <p>(i) — the 45th day after the date the policies were changed, or</p> <p>(i) <u>purchases or sells a security for the client, or</u></p> <p>(ii) as soon as practicable after next advising <u>advises</u> the client to purchase, sell or hold a security.</p>
<p>14.4 When the firm has a relationship with a financial institution</p> <p>(1) If a registered firm opens a client account to trade in securities, in an office or branch of a</p>	<p>Disclosure when opening an account in a financial institution</p> <p>5.9 (1) If a registered firm opens a client account to trade in securities in an office or branch</p>	<p>Disclosure when opening an account in <u>14.4 When the firm has a relationship with</u> a financial institution</p> <p>5.9 —(1) If a registered firm opens a client account to trade in securities, in an office or branch</p>

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<p>Canadian financial institution or a Schedule III bank, the registered firm must give the client a written notice stating that it is a separate legal entity from the Canadian financial institution or Schedule III bank and, unless otherwise advised by the registrant, securities purchased from or through the registrant</p> <p>(a) are not insured by a government deposit insurer,</p> <p>(b) are not guaranteed by the Canadian financial institution or Schedule III bank, and</p> <p>(c) may fluctuate in value.</p> <p>(2) A registered firm that is subject to subsection (1) must receive a written confirmation from the client that the client has read and understood the notice before the registered firm</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(3) This section does not apply to a registered firm if the client is a permitted client.</p>	<p>of a Canadian financial institution or a Schedule III bank, the registered firm must give the client a written notice stating that it is a separate legal entity from the Canadian financial institution or Schedule III bank and, unless otherwise advised by the registrant, securities purchased from or through the registrant</p> <p>(a) are not insured by a government deposit insurer,</p> <p>(b) are not guaranteed by the Canadian financial institution or Schedule III bank, and</p> <p>(c) may fluctuate in value.</p> <p>(2) A registered firm that is subject to subsection (1) must receive a written confirmation from the client that the client has read and understood the notice before the registered firm</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(3) This section does not apply to a registered firm if the client is a permitted client.</p>	<p>of a Canadian financial institution or a Schedule III bank, the registered firm must give the client a written notice stating that it is a separate legal entity from the Canadian financial institution or Schedule III bank and, unless otherwise advised by the registrant, securities purchased from or through the registrant</p> <p>(a) are not insured by a government deposit insurer,</p> <p>(b) are not guaranteed by the Canadian financial institution or Schedule III bank, and</p> <p>(c) may fluctuate in value.</p> <p>(2) A registered firm that is subject to subsection (1) must receive a written confirmation from the client that the client has read and understood the notice before the registered firm</p> <p>(a) purchases or sells a security for the client, or</p> <p>(b) advises the client to purchase, sell or hold a security.</p> <p>(3) This section does not apply to a registered firm if the client is a permitted client.</p>
<p>14.5 Notice to clients by non-resident registrants</p> <p>A registered firm whose head office is not located in the local jurisdiction must provide its clients in the local jurisdiction with a statement in writing disclosing the following:</p>	<p>Notice to clients</p> <p>5.33 A registered firm whose head office is not located in the local jurisdiction must provide its clients in the local jurisdiction</p> <p>(a) a statement in writing disclosing the non-</p>	<p><u>14.5</u> Notice to clients <u>by non-resident registrants</u></p> <p>5.33 A registered firm whose head office is not located in the local jurisdiction must provide its clients in the local jurisdiction (a) with a statement in writing disclosing the <u>following</u>:</p>

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(a) the non-resident status of the registrant;	resident status of the registrant,	(a) the non-resident status of the registrant ;
(b) the registrant's jurisdiction of residence;	(b) the registrant's jurisdiction of residence,	(b) the registrant's jurisdiction of residence ;
(c) the name and address of the agent for service of process of the registrant in the local jurisdiction;	(c) the name and address of the agent for service of process of the registrant in the local jurisdiction, and	(c) the name and address of the agent for service of process of the registrant in the local jurisdiction ; and;
(d) the nature of risks to clients that legal rights may not be enforceable in the local jurisdiction.	(d) the nature of risks to clients that legal rights may not be enforceable in the local jurisdiction.	(d) the nature of risks to clients that legal rights may not be enforceable in the local jurisdiction.
Division 3 Client assets		
14.6 Holding client assets in trust	Holding client assets in trust	14.6 Holding client assets in trust
A registered firm that holds client assets must hold the assets	5.10 (1) A registered firm that holds client assets, including cheques and other similar instruments, must hold the assets separate and apart from its own property and in trust for the client.	A registered firm that holds client assets must hold the assets
(a) separate and apart from its own property,		5.10 (1) A registered firm that holds client assets, including cheques and other similar instruments, must hold the assets a) separate and apart from its own property
(b) in trust for the client, and	(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 Canadian financial institution or a Schedule III bank.	and;
(c) in the case of cash, in a designated trust account at a Canadian financial institution, a Schedule III bank, or a member of IIROC.		(b) in trust for the client ; and
		(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 (c) in the case of cash, in a designated trust account with at a Canadian financial institution or, a Schedule III bank, or a member of IIROC.
14.7 Holding client assets – non-resident registrants	Custody of assets	Custody of 14.7 Holding client assets - non-resident registrants
(1) A registered firm whose head office is not located in a jurisdiction of Canada must ensure that	5.35 (1) A registered firm whose head office is not located in a jurisdiction of Canada must make reasonable efforts to ensure that all client	5.35 (1) A registered firm whose head office is not located in a jurisdiction of Canada must

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<p>all client assets are held</p> <p>(a) in the client's name,</p> <p>(b) on behalf of the client by a custodian or sub-custodian that</p> <p>(i) meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 Mutual Funds, and</p> <p>(ii) is subject to the Bank for International Settlements' framework for international convergence of capital measurement and capital standards, or</p> <p>(c) on behalf of the client by a registered dealer that is a member of an SRO and that is a member of Canadian Investor Protection Fund or other comparable compensation fund or contingency trust fund.</p> <p>(2) Section 14.6 [holding client assets in trust] does not apply to a registered firm that is subject to subsection (1).</p>	<p>assets are held</p> <p>(a) directly by the client,</p> <p>(b) on behalf of the client by a custodian or sub-custodian that</p> <p>(i) meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 Mutual Funds, and</p> <p>(ii) is subject to the Bank for International Settlements' framework for international convergence of capital measurement and capital standards, or</p> <p>(c) on behalf of the client by a registered dealer that is a member of an SRO that is a member of Canadian Investor Protection Fund or other comparable compensation fund or contingency trust fund.</p> <p>(2) Section 5.10 [holding client assets in trust] does not apply to a registered firm that is subject to subsection (1).</p>	<p>make reasonable efforts to ensure that all client assets are held</p> <p>(a) directly by <u>in</u> the client's <u>name</u>,</p> <p>(b) on behalf of the client by a custodian or sub-custodian that</p> <p>(i) meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 Mutual Funds, and</p> <p>(ii) is subject to the Bank for International Settlements' framework for international convergence of capital measurement and capital standards, or</p> <p>(c) on behalf of the client by a registered dealer that is a member of an SRO <u>and</u> that is a member of Canadian Investor Protection Fund or other comparable compensation fund or contingency trust fund.</p> <p>(2) Section 5-10<u>14.6</u> [holding client assets in trust] does not apply to a registered firm that is subject to subsection (1).</p>
<p>14.8 Securities subject to a safekeeping agreement</p> <p>A registered firm that holds unencumbered securities for a client under a written safekeeping agreement must</p> <p>(a) segregate the securities from all other securities,</p>	<p>Securities subject to safekeeping agreement</p> <p>5.11 A registered firm that holds unencumbered securities for a client under a written safekeeping agreement must</p> <p>(a) segregate the securities from all other securities,</p>	<p><u>14.8</u> Securities subject to <u>a</u> safekeeping agreement</p> <p>5.11-</p> <p>A registered firm that holds unencumbered securities for a client under a written safekeeping agreement must</p> <p>(a) segregate the securities from all other securities,</p>

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<p>(b) identify the securities as being held in safekeeping for the client in</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account, and</p> <p>(c) release the securities only on an instruction from the client.</p>	<p>(b) identify the securities as being held in safekeeping for the client in</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account, and</p> <p>(c) release the securities only on an instruction from the client.</p>	<p>(b) identify the securities as being held in safekeeping for the client in</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account, and</p> <p>(c) release the securities only on an instruction from the client.</p>
<p>14.9 Securities not subject to a safekeeping agreement</p> <p>(1) A registered firm that holds unencumbered securities for a client other than under a written safekeeping agreement must</p> <p>(a) segregate and identify the securities as being held in trust for the client, and</p> <p>(b) describe the securities as being held in segregation on</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account.</p> <p>(2) Securities described in subsection (1) may be segregated in bulk.</p>	<p>Securities not subject to safekeeping agreement</p> <p>5.12 (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</p> <p>(a) segregate and identify the securities as being held in trust for the client, and</p> <p>(b) describe the securities as being held in segregation on</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account.</p> <p>(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</p>	<p><u>14.9</u> Securities not subject to <u>a</u> safekeeping agreement</p> <p>5.12 (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 <u>other than</u> under a written safekeeping agreement, must</p> <p>(a) segregate and identify the securities as being held in trust for the client, and</p> <p>(b) describe the securities as being held in segregation on</p> <p>(i) the registrant's security position record,</p> <p>(ii) the client's ledger, and</p> <p>(iii) the client's statement of account.</p> <p>(2) If a client is indebted to a registered firm, the registered firm may sell or lend</p>

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	to the extent reasonably necessary to cover the indebtedness. (3) Securities described in subsection (1) may be segregated in bulk.	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.
Division 4 Client accounts		
14.10 Allocating investment opportunities fairly A registered adviser must ensure fairness in allocating investment opportunities among its clients.	Allocating investment opportunities fairly 6.7 (1) A registered adviser must ensure fairness in allocating investment opportunities among its clients.	<u>14.10</u> Allocating investment opportunities fairly 6.7 (1) A registered adviser must ensure fairness in allocating investment opportunities among its clients.
14.11 Selling or assigning client accounts If a registered firm proposes to sell or assign a client's account in whole or in part to another registrant, the registered firm must, prior to the sale or assignment, give a written explanation of the proposal to the client and inform the client of the client's right to close the client's account.	Sale or assignment of client account 5.6 If a registered firm proposes to sell or assign a client's account in whole or in part to another registrant, the registered firm must, prior to the sale or assignment, give a written explanation to the client of the proposal and inform the client of the client's right to withdraw the client's account.	Sale <u>14.11</u> Selling or assignment of <u>assigning</u> client account <u>accounts</u> 5.6 If a registered firm proposes to sell or assign a client's account in whole or in part to another registrant, the registered firm must, prior to the sale or assignment, give a written explanation to the client of the proposal <u>to the client</u> and inform the client of the client's right to withdraw <u>close</u> the client's account.
Division 5 Account activity reporting		
14.12 Content and delivery of trade confirmation (1) Subject to subsection (2), a registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security must promptly deliver to the client a written confirmation of the transaction, setting out the following: (a) the quantity and description of the security purchased or sold; (b) the price per security paid or received by	Confirmation of trade – general 5.18 (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 a 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,	Confirmation <u>14.12</u> Content and delivery of trade —general <u>confirmation</u> 5.18 (1) Subject to subsection (2), a registered dealer that has acted on behalf of a client in connection with a trade <u>purchase</u> or series sale of trades in a security must promptly send or deliver to the client, or to a registered adviser acting for the client if the client consents , a written confirmation of the transaction, setting out, <u>the following</u> : (a) the quantity and description of the security traded , <u>purchased or sold</u> ;

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<p>the client;</p> <p>(c) the commission, sales charge, service charge and any other amount charged in respect of the transaction;</p> <p>(d) whether the registered dealer acted as principal or agent;</p> <p>(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 or over more than one day;</p> <p>(f) the name of the dealing representative, if any, in the transaction;</p> <p>(g) the settlement date of the transaction;</p> <p>(h) if applicable, that the security is a security of the registrant, a security of a related issuer of the registrant or, if the transaction occurred during the security's distribution, a security of a connected issuer of the registered dealer.</p> <p>(2) If a transaction under subsection (1) involved more than one transaction or if the transaction took place on more than one marketplace the information referred to in subsection (1) 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.</p> <p>(3) Paragraph (1)(h) does not apply if the</p>	<p>(b) the consideration,</p> <p>(c) the commission, sales charge, service charge and any other amount charged in respect of the trade,</p> <p>(d) whether the registered dealer acted as principal or agent,</p> <p>(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 or over more than one day,</p> <p>(f) the name of the dealing representative, if any, in the transaction,</p> <p>(g) the settlement date of the trade, and</p> <p>(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.</p> <p>(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.</p> <p>(3) If a trade is made in a security of a mutual fund, scholarship plan, educational plan or educational trust, the confirmation required under</p>	<p>(b) the consideration,</p> <p><u>(b) the price per security paid or received by the client;</u></p> <p>(c) the commission, sales charge, service charge and any other amount charged in respect of the trade, <u>transaction;</u></p> <p>(d) whether the registered dealer acted as principal or agent;<u>;</u></p> <p>(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 or over more than one day;<u>;</u></p> <p>(f) the name of the dealing representative, if any, in the transaction;<u>;</u></p> <p>(g) the settlement date of the trade, and <u>transaction;</u></p> <p>(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 <u>if the transaction occurred during the security's</u> distribution, a security of a connected issuer of the registrant <u>registered dealer.</u></p> <p>(2) If the a <u>a</u> transaction <u>under subsection (1)</u> involved more than one trade <u>trade transaction</u> 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</p>

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<p>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 indicate that they are affiliated.</p> <p>(4) 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.</p>	<p>subsection (1) must contain, in addition to the requirements of subsection (1), the price per share or unit at which the trade was effected.</p> <p>(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.</p> <p>(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.</p>	<p>statement that additional details concerning the transaction will be provided to the client upon request and without additional charge.</p> <p>(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.</p> <p>(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 <u>indicate</u> that they are affiliated.</p> <p>(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.</p>
<p>14.13 Semi-annual confirmations for certain automatic plans</p> <p>The requirement under section 14.12 [content and delivery of trade confirmation] to deliver a confirmation promptly does not apply to a registered dealer in respect of a transaction if all of the following apply:</p> <p>(a) the client gave the dealer prior written notice that the transaction is made pursuant to the client's participation in an automatic payment plan, including a dividend reinvestment plan, or an automatic withdrawal plan in which a transaction is made at least monthly;</p>	<p>Semi-annual confirmations for certain automatic plans</p> <p>5.20 The requirement under section 5.18 [confirmation of trade – general] to send or deliver a confirmation promptly does not apply to a registered dealer in respect of a trade if</p> <p>(a) the client gave the dealer prior written notice that the trade is made under the client's participation in an automatic payment plan or an automatic withdrawal plan in which a trade is made at least monthly,</p> <p>(b) the registered dealer sent a confirmation</p>	<p><u>14.13</u> Semi-annual confirmations for certain automatic plans</p> <p>5.20</p> <p>The requirement under section 5.18 <u>14.12</u> [<u>content and delivery of trade</u> confirmation of trade – general] to send or deliver a confirmation promptly does not apply to a registered dealer in respect of a trade if <u>transaction if all of the following apply:</u></p> <p>(a) the client gave the dealer prior written notice that the trade <u>transaction</u> is made under <u>pursuant to</u> the client's participation in an automatic payment plan, <u>including a dividend reinvestment plan</u>, or an automatic withdrawal plan in which a trade <u>transaction</u> is made at least monthly;</p>

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<p>(b) the registered dealer delivered a confirmation as required under section 14.12 [content and delivery of trade confirmation] for the first transaction made under the plan after receiving the notice referred to in paragraph (a);</p> <p>(c) the transaction is in a security of a mutual fund, scholarship plan, educational plan or educational trust;</p> <p>(d) the registered dealer delivers the information required under section 14.12 [content and delivery of trade confirmation] for the transaction semi-annually to the client or, if the client consents, to a registered adviser acting for the client.</p>	<p>as required under section 5.18 [confirmation of trade – general] for the first trade made under the plan after receiving the notice referred to under paragraph (a),</p> <p>(c) the trade is in a security of a mutual fund, scholarship plan, educational plan or educational trust, and</p> <p>(d) the registered dealer sends or delivers the information required under section 5.18 [confirmation of trade – general] for the trade semi-annually to the client or, if the client consents, to a registered adviser acting for the client.</p>	<p>(b) the registered dealer sent <u>delivered</u> a confirmation as required under section 5.18 [14.12 [content and delivery of trade confirmation -of trade – general] for the first <u>trade transaction</u> made under the plan after receiving the notice referred to under <u>in</u> paragraph (a);</p> <p>(c) the <u>trade transaction</u> is in a security of a mutual fund, scholarship plan, educational plan or educational trust, and;</p> <p>(d) the registered dealer sends or delivers the information required under section 5.18 [14.12 [content and delivery of trade confirmation -of trade – general] for the <u>trade transaction</u> semi-annually to the client or, if the client consents, to a registered adviser acting for the client.</p>
<p>14.14 Client statements</p> <p>(1) A registered dealer must deliver a statement to a client at least once every 3 months.</p> <p>(2) Despite subsection (1), a registered dealer, other than a mutual fund dealer, must deliver a statement to a client at the end of a month if any of the following apply:</p> <p>(a) the client has requested receiving statements on a monthly basis;</p> <p>(b) during the month, a transaction was effected in the account other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan.</p>	<p>Statements of account and portfolio</p> <p>5.22 (1) A registered dealer must send or deliver 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 monthly basis in which case the registered dealer must send or deliver statements monthly.</p> <p>(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.</p> <p>(3) Subject to subsection (4), a registered adviser must send or deliver to each client not less than once every three months, a statement of the portfolio of the client under the</p>	<p>Statements of account and portfolio <u>14.14 Client statements</u></p> <p>5.22 (1) A registered dealer must send or deliver 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 monthly basis in which case the registered dealer must send or deliver statements monthly.</p> <p><u>(1) A registered dealer must deliver a statement to a client at least once every 3 months.</u></p> <p>(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.</p>

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<p>(3) Except if the client has otherwise directed, a registered adviser must deliver a statement to a client at least once every 3 months.</p> <p>(4) A statement delivered under subsection (1), (2) or (3) must include all of the following information for each transaction made for the client during the period covered by the statement:</p> <p>(a) the date of the transaction;</p> <p>(b) whether the transaction was a purchase, sale or transfer;</p> <p>(c) the name of the security purchased or sold;</p> <p>(d) the number of securities purchased or sold;</p> <p>(e) the price per security paid or received by the client;</p> <p>(f) the total value of the transaction.</p> <p>(5) A statement delivered under subsection (1), (2) or (3) must include all of the following information about the client's account as at the end of the period for which the statement is made:</p> <p>(a) the name and quantity of each security in the account;</p> <p>(b) the market value of each security in the account;</p> <p>(c) the total market value of each security</p>	<p>registered adviser's management, unless the client has requested statements on a monthly basis in which case the registered adviser must send or deliver statements monthly.</p> <p>(4) If a client has provided the consent referred to in subsection 5.18(1) [confirmation of trade – general], the registered adviser must send or deliver to the client not less than once every month, a statement of the portfolio of the client under the registered adviser's management.</p>	<p><u>(2) Despite subsection (1), a registered dealer, other than a mutual fund dealer, must deliver a statement to a client at the end of a month if any of the following apply:</u></p> <p><u>(a) the client has requested receiving statements on a monthly basis;</u></p> <p><u>(b) during the month, a transaction was effected in the account other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan.</u></p> <p>(3) Subject to subsection (4) Except if the client has otherwise directed, a registered adviser must send or deliver a statement to each a client not less than at least 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 monthly basis in which case the registered adviser must send or deliver statements monthly. 3 months.</p> <p>(4) If a client has provided the consent referred to in subsection 5.18(1) [confirmation of trade – general], the registered adviser must send or deliver to the client not less than once every month, a statement of the portfolio of the client under the registered adviser's management.</p> <p><u>(4) A statement delivered under subsection (1), (2) or (3) must include all of the following information for each transaction made for the client during the period covered by the statement:</u></p> <p><u>(a) the date of the transaction;</u></p>

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<p>position in the account;</p> <p>(d) any cash balance in the account;</p> <p>(e) the total market value of all cash and securities in the account.</p> <p>(6) Subsections (1) and (2) do not apply to a scholarship plan dealer if the dealer delivers to the client a statement at least once every 12 months that provides the information in subsections (4) and (5).</p>		<p><u>(b) whether the transaction was a purchase, sale or transfer;</u></p> <p><u>(c) the name of the security purchased or sold;</u></p> <p><u>(d) the number of securities purchased or sold;</u></p> <p><u>(e) the price per security paid or received by the client;</u></p> <p><u>(f) the total value of the transaction.</u></p> <p><u>(5) A statement delivered under subsection (1), (2) or (3) must include all of the following information about the client's account as at the end of the period for which the statement is made:</u></p> <p><u>(a) the name and quantity of each security in the account;</u></p> <p><u>(b) the market value of each security in the account;</u></p> <p><u>(c) the total market value of each security position in the account;</u></p> <p><u>(d) any cash balance in the account;</u></p> <p><u>(e) the total market value of all cash and securities in the account.</u></p> <p><u>(6) Subsections (1) and (2) do not apply to a scholarship plan dealer if the dealer delivers to the client a statement at least once every 12 months</u></p>

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		that provides the information in subsections (4) and (5).
Part 15 Granting an exemption		
<p>15.1 Who can grant an exemption</p> <p>(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.</p> <p>(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.</p> <p>(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.</p>	<p>Exemption</p> <p>9.1 (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.</p> <p>(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.</p> <p>(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.</p>	<p>Exemption 15.1 Who can grant an exemption</p> <p>9.1 (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.</p> <p>(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.</p> <p>(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.</p>
Part 16 Transition		
<p>16.1 Change of registration categories – individuals</p> <p>On the day this Instrument comes into force, an individual registered in a category referred to in</p> <p>(a) column 1 of Appendix C [new category names – individuals], opposite the name of the local jurisdiction, is registered as a dealing representative,</p> <p>(b) column 2 of Appendix C [new category names – individuals], opposite the name of the local jurisdiction, is registered as an advising representative, and</p>	<p>Change of registration categories – individuals</p> <p>10.2 On the date this Instrument comes into force, an individual registered in a category referred to in</p> <p>(a) column 1 of Appendix D [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as a dealing representative,</p> <p>(b) column 2 of Appendix D [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as an advising representative, and</p>	<p>16.1 Change of registration categories – individuals</p> <p>10.2 On the date day this Instrument comes into force, an individual registered in a category referred to in</p> <p>(a) column 1 of Appendix D C [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as a dealing representative,</p> <p>(b) column 2 of Appendix D C [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as an</p>

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<p>(c) column 3 of Appendix C [new category names – individuals], opposite the name of the local jurisdiction, is registered as an associate advising representative.</p>	<p>(c) column 3 of Appendix D [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as an associate advising representative.</p>	<p>advising representative, and</p> <p>(c) column 3 of Appendix DC [new category names – individuals], opposite the name of the local jurisdiction, is deemed to be registered as an associate advising representative.</p>
<p>16.2 Change of registration categories – firms</p> <p>On the day this Instrument comes into force, a person or company registered in a category referred to in</p> <p>(a) column 1 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as an investment dealer,</p> <p>(b) column 2 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as a mutual fund dealer,</p> <p>(c) column 3 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as a scholarship plan dealer,</p> <p>(d) column 4 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as a restricted dealer,</p> <p>(e) column 5 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as a portfolio manager, and</p> <p>(f) column 6 of Appendix D [new category names – firms], opposite the name of the local jurisdiction, is registered as a restricted portfolio</p>	<p>Change of registration categories – firms</p> <p>10.1 On the date this Instrument comes into force, a person or company registered in a category referred to in</p> <p>(a) column 1 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as an investment dealer,</p> <p>(b) column 2 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a mutual fund dealer,</p> <p>(c) column 3 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a scholarship plan dealer,</p> <p>(d) column 4 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a restricted dealer,</p> <p>(e) column 5 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a portfolio manager, and</p>	<p><u>16.2</u> Change of registration categories – firms</p> <p>10.1 — On the date <u>day</u> this Instrument comes into force, a person or company registered in a category referred to in</p> <p>(a) column 1 of Appendix DC [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as an investment dealer,</p> <p>(b) column 2 of Appendix DC [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a mutual fund dealer,</p> <p>(c) column 3 of Appendix DC [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a scholarship plan dealer,</p> <p>(d) column 4 of Appendix DC [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a restricted dealer,</p> <p>(e) column 5 of Appendix DC [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a portfolio manager, and</p>

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manager.	(f) column 6 of Appendix C [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a restricted portfolio manager.	(f) column 6 of Appendix CD [new category names – firms], opposite the name of the local jurisdiction, is deemed to be registered as a restricted portfolio manager.
<p>16.3 Change of registration categories – limited market dealers</p> <p>(1) This section applies in Ontario and Newfoundland and Labrador.</p> <p>(2) On the day this Instrument comes into force, a person or company registered as a limited market dealer is registered as an exempt market dealer.</p> <p>(3) On the day this Instrument comes into force, an individual registered to trade on behalf of a limited market dealer is registered as a dealing representative of the dealer.</p> <p>(4) Sections 12.1 [capital requirements] and 12.2 [notifying the regulator of a subordination agreement] do not apply to a person or company registered as an exempt market dealer under subsection (2) until one year after this Instrument comes into force.</p> <p>(5) Sections 12.3 [insurance – dealer] and 12.7 [notifying the regulator of a change, claim or cancellation] do not apply to a person or company registered as an exempt market dealer under subsection (2) until 6 months after this Instrument comes into force.</p>	<p>Change of registration categories – firms</p> <p>10.1 (2) In Ontario and Newfoundland and Labrador, a person or company registered as a limited market dealer or an international dealer on the date this Instrument comes into force is deemed to be registered as an exempt market dealer.</p>	<p><u>16.3</u> Change of registration categories – firms <u>limited market dealers</u></p> <p>40.1 (21) In <u>This section applies in</u> Ontario and Newfoundland and Labrador.</p> <p><u>(2)</u> <u>On the day this Instrument comes into force,</u> a person or company registered as a limited market dealer or an international dealer on the date this Instrument comes into force is deemed to be registered as an exempt market dealer. <u>is registered as an exempt market dealer.</u></p> <p><u>(3)</u> <u>On the day this Instrument comes into force, an individual registered to trade on behalf of a limited market dealer is registered as a dealing representative of the dealer.</u></p> <p><u>(4)</u> <u>Sections 12.1 [capital requirements] and 12.2 [notifying the regulator of a subordination agreement] do not apply to a person or company registered as an exempt market dealer under subsection (2) until one year after this Instrument comes into force.</u></p> <p><u>(5)</u> <u>Sections 12.3 [insurance – dealer] and 12.7 [notifying the regulator of a change, claim or cancellation] do not apply to a person or company registered as an exempt market dealer under subsection (2) until 6 months after this Instrument comes into force.</u></p>
16.4 Registration for investment fund managers active when this Instrument comes into force	Registration of investment fund managers	<u>16.4</u> Registration of <u>for</u> investment fund managers <u>active when this Instrument comes into</u>

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<p>(1) The requirement to register as an investment fund manager does not apply to a person or company that is acting as an investment fund manager on the day this Instrument comes into force</p> <p>(a) until one year after this Instrument comes into force, or</p> <p>(b) if the person or company applies for registration as an investment fund manager within one year after this Instrument comes into force, until the regulator has accepted or refused the registration.</p> <p>(2) Subsection (1) is repealed one year after this Instrument comes into force.</p> <p>(3) Section 12.5 [insurance – investment fund manager] does not apply to a registered dealer or registered adviser that is acting as an investment fund manager on the day this Instrument comes into force.</p> <p>(4) Subsection (3) is repealed one year after this Instrument comes into force.</p>	<p>10.3 (1) The requirement to register as an investment fund manager does not apply to a person or company that is acting as an investment fund manager on the date this Instrument comes into force</p> <p>(a) until six months after this Instrument comes into force, or</p> <p>(b) if the person or company applies for registration as an investment fund manager within six months of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>(2) Despite paragraph 4.18(2)(c) [capital requirement], for the purpose of calculating excess working capital, the minimum capital is \$50,000 for a registered dealer or registered adviser that is acting as an investment fund manager on the date this Instrument comes into force.</p> <p>(3) Subsection (2) expires six months after this Instrument comes into force.</p> <p>(4) Section 4.23 [insurance – investment fund manager] does not apply to a registered dealer or registered adviser that is acting as an investment fund manager on the date this Instrument comes into force.</p> <p>(5) Subsection (4) expires six months after this Instrument comes into force.</p>	<p><u>force</u></p> <p>10.3 (1) The requirement to register as an investment fund manager does not apply to a person or company that is acting as an investment fund manager on the date <u>day</u> this Instrument comes into force</p> <p>(a) until six months <u>one year</u> after this Instrument comes into force, or</p> <p>(b) if the person or company applies for registration as an investment fund manager within six months of one year after <u>coming comes</u> into force, until the regulator has accepted or refused the registration.</p> <p>(2) Despite paragraph 4.18(2)(c) [capital requirement], for the purpose of calculating excess working capital, the minimum capital is \$50,000 for a registered dealer or registered adviser that is acting as an investment fund manager on the date this Instrument comes into force.</p> <p>(3-2) Subsection (2) <u>expires six months</u> 1 <u>is repealed one year</u> after this Instrument comes into force.</p> <p>(43) Section 4.23 <u>12.5</u> [insurance – investment fund manager] does not apply to a registered dealer or registered adviser that is acting as an investment fund manager on the date <u>day</u> this Instrument comes into force.</p> <p>(54) Subsection (4) <u>expires six months</u> 3 <u>is repealed one year</u> after this Instrument comes into force.</p>

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<p>16.5 Temporary exemption for Canadian investment fund manager registered in its principal jurisdiction</p> <p>(1) An investment fund manager is not required to register in the local jurisdiction if it is registered, or has applied for registration, in the jurisdiction of Canada in which its head office is located.</p> <p>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</p>	<p>New Provision</p>	<p><u>16.5 Temporary exemption for Canadian investment fund manager registered in its principal jurisdiction</u></p> <p><u>(1) An investment fund manager is not required to register in the local jurisdiction if it is registered, or has applied for registration, in the jurisdiction of Canada in which its head office is located.</u></p> <p><u>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</u></p>
<p>16.6 Temporary exemption for foreign investment fund managers</p> <p>(1) The investment fund manager registration requirement does not apply to a person or company that is acting as an investment fund manager if its head office is in not in a jurisdiction of Canada.</p> <p>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</p>	<p>New Provision</p>	<p><u>16.6 Temporary exemption for foreign investment fund managers</u></p> <p><u>(1) The investment fund manager registration requirement does not apply to a person or company that is acting as an investment fund manager if its head office is in not in a jurisdiction of Canada.</u></p> <p><u>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</u></p>
<p>16.7 Registration of exempt market dealers</p> <p>(1) This section does not apply in Ontario and Newfoundland and Labrador.</p> <p>(2) In this section, “the exempt market” means those trading and underwriting activities listed in subparagraph 7.1(2)(d) [dealer categories].</p> <p>(3) The requirement to register as an exempt market dealer does not apply to a person or company that acts as a dealer in the exempt market on the day this Instrument comes into force</p>	<p>Registration of exempt market dealers</p> <p>10.4 (1) In this section, “a dealer in the exempt market” means</p> <p>(a) a dealer who trades in securities referred to in subparagraph 2.1(1)(d)(i) (A), (B) or (C), or</p> <p>(b) a person or company who acts as an underwriter in respect of a distribution of securities that may be made under an exemption from the prospectus requirement.</p> <p>(2) Despite section 2.1 [dealer and</p>	<p><u>16.7 Registration of exempt market dealers</u></p> <p>10.4 <u>(1) This section does not apply in Ontario and Newfoundland and Labrador.</u></p> <p><u>(2) In this section, “a dealer in the exempt market” means those trading and underwriting activities listed in subparagraph 7.1(2)(d) [dealer categories].</u></p> <p>(a) a dealer who trades in securities referred to in subparagraph 2.1(1)(d)(i) (A), (B) or (C), or</p> <p>(b) a person or company who acts as an</p>

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<p>(a) until one year after this Instrument comes into force, or</p> <p>(b) if the person or company applies for registration as an exempt market dealer within one year after this Instrument comes into force, until the regulator has accepted or refused the registration.</p> <p>(4) The requirement to register as a dealing representative of an exempt market dealer does not apply to an individual who acts as a dealer in the exempt market on the day this Instrument comes into force</p> <p>(a) until one year after this Instrument comes into force, or</p> <p>(b) if the individual applies to be registered as a dealing representative of an exempt market dealer within one year after this Instrument comes into force, until the regulator has accepted or refused the registration.</p>	<p>underwriter categories], a person or company that is a registered firm on the date this Instrument comes into force and is a dealer in the exempt market on that date, is not required to register as an exempt market dealer</p> <p>(a) until six months after this Instrument comes into force, or</p> <p>(b) if the dealer applies for registration as an exempt market dealer within six months of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>(3) Despite section 2.7 [individual categories], an individual who is a registered individual on the date this Instrument comes into force and is a dealer in the exempt market on that date, is not required to register as a dealing representative of an exempt market dealer</p> <p>(a) until six months after this Instrument comes into force, or</p> <p>(b) if the individual applies to be registered as a dealing representative of an exempt market dealer within six months of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>(4) A person or company that is not registered under securities legislation and is a dealer in the exempt market on the date this Instrument comes into force, is exempt from the dealer registration requirement and the underwriter registration requirement</p>	<p>underwriter in respect of a distribution of securities that may be made under an exemption from the prospectus requirement. —</p> <p>(2) — Despite section 2.1 [dealer and underwriter categories], a person or company that is a registered firm on the date this Instrument comes into force and is a dealer in the exempt market on that date, is not required to register as an exempt market dealer</p> <p>(a) — until six months after this Instrument comes into force, or</p> <p>(b) — if the dealer applies for registration as an exempt market dealer within six months of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>— (3) — Despite section 2.7 [individual categories], an individual who is a registered individual on the date this Instrument comes into force and is a dealer in the exempt market on that date, is not required to register as a dealing representative of an exempt market dealer</p> <p><u>(3) The requirement to register as an exempt market dealer does not apply to a person or company that acts as a dealer in the exempt market on the day this Instrument comes into force</u></p> <p>(a) until six months <u>one year</u> after this Instrument comes into force, or</p> <p>(b) if the individual <u>person or company</u> applies to be registered as a dealing representative of for registration as <u>to be registered as a dealing representative of for registration as</u> an exempt market dealer within six months of one year after <u>six months of one year after</u> this Instrument coming <u>comes</u> into force, until the regulator has accepted or</p>

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	<p>(a) until six months after this Instrument comes into force, or</p> <p>(b) if the person or company applies for registration as an exempt market dealer, or a dealing representative of an exempt market dealer within six months of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>(5) Despite section 4.16 [grandfathered registrants], an individual who is a dealer in the exempt market on the date this Instrument comes into force is exempt from section 4.9 [exempt market dealer – dealing representative] until 12 months after this Instrument comes into force.</p>	<p>refused the registration.</p> <p>(4) — A person or company that is not registered under securities legislation and is <u>The requirement to register as a dealing representative of an exempt market dealer does not apply to an individual who acts as</u> a dealer in the exempt market on the date day <u>date day</u> this Instrument comes into force, is exempt from the dealer registration requirement and the underwriter registration requirement</p> <p>(a) until six months <u>one year</u> after this Instrument comes into force, or</p> <p>(b) if the person or company <u>individual</u> applies for registration as an exempt market dealer, or to be registered as <u>to be registered as</u> a dealing representative of an exempt market dealer within six months of <u>one year after</u> this Instrument coming <u>comes</u> into force, until the regulator has accepted or refused the registration.</p> <p>(5) — Despite section 4.16 [grandfathered registrants], an individual who is a dealer in the exempt market on the date this Instrument comes into force is exempt from section 4.9 [exempt market dealer – dealing representative] until 12 months after this Instrument comes into force.</p>
<p>16.8 Registration of ultimate designated persons</p> <p>If a person or company is a registered firm on the day this Instrument comes into force, section 11.2 [designating an ultimate designated person] does not apply to the firm</p> <p>(a) until 3 months after this Instrument comes</p>	<p>Registration of ultimate designated persons</p> <p>10.5 If a person or company is a registered firm on the date this Instrument comes into force, section 2.9 [ultimate designated person] does not apply to the firm</p> <p>(a) until one month after this Instrument comes</p>	<p><u>16.8</u> Registration of ultimate designated persons</p> <p>10.5 If a person or company is a registered firm on the <u>date day</u> this Instrument comes into force, section 2.9 <u>11.2</u> [designating an ultimate designated person] does not apply to the firm</p> <p>(a) until one month <u>3 months</u> after this</p>

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<p>into force, or</p> <p>(b) if an individual applies to be registered as the ultimate designated person of the firm within 3 months after this Instrument comes into force, until the regulator has accepted or refused the registration.</p>	<p>into force, or</p> <p>(b) if an individual applies to be registered as the ultimate designated person of the firm within one month of this Instrument coming into force, until the regulator has accepted or refused the registration.</p>	<p>Instrument comes into force, or</p> <p>(b) if an individual applies to be registered as the ultimate designated person of the firm within one month of <u>3 months after</u> this Instrument coming <u>comes</u> into force, until the regulator has accepted or refused the registration.</p>
<p>16.9 Registration of chief compliance officers</p> <p>(1) If a person or company is a registered firm on the date this Instrument comes into force, section 11.3 [designating a chief compliance officer] does not apply to the firm</p> <p>(a) until 3 months after this Instrument comes into force, or</p> <p>(b) if an individual applies to be registered as the chief compliance officer of the firm within 3 months after this Instrument comes into force, until the regulator has accepted or refused the registration.</p> <p>(2) If an individual applies to be registered as the chief compliance officer of a registered firm within 3 months after this Instrument comes into force and the individual was identified on the National Registration Database as the firm's compliance officer on the date this Instrument came into force, the following sections do not apply in respect of the individual so long as he or she remains registered as the firm's chief compliance officer:</p> <p>(a) section 3.6 [mutual fund dealer – chief compliance officer], if the registered firm is a mutual fund dealer;</p>	<p>Registration of chief compliance officers</p> <p>10.6 (1) If a person or company is a registered firm on the date this Instrument comes into force, section 2.10 [chief compliance officer] does not apply to the firm</p> <p>(a) until one month after this Instrument comes into force, or</p> <p>(b) if an individual applies to be registered as the chief compliance officer of the firm within one month of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p>(2) If an individual applies, within one month of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that is a registered firm on the date this Instrument comes into force, Division 1 [proficiency requirements] of Part 4 does not apply in respect of the individual.</p> <p>(3) Despite subsection (2), if an individual applies, within six months of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that is acting as an investment fund manager on the date this Instrument comes into force, section 4.15 [investment fund manager – chief compliance officer] does not apply in respect of the individual</p>	<p><u>16.9</u> Registration of chief compliance officers</p> <p>10.6 (1) If a person or company is a registered firm on the date this Instrument comes into force, section 2.10 [chief compliance officer] does not apply to the firm</p> <p>(a) until one month after this Instrument comes into force, or</p> <p>(b) if an individual applies to be registered as the chief compliance officer of the firm within one month of this Instrument coming into force, until the regulator has accepted or refused the registration.</p> <p><u>(1) If a person or company is a registered firm on the date this Instrument comes into force, section 11.3 [designating a chief compliance officer] does not apply to the firm</u></p> <p><u>(a) until 3 months after this Instrument comes into force, or</u></p> <p><u>(b) if an individual applies to be registered as the chief compliance officer of the firm within 3 months after this Instrument comes into force, until the regulator has accepted or refused the registration.</u></p> <p>(2) If an individual applies, within one</p>

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<p>(b) section 3.8 [scholarship plan dealer – chief compliance officer], if the registered firm is a scholarship plan dealer;</p> <p>(c) section 3.10 [exempt market dealer – chief compliance officer], if the registered firm is an exempt market dealer;</p> <p>(d) section 3.13 [portfolio manager – chief compliance officer], if the registered firm is a portfolio manager.</p> <p>(3) If an individual applies to be registered as the chief compliance officer of a registered firm within 3 months after this Instrument comes into force and the individual was not identified on the National Registration Database as the firm’s compliance officer on the date this Instrument came into force, the following sections do not apply in respect of the individual until one year after this Instrument comes into force:</p> <p>(a) section 3.6 [mutual fund dealer – chief compliance officer], if the registered firm is a mutual fund dealer;</p> <p>(b) section 3.8 [scholarship plan dealer – chief compliance officer], if the registered firm is a scholarship plan dealer;</p> <p>(c) section 3.10 [exempt market dealer – chief compliance officer], if the registered firm is an exempt market dealer;</p> <p>(d) section 3.13 [portfolio manager – chief compliance officer], if the registered firm is a</p>	<p>until 12 months after this Instrument comes into force.</p> <p>(4) Despite subsection (2), if an individual applies, within six months of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that is a dealer in the exempt market on the date this Instrument comes into force, section 4.10 [exempt market dealer – chief compliance officer] does not apply in respect of the individual until 12 months after this Instrument comes into force.</p> <p>(5) In subsection (4), “a dealer in the exempt market” means</p> <p>(a) a dealer who trades in securities referred to in subparagraph 2.1(1)(d)(i) (A), (B) or (C), or</p> <p>(b) a person or company who acts as an underwriter in respect of a distribution of securities that may be made under an exemption from the prospectus requirement.</p>	<p>month of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that is a registered firm on the date this Instrument comes into force. Division 1 [proficiency requirements] of Part 4 does not apply in respect of the individual.</p> <p><u>(2) If an individual applies to be registered as the chief compliance officer of a registered firm within 3 months after this Instrument comes into force and the individual was identified on the National Registration Database as the firm’s compliance officer on the date this Instrument came into force, the following sections do not apply in respect of the individual so long as he or she remains registered as the firm’s chief compliance officer:</u></p> <p><u>(a) section 3.6 [mutual fund dealer - chief compliance officer], if the registered firm is a mutual fund dealer;</u></p> <p><u>(b) section 3.8 [scholarship plan dealer - chief compliance officer], if the registered firm is a scholarship plan dealer;</u></p> <p><u>(c) section 3.10 [exempt market dealer - chief compliance officer], if the registered firm is an exempt market dealer;</u></p> <p><u>(d) section 3.13 [portfolio manager - chief compliance officer], if the registered firm is a portfolio manager.</u></p> <p>(3) Despite subsection (2), if an individual applies, within six months of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that</p>

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<p>portfolio manager.</p> <p>(4) In Ontario and Newfoundland and Labrador, despite paragraphs (2)(c) and (3)(c), if an individual applies to be registered as the chief compliance officer of an exempt market dealer within 3 months after this Instrument comes into force, section 3.10 [exempt market dealer – chief compliance officer] does not apply in respect of the individual until one year after this Instrument comes into force.</p>		<p>is acting as an investment fund manager on the date this Instrument comes into force, section 4.15 [investment fund manager – chief compliance officer] does not apply in respect of the individual until 12 months after this Instrument comes into force.</p> <p><u>(3) If an individual applies to be registered as the chief compliance officer of a registered firm within 3 months after this Instrument comes into force and the individual was not identified on the National Registration Database as the firm's compliance officer on the date this Instrument came into force, the following sections do not apply in respect of the individual until one year after this Instrument comes into force:</u></p> <p><u>(a) section 3.6 [mutual fund dealer - chief compliance officer], if the registered firm is a mutual fund dealer;</u></p> <p><u>(b) section 3.8 [scholarship plan dealer - chief compliance officer], if the registered firm is a scholarship plan dealer;</u></p> <p><u>(c) section 3.10 [exempt market dealer - chief compliance officer], if the registered firm is an exempt market dealer;</u></p> <p><u>(d) section 3.13 [portfolio manager - chief compliance officer], if the registered firm is a portfolio manager.</u></p> <p>(4) Despite subsection (2), if an individual applies, within six months of this Instrument coming into force, to be registered as the chief compliance officer of a person or company that is a dealer in the exempt market on the date this Instrument comes into force, section 4.10 [exempt</p>

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		<p>market dealer – chief compliance officer] does not apply in respect of the individual until 12 months after this Instrument comes into force.</p> <p><u>(4) In Ontario and Newfoundland and Labrador, despite paragraphs (2)(c) and (3)(c), if an individual applies to be registered as the chief compliance officer of an exempt market dealer within 3 months after this Instrument comes into force, section 3.10 [exempt market dealer – chief compliance officer] does not apply in respect of the individual until one year after this Instrument comes into force.</u></p> <p>———— (5) ——— In subsection (4), "a dealer in the exempt market" means</p> <p>(a) ——— a dealer who trades in securities referred to in subparagraph 2.1(1)(d)(i) (A), (B) or (C), or</p> <p>(b) ——— a person or company who acts as an underwriter in respect of a distribution of securities that may be made under an exemption from the prospectus requirement.</p>
<p>16.10 Proficiency for dealing and advising representatives</p> <p>(1) Subject to subsections (2) and (3), if an individual is registered as a dealing or advising representative in a category referred to in a section of Division 2 of Part 3 [education and experience requirements] on the day this Instrument comes into force, that section does not apply to the individual so long as the individual remains registered in the category.</p> <p>(2) Section 3.7 [scholarship plan dealer – dealing representative] does not apply to an</p>	<p>Grandfathered registrants</p> <p>4.16 (1) If, on the date this Instrument comes into force, an individual is registered in a category referred to in a section of this Division, the individual is exempt from that section.</p> <p>(2) Despite subsection (1), an individual who is a dealing representative of a scholarship plan dealer on the date this Instrument comes into force is exempt from section 4.7 [scholarship plan dealer – dealing representative] until 12 months after this Instrument comes into</p>	<p>Grandfathered registrants<u>16.10 Proficiency for dealing and advising representatives</u></p> <p>4.16 (1) If, on the date this Instrument comes into force,<u>(1) Subject to subsections (2) and (3), if an individual is registered as a dealing or advising representative in a category referred to in a section of this Division, the individual is exempt from that section</u> <u>Division 2 of Part 3 [education and experience requirements] on the day this Instrument comes into force, that section does not apply to the individual so long as the individual remains registered in the category.</u></p>

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<p>individual until one year after this Instrument comes into force if the individual is registered as a dealing representative of a scholarship plan dealer on the day this Instrument comes into force.</p> <p>(3) In Ontario and Newfoundland and Labrador, section 3.9 [exempt market dealer – dealing representative] does not apply to an individual until one year after this Instrument comes into force if the individual is registered as a dealing representative of an exempt market dealer on the day this Instrument comes into force.</p>	<p>force.</p>	<p>(2) Despite subsection (1), an individual who is Section 3.7 [scholarship plan dealer – dealing representative] does not apply to an individual until one year after this Instrument comes into force if the individual is registered as a dealing representative of a scholarship plan dealer on the <u>date day</u> this Instrument comes into force is exempt from section 4.7 [scholarship plan dealer – dealing representative] until 12 months after this Instrument comes into force.</p> <p>(3) In Ontario and Newfoundland and Labrador, section 3.9 [exempt market dealer – dealing representative] does not apply to an individual until one year after this Instrument comes into force if the individual is registered as a dealing representative of an exempt market dealer on the day this Instrument comes into force.</p>
<p>16.11 Capital requirements</p> <p>(1) A person or company that is a registered firm on the day this Instrument comes into force is exempt from sections 12.1 [capital requirements] and 12.2 [notifying the regulator of a subordination agreement] if it complies with each provision listed in Appendix E [non-harmonized capital requirements] across from the name of the firm's principal jurisdiction.</p> <p>(2) Subsection (1) is repealed one year after this Instrument comes into force.</p>	<p>Capital requirements</p> <p>10.10 (1) A person or company that is a registered firm on the date this Instrument comes into force is exempt from sections 4.18 [capital requirement] to 4.20 [subordination agreement – notice requirement] if it complies with each provision listed in Appendix E [non-harmonized capital requirements] across from the name of the local jurisdiction.</p> <p>(2) Subsection (1) expires 12 months after this Instrument comes into force.</p>	<p>16.11 Capital requirements</p> <p>40.10 (1) A person or company that is a registered firm on the <u>date day</u> this Instrument comes into force is exempt from sections 4.1812.1 [capital requirement] to 4.20 [requirements] and 12.2 [notifying the regulator of a subordination agreement – notice requirement] if it complies with each provision listed in Appendix E [non-harmonized capital requirements] across from the name of the local firm's principal jurisdiction.</p> <p>(2) Subsection (1) expires 12 months is repealed one year after this Instrument comes into force.</p>
<p>16.12 Continuation of existing discretionary relief</p> <p>A person or company that was entitled to rely on an exemption, waiver or approval granted to it by a regulator or securities regulatory authority relating to</p>	<p>New Provision</p>	<p>16.12 Continuation of existing discretionary relief</p> <p>A person or company that was entitled to rely on an exemption, waiver or approval granted to it by a regulator or securities regulatory authority relating to</p>

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a requirement under securities legislation or securities directions existing immediately before this Instrument came into force is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval.		a requirement under securities legislation or securities directions existing immediately before this Instrument came into force is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval.
<p>16.13 Insurance requirements</p> <p>(1) A person or company that is a registered firm on the day this Instrument comes into force is exempt from sections 12.3 [insurance – dealer] to 12.7 [notifying the regulator of a change, claim or cancellation] if it complies with each provision listed in Appendix F [non-harmonized insurance requirements] across from the name of the firm’s principal jurisdiction.</p> <p>(2) In Québec, subsection (1), does not apply to a registered firm that is a mutual fund dealer or a scholarship plan dealer on the day this Instrument comes into force.</p> <p>(3) Subsections (1) and (2) are repealed 6 months after this Instrument comes into force.</p>	<p>Insurance requirements</p> <p>10.11 (1) A person or company that is a registered firm on the date this Instrument comes into force is exempt from sections 4.21 [insurance – dealer] to 4.25 [notice of change, claim or cancellation] if it complies with each provision listed in Appendix F - [non-harmonized insurance requirements] across from the name of the local jurisdiction.</p> <p>(2) Subsection (1) expires 6 months after this Instrument comes into force.</p>	<p><u>16.13</u> Insurance requirements</p> <p>10.11 (1) A person or company that is a registered firm on the date <u>day</u> this Instrument comes into force is exempt from sections 4.21<u>12.3</u> [insurance – dealer] to 4.25 [notice of 12.7 <u>[notifying the regulator of a</u> change, claim or cancellation] if it complies with each provision listed in Appendix F - [non-harmonized insurance requirements] across from the name of the local <u>firm’s principal</u> jurisdiction.</p> <p>(2) Subsection (1) expires <u>In Québec, subsection (1), does not apply to a registered firm that is a mutual fund dealer or a scholarship plan dealer on the day this Instrument comes into force.</u></p> <p>(3) <u>Subsections (1) and (2) are repealed</u> 6 months after this Instrument comes into force.</p>
<p>16.14 Relationship disclosure information</p> <p>(1) Section 14.2 [relationship disclosure information] does not apply to a person or company that is a registrant on the day this Instrument comes into force.</p> <p>(2) Subsection (1) is repealed one year after this Instrument comes into force.</p>	<p>Relationship disclosure information</p> <p>10.7 (1) Section 5.4 [providing relationship disclosure information] does not apply to a person or company that is a registrant on the date this Instrument comes into force.</p> <p>(2) Subsection (1) expires 6 months after this Instrument comes into force.</p>	<p><u>16.14</u> Relationship disclosure information</p> <p>10.7 (1) Section 5.4<u>14.2</u> [providing relationship disclosure information] does not apply to a person or company that is a registrant on the date <u>day</u> this Instrument comes into force.</p> <p>(2) Subsection (1) expires 6 months <u>is repealed one year</u> after this Instrument comes into force.</p>

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<p>16.15 Referral arrangements</p> <p>(1) Division 3 [referral arrangements] of Part 13 does not apply to a person or company that is a registrant on the day this Instrument comes into force.</p> <p>(2) Subsection (1) is repealed 6 months after this Instrument comes into force.</p>	<p>Referral arrangements</p> <p>10.9 (1) Division 2 [referral arrangements] of Part 6 does not apply to a person or company that is a registrant on the date this Instrument comes into force.</p> <p>(2) Subsection (1) expires 6 months after this Instrument comes into force.</p>	<p><u>16.15</u> Referral arrangements</p> <p>10.9 (1) Division <u>23</u> [referral arrangements] of Part <u>613</u> does not apply to a person or company that is a registrant on the date <u>day</u> this Instrument comes into force.</p> <p>(2) Subsection (1) expires <u>is repealed</u> 6 months after this Instrument comes into force.</p>
<p>16.16 Complaint handling</p> <p>(1) In each jurisdiction of Canada except Québec, section 13.16 [dispute resolution service] does not apply to a person or company that is a registered firm on the day this Instrument comes into force.</p> <p>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</p>	<p>Complaint handling</p> <p>10.8 (1) In each jurisdiction of Canada except Québec, a person or company that is a registered firm on the date this Instrument comes into force is exempt from section 5.29 [dispute resolution service] and section 5.31 [reporting to the securities regulatory authority].</p> <p>(2) Subsection (1) expires 6 months after this Instrument comes into force.</p>	<p><u>16.16</u> Complaint handling</p> <p>10.8 (1) In each jurisdiction of Canada except Québec, <u>section 13.16 [dispute resolution service]</u> does not apply to a person or company that is a registered firm on the date <u>day</u> this Instrument comes into force is exempt from section 5.29 [dispute resolution service] and section 5.31 [reporting to the securities regulatory authority].</p> <p>(2) Subsection (1) expires 6 months <u>is repealed 2 years</u> after this Instrument comes into force.</p>
<p>16.17 Client statements – mutual fund dealers</p> <p>(1) Section 14.14 [client statements] does not apply to a person or company that is a mutual fund dealer on the day this Instrument comes into force.</p> <p>(2) Subsection (1) is repealed 2 years after this Instrument comes into force .</p>	<p>New Provision</p>	<p><u>16.17</u> <u>Client statements – mutual fund dealers</u></p> <p>(1) <u>Section 14.14 [client statements] does not apply to a person or company that is a mutual fund dealer on the day this Instrument comes into force.</u></p> <p>(2) <u>Subsection (1) is repealed 2 years after this Instrument comes into force .</u></p>
<p>16.18 Transition to exemption – international dealers</p> <p>(1) This section applies in Ontario and Newfoundland and Labrador.</p>	<p>New Provision</p>	<p><u>16.18</u> <u>Transition to exemption – international dealers</u></p> <p>(1) <u>This section applies in Ontario and Newfoundland and Labrador.</u></p>

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<p>(2) If a person or company is registered in the category of international dealer on the day this Instrument comes into force, its registration in that category is revoked.</p> <p>(3) If a person or company is registered in the category of international dealer on the day this Instrument comes into force, paragraphs 8.18(3)(e) and 8.18(4)(b) [international dealer] do not apply to the person or company until one month after this Instrument comes into force.</p>		<p><u>(2) If a person or company is registered in the category of international dealer on the day this Instrument comes into force, its registration in that category is revoked.</u></p> <p><u>(3) If a person or company is registered in the category of international dealer on the day this Instrument comes into force, paragraphs 8.18(3)(e) and 8.18(4)(b) [international dealer] do not apply to the person or company until one month after this Instrument comes into force.</u></p>
<p>16.19 Transition to exemption – international advisers</p> <p>(1) This section applies in Ontario.</p> <p>(2) If a person or company is registered in the category of international adviser on the day this Instrument comes into force, its registration in that category is revoked one year after this Instrument comes into force.</p> <p>(3) If the registration of a person or company is revoked under subsection (2), the registration of each individual registered to act as an adviser on behalf of the person or company is revoked.</p> <p>(4) If a person or company is registered in the category of international adviser on the day this Instrument comes into force, paragraphs (e) and (f) of subsection 8.26(4) [international adviser] do not apply to the person or company until one year after this Instrument comes into force.</p>	New Provision	<p><u>16.19 Transition to exemption – international advisers</u></p> <p><u>(1) This section applies in Ontario.</u></p> <p><u>(2) If a person or company is registered in the category of international adviser on the day this Instrument comes into force, its registration in that category is revoked one year after this Instrument comes into force.</u></p> <p><u>(3) If the registration of a person or company is revoked under subsection (2), the registration of each individual registered to act as an adviser on behalf of the person or company is revoked.</u></p> <p><u>(4) If a person or company is registered in the category of international adviser on the day this Instrument comes into force, paragraphs (e) and (f) of subsection 8.26(4) [international adviser] do not apply to the person or company until one year after this Instrument comes into force.</u></p>
<p>16.20 Transition to exemption – portfolio manager and investment counsel (foreign)</p>	New Provision	<p><u>16.20 Transition to exemption – portfolio manager and investment counsel (foreign)</u></p>

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<p>(1) This section applies in Alberta.</p> <p>(2) If a person or company is registered in the category of portfolio manager and investment counsel (foreign) on the day this Instrument comes into force, its registration in that category is revoked one year after this Instrument comes into force.</p> <p>(3) If the registration of a person or company is revoked under subsection (2), the registration of each individual registered to act as an adviser on behalf of the person or company is revoked.</p> <p>(4) If a person or company is registered in the category of portfolio manager and investment counsel (foreign) on the day this Instrument comes into force, paragraphs (e) and (f) of subsection 8.26(4) [international adviser] do not apply to the person or company until one year after this Instrument comes into force.</p>		<p><u>(1) This section applies in Alberta.</u></p> <p><u>(2) If a person or company is registered in the category of portfolio manager and investment counsel (foreign) on the day this Instrument comes into force, its registration in that category is revoked one year after this Instrument comes into force.</u></p> <p><u>(3) If the registration of a person or company is revoked under subsection (2), the registration of each individual registered to act as an adviser on behalf of the person or company is revoked.</u></p> <p><u>(4) If a person or company is registered in the category of portfolio manager and investment counsel (foreign) on the day this Instrument comes into force, paragraphs (e) and (f) of subsection 8.26(4) [international adviser] do not apply to the person or company until one year after this Instrument comes into force.</u></p>
Part 17 When this Instrument comes into force		
<p>17.1 Effective date</p> <p>(1) Except in Ontario, this Instrument comes into force on September 28, 2009.</p> <p>(2) In Ontario, this Instrument comes into force on the later of the following:</p> <p>(a) September 28, 2009;</p> <p>(b) the day on which sections 4, 5 and subsections 20(1) to (11) of Schedule 26 of the Budget Measures Act, 2009 are proclaimed in force.</p>	<p>Effective date</p> <p>11.1 This instrument comes into force on [●].</p>	<p><u>17.1 Effective date</u></p> <p>11.1 This instrument comes into force on [●].</p> <p><u>(1) Except in Ontario, this Instrument comes into force on September 28, 2009.</u></p> <p><u>(2) In Ontario, this Instrument comes into force on the later of the following:</u></p> <p><u>(a) September 28, 2009;</u></p> <p><u>(b) the day on which sections 4, 5 and</u></p>

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		subsections 20(1) to (11) of Schedule 26 of the Budget Measures Act, 2009 are proclaimed in force.
FORM 31-103F1 CALCULATION OF EXCESS WORKING CAPITAL	Form 31-103F1 Calculation of excess working capital	Form FORM 31-103F1 Calculation of excess working capital CALCULATION OF EXCESS WORKING CAPITAL
FORM 31-103F2 SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE	Form 31-103F2 Submission to jurisdiction and appointment of agent for service	FORM 31-103F2 SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE Form 31-103F2 Submission to jurisdiction and appointment of agent for service
FORM 31-103F3 USE OF MOBILITY EXEMPTION	Form 31-103F3 Notice of principal regulator	Form FORM 31-103F3 Notice of principal regulator USE OF MOBILITY EXEMPTION
APPENDIX A – BONDING AND INSURANCE CLAUSES	APPENDIX A – Bonding and insurance clauses	APPENDIX A - Bonding and insurance clauses BONDING AND INSURANCE CLAUSES
APPENDIX B – SUBORDINATION AGREEMENT	APPENDIX B – Subordination Agreement	APPENDIX B - Subordination Agreement SUBORDINATION AGREEMENT
APPENDIX C – NEW CATEGORY NAMES - INDIVIDUALS	APPENDIX C – New category names – firms	APPENDIX C - New category names – firms NEW CATEGORY NAMES – INDIVIDUALS
APPENDIX D – NEW CATEGORY NAMES – FIRMS	APPENDIX D – New category names – individuals	APPENDIX D - New category names – individuals NEW CATEGORY NAMES – FIRMS
APPENDIX E – NON-HARMONIZED CAPITAL REQUIREMENTS	APPENDIX E – Non-harmonized capital requirements	APPENDIX E - Non-harmonized capital requirements E - NON-HARMONIZED CAPITAL REQUIREMENTS
APPENDIX F – NON-HARMONIZED INSURANCE REQUIREMENTS	APPENDIX F – Non-harmonized insurance requirements	APPENDIX F - Non-harmonized insurance requirements F - NON-HARMONIZED INSURANCE REQUIREMENTS