
Proposed NI 31-103 – *Registration Requirements*

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Agenda

- Background
- Lack of harmonization
- Major changes since first publication
- Other key areas of change
- What's next
- Questions?



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National Registration Rule - Background

- CSA launched Registration Reform Project in 2004
 - Goal: harmonize, streamline and modernize registration regime
 - NI 31-103 to be one-stop shopping for registration issues
- First published for comment February 2007
- Revised and republished February 2008



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NI 31-103 – What’s not harmonized?

- Registration trigger
 - Move to business trigger for dealers
 - Implemented by Act amendments in most jurisdictions
 - Implemented by exemption for those “not in the business” in BC and NB
 - Trade trigger in Manitoba



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NI 31-103 – What's not harmonized?

- Registration of Exempt Market Dealers
 - Exempt in BC/Manitoba if operating only in BC and/or Manitoba and not otherwise registered
 - Must file annual report and make risk disclosure
 - Exemptions not available in BC/Manitoba if registered in any other category and/or in any other jurisdiction



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NI 31-103 – Key changes in 2nd Draft

- Permitted clients
 - Exemptions from certain conduct requirements for dealers and advisers
 - General exemption from registration for international dealers and advisers
- Exempt Market Dealers
 - Reduced requirements



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NI 31-103 – Key changes

- Proficiency
 - General principle
- Relationship disclosure
 - General principle
- Conflicts
 - General duty to disclose relevant conflicts
- Information sharing
 - Rep must provide new firm with notice of termination



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NI 31-103 – Transition provisions

- Current registrants deemed registered in equivalent category
- Automatic mapping of individuals on NRD
- Grandfathering of
 - Individuals registered in an existing category of registration
 - Individuals with an exemption from some proficiency requirement



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NI 31-103 – Transition provisions

- Fund managers and EMDs have six months to apply for registration
- Fund managers have one year to comply with capital and insurance
- Six month transition for all firms for relationship disclosure, complaint-handling, referral arrangement, higher insurance
- 12 months transition for all firms for higher capital



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NI 31-103 – Other key features

- Investment fund manager registration
- Complaint-handling and dispute resolution
- Pooled-fund exemption
- Associate advising rep
- CCO/UDP
- Referral arrangements



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NI 31-103 – What's next?

- Second comment period closed May 29/08
- Rule to be finalized by Dec 31/08
- Anticipated implementation Mar 31/08



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NI 31-103 – Questions?

Any additional questions or comments, please contact me:

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