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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the filings and notification requirements relating to the bulk transfer of locations and individuals in connection with an amalgamation

Applicable British Columbia Provisions

Multilateral Instrument 33-109 *Registration Information*, s. 7.1

**IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH
COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF HSBC SECURITIES (CANADA) INC. AND HSBC
INVESTDIRECT INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador (the “Jurisdictions”) has received an application from HSBC Securities (Canada) Inc. (“HCSC”) and HSBC InvestDirect Inc. (“HIDC”) (collectively, the Applicants) for a decision pursuant to Part 7 of Multilateral Instrument 33-109 *Registration Information* (“MI 33-109”) exempting the Applicants from certain requirements of MI 33-109 so as to permit a bulk transfer of the business locations and individuals (the “Representatives”) associated with HCSC and HIDC to the entity formed by the amalgamation (the “Amalgamation”) of HCSC with HIDC (“HCSC Amalco”) as referred to in Section 3.1 of the Companion Policy MI 33-109CP to MI 33-109.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission (the “Commission”) is the principal regulator for this application.

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AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101-*Definitions*.

AND WHEREAS it has been represented by the Applicants to the Decision Makers that:

1. HCSC and HIDC were, at the date of the Amalgamation, registered as investment dealers in all provinces of Canada and are members of the Investment Dealers Association of Canada (“IDA”) and, to the best of their knowledge, were not in default of any of the requirements of the securities legislation of the Jurisdictions.
2. HCSC was, at the date of the Amalgamation, a corporation amalgamated under the laws of Ontario with its head office located in Toronto, Ontario.
3. HIDC was, at the date of the Amalgamation, a corporation continued under the laws of Ontario with its head office located in Toronto, Ontario.
4. HCSC and HIDC amalgamated on January 1, 2004 to form HCSC Amalco. All individuals and business locations associated with HCSC and HIDC were transferred to HCSC Amalco. HCSC Amalco will carry on all of the active securities business of HCSC and HIDC in a substantially similar manner with the same salespeople. HCSC Amalco, to the best of its knowledge, is not in default of any of the requirements of the securities legislation of the Jurisdictions.
5. It would be unduly onerous to transfer each individual associated with HCSC and HIDC to HCSC Amalco as per the requirements set out in the MI 33-109 given that there is no substantive change in their employment or responsibilities.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in MI 33-109 that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to section 7.1 of MI 33-109 is that the following requirements of MI 33-109 shall not apply to HCSC and HIDC in respect of the Amalgamation:

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- (i) the requirement to submit a Form 33-109FI regarding the termination of each employment, partner, or agency relationship under section 4.3 of MI 33-109;
- (ii) the requirement to submit a Form 33-109F1 regarding each individual who ceases to be a non-registered individual under section 5.2 of MI 33-109;
- (iii) the requirement to submit a Form 33-109F4 for each individual applying to become a registered individual under section 2.2 of MI 33-109;
- (iv) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109; and,
- (v) the requirement under section 3.1 of MI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.

DATED this 24th day of February, 2004.

David M. Gilkes