

British Columbia Securities Commission

BC Instrument 32-525

Exemption from the dealer registration requirement and the adviser registration requirement in respect of trades and advice for U.S. resident clients

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders effective June 9, 2023 that BC Instrument 32-525 *Exemption from the dealer registration requirement and the adviser registration requirement in respect of trades and advice for U.S. resident clients* is varied, by changing section 8 to reflect that an information report referred to in paragraph 8(a) and the information and records referred to in paragraph 8(c) will be filed outside of SEDAR+ by email until a later phase of the National Systems Renewal Program, so that the instrument reads as attached.

June 7, 2023

Brenda M. Leong
Chair

Gordon Johnson
Vice Chair

(This part for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and sections: *Securities Act*, sections 48 and 171

British Columbia Securities Commission

BC Instrument 32-525

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Order under section 48(1) of the Securities Act

Definitions

1. Terms defined in securities legislation, National Instrument 14-101 *Definitions*, and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* have the same meaning in this order.

Background

2. Certain broker-dealers registered under U.S. federal securities law (U.S. broker-dealer firms) have offices or employees in British Columbia.
3. Certain advisers registered or exempt from registration under U.S. federal securities law (U.S. adviser firms) have offices or employees in British Columbia.
4. Those U.S. broker-dealer firms and U.S. adviser firms trade for and advise U.S. resident clients and may be subsidiaries of, affiliated to, or have arrangements with registered firms in British Columbia.
5. Employees in British Columbia of
 - (a) those U.S. broker-dealer firms who trade for U.S. resident clients must be registered to trade for U.S. resident clients under U.S. federal securities law
 - (b) those U.S. adviser firms who advise U.S. resident clients must be registered or exempt from registration to advise U.S. resident clients under U.S. federal securities law (registered representatives).
6. If those U.S. broker-dealer firms and U.S. adviser firms and their registered representatives trade for and advise U.S. resident clients and are not registered in British Columbia, they are in default of the dealer registration requirement or the adviser registration requirement, because carrying out those activities in British Columbia requires registration.
7. Those U.S. broker-dealer firms and U.S. adviser firms and their registered representatives are subject to U.S. federal securities law in respect of trades for and advice to U.S. resident clients. The Commission has a mutual cooperation and information sharing arrangement with the SEC relating to the exchange of information about persons registered with that body or exempt from registration under U.S. federal securities law.

Order

8. Considering that to do so would not be prejudicial to the public interest, the Commission orders that:

- (1) a U.S. broker-dealer firm and its representatives are exempt from the dealer registration requirement in respect of trades for U.S. resident clients
- (2) a U.S. adviser firm and its representatives are exempt from the adviser registration requirement in respect of advice to U.S. resident clients

if they comply with all of the following conditions:

- (a) The U.S. broker-dealer firm or U.S. adviser firm files with the regulator by email at registration@bcsc.bc.ca a current information report in the form prescribed in Appendix A before relying on this order, and files an updated information report within 10 days of a change to a previously filed information report.
- (b) The U.S. broker-dealer firm or U.S. adviser firm does not trade securities for or advise clients resident in British Columbia, and their registered representatives only trade securities for or advise clients resident in British Columbia if they are registered in the appropriate category.
- (c) The U.S. broker-dealer firm or U.S. adviser firm files with the regulator by email at registration@bcsc.bc.ca all information and records about its trading and advising activities as the regulator requires from time to time.
- (d) The U.S. broker-dealer firm and its representatives or the U.S. adviser firm and its representatives are not in default of securities law in any jurisdiction or foreign jurisdiction.
- (e) The U.S. broker-dealer firm and its representatives are registered under U.S. federal securities law.
- (f) The U.S. adviser firm and its representatives are registered or exempt from registration under U.S. federal securities law.

Appendix A to BCI 32-525

Information report under BC Instrument 32-525

***Exemption from the dealer registration requirement and the adviser registration requirement
in respect of trades and advice for U.S. resident clients***

Complete the applicable sections.

Indicate the jurisdiction(s) in which the firm has employees who trade for or advise U.S. resident clients.

AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[Name of firm]

[Street address]

[Telephone number]

[Name of registered firm in Canada with which you are affiliated, have a business arrangement,
or share employees or offices]

[Name of individual responsible for ensuring conditions to use this exemption are met]

[Telephone number for responsible individual]

[E-mail address for responsible individual]

[Names of employees trading or advising on securities for U.S. resident clients. Use separate
sheet if necessary]

[Date]