

**Multilateral Instrument 11-101**  
*Principal Regulator System*

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**Multilateral Instrument 11-101**  
***Principal Regulator System***

**PART 1      DEFINITIONS**

**1.1      Definitions**

In this Instrument,

“dealer” means an investment dealer, or a mutual fund dealer, as defined in NI 31-101;

“eligible client” means a client of a person or company if the client

- (a) was a client of the person or company immediately before the client became a resident of the local jurisdiction,
- (b) is a spouse, parent, grandparent, brother, sister or child of a person referred to in paragraph (a),
- (c) is a parent, grandparent, brother, sister or child of the spouse of a person referred to in paragraph (a),
- (d) is a person or company of which a majority of the voting securities are beneficially owned by persons or companies, or a majority of the directors are individuals, described in paragraph (a), (b) or (c), or
- (e) is a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in paragraph (a), (b) or (c);

“NI 31-101” means National Instrument 31-101 *National Registration System*;

“non-principal jurisdiction” means, for a person or company, the jurisdiction of a non-principal regulator;

“non-principal regulator” means, for a person or company, the securities regulatory authority or regulator of a jurisdiction other than the principal jurisdiction;

“principal jurisdiction” means, for a person or company, the jurisdiction of the principal regulator;

“principal regulator” means, for a person or company, the securities regulatory authority or regulator determined in accordance with Part 2;

“unrestricted adviser” has the same meaning as in NI 31-101; and

“working office” has the same meaning as in NI 31-101.

**1.2      Language of documents - Québec**

In Québec, nothing in this Instrument shall be construed as relieving a person or company from requirements relating to the language of documents.

## **PART 2      PRINCIPAL REGULATOR**

**2.1      [Repealed]**

**2.2      [Repealed]**

**2.3      [Repealed]**

**2.4      [Repealed]**

### **2.5      Principal regulator for registration**

For the purposes of Part 5, the principal regulator

- (a) for a person or company, other than an individual, is the securities regulatory authority or regulator of the jurisdiction in which the person or company's head office is located, and
- (b) for an individual is the securities regulatory authority or regulator of the jurisdiction in which the individual's working office is located.

### **2.6      Notice of principal regulator for registration**

- (1) As soon as practicable after relying on an exemption under Part 5, the person or company must file a completed Form 11-101F1.
- (2) Subsection (1) does not apply if the person or company is required to file a completed Form 31-101F1 or Form 31-101F2 under NI 31-101.

### **2.7      Notice of change of principal regulator for registration**

- (1) A person or company relying on Part 5 must file a completed Form 11-101F1, as soon as practicable, if,
  - (a) for a person or company other than an individual, the person or company changes its head office to another principal jurisdiction, or
  - (b) for an individual, the location of the individual's working office changes to another principal jurisdiction.
- (2) Subsection (1) does not apply if the person or company is required to file a completed Form 31-101F2 under NI 31-101.

## **2.8 Administrative change of principal regulator**

Despite section 2.5, if a person or company receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the person or company, the principal regulator specified in the notice is the principal regulator for the person or company as of the later of

- (a) the date the person or company receives the notice, and
- (b) the effective date specified in the notice, if any.

## **PART 3 [REPEALED]**

## **PART 4 [REPEALED]**

## **PART 5 REGISTRATION-RELATED EXEMPTIONS**

**5.1 Interpretation** – In this Part, in Québec, “trade” has the same meaning as in section 1.6 of National Instrument 45-106 *Prospectus and Registration Exemptions*.

**5.2 Application** - This Part does not apply if,

- (a) for a person or company other than an individual, the person or company’s head office is located in Ontario, and
- (b) for an individual, the individual’s working office is located in Ontario.

### **5.3 Mobility trading exemption - dealer**

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

- (a) is registered as a dealer in its principal jurisdiction,
- (b) is trading with or for an eligible client,
- (c) has 10 or fewer eligible clients in the local jurisdiction,
- (d) has in aggregate \$10,000,000 or less in assets under management for clients referred to in paragraph (c), and
- (e) complies with section 5.7.

### **5.4 Mobility advising exemption – unrestricted adviser**

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

- (a) is registered as an unrestricted adviser in its principal jurisdiction,

- (b) is advising an eligible client,
- (c) has 10 or fewer eligible clients in the local jurisdiction,
- (d) has in aggregate \$10,000,000 or less in assets under management for clients referred to in paragraph (c), and
- (e) complies with section 5.7.

### **5.5 Mobility trading exemption – individual**

If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to an individual if

- (a) the individual is registered in its principal jurisdiction to trade on behalf of a dealer,
- (b) the dealer is registered in its principal jurisdiction,
- (c) in the local jurisdiction, the individual is trading with or on behalf of 5 or fewer eligible clients of the dealer,
- (d) the dealer has in aggregate \$5,000,000 or less in assets under management for clients referred to in paragraph (c), and
- (e) the individual complies with section 5.7.

### **5.6 Mobility advising exemption – individual**

If the local jurisdiction is a non-principal jurisdiction, the registration requirement does not apply to an individual if

- (a) the individual is registered in its principal jurisdiction to advise on behalf of an unrestricted adviser,
- (b) the unrestricted adviser is registered in its principal jurisdiction,
- (c) in the local jurisdiction, the individual is advising 5 or fewer eligible clients of the unrestricted adviser,
- (d) the unrestricted adviser has in aggregate \$5,000,000 or less in assets under management for clients referred to in paragraph (c), and
- (e) the individual complies with section 5.7.

### **5.7 Conditions for mobility exemptions**

For the purposes of paragraphs 5.3(e), 5.4(e), 5.5(e) and 5.6(e), the person or company must

- (a) disclose to the eligible clients in the local jurisdiction, before it relies on an exemption in Part 5, that the person or company
  - (i) is exempt from the registration requirement in the local jurisdiction, and
  - (ii) is not subject to requirements otherwise applicable under local securities legislation,
- (b) act fairly, honestly and in good faith in the course of its dealings with the eligible clients, and
- (c) not advertise for or solicit new clients in the local jurisdiction, except for advertising for or soliciting new clients for trades made in reliance on another registration exemption in the local jurisdiction.

**5.8 [Repealed]**

**5.9 Notification**

A person or company must, before relying on section 5.3, 5.4, 5.5 or 5.6, give written notice of the exemption that it intends to rely on to the securities regulatory authority in the local jurisdiction.

**PART 6 EFFECTIVE DATE**

**6.1 Effective date**

This Instrument takes effect on September 19, 2005.

[Amended March 17, 2008]