

## Annex E

### **Proposed Amendment to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations***

1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.*
2. *The Instrument is amended by adding the following section:*

#### **13.4.3 Restrictions on a registered individual who is in a position of influence**

- (1) In this section, “position of influence” means a position, other than a position with a sponsoring firm, if, due to the functions of the position or the training or specialized knowledge required for the position, an individual in that position would be considered by a reasonable person to have influence over other individuals.
- (2) For greater certainty, a position of influence under subsection (1) includes the following:
  - (a) a leader in a religious or similar organization;
  - (b) a medical doctor;
  - (c) a nurse;
  - (d) a professor, instructor or teacher at a degree or diploma granting institution;
  - (e) a lawyer;
  - (f) a notary.
- (3) A registered firm must not permit a registered individual of the firm who is in a position of influence to purchase or sell securities or derivatives for, or recommend securities or derivatives to,
  - (a) an individual who
    - (i) has a relationship with the registered individual arising from the position of influence, and
    - (ii) to a reasonable person, would be considered to be susceptible to the registered individual’s influence, or
  - (b) a spouse, parent, brother, sister, grandparent or child of an individual described in paragraph (a).
- (4) A registered individual who is in a position of influence must not purchase or sell securities or derivatives for, or recommend securities or derivatives to
  - (a) an individual who

- (i) has a relationship with the registered individual arising from the position of influence, and
- (ii) to a reasonable person, would be considered to be susceptible to the registered individual's influence, or
- (b) a spouse, parent, brother, sister, grandparent or child of an individual described in paragraph (a).

3. This Instrument comes into force on ●.