

**COMPANION POLICY 31-101CP
MUTUAL RELIANCE REVIEW SYSTEM FOR REGISTRATION**

PART 1 INTERPRETATION

1.1 Overview and Application

(1) This Policy describes the practical application of mutual reliance concepts set out in the Mutual Reliance Review System Memorandum of Understanding among the Canadian Securities Administrators dated , relating to the filing and review of Materials.

(2) Under the mutual reliance review system for registration a designated regulator acts as the principal regulator for all Materials relating to a filer.

(3) A filer will generally deal only with its principal regulator for the Materials it is required to send under the mutual reliance review system for registration.

(4) The principal regulator is responsible for reviewing the Materials in accordance with Canadian securities legislation and Canadian securities directions in its jurisdiction and will apply its review procedures, analysis and precedents. The non-principal regulators may conduct a review intended to identify any material concerns about the Materials. If a non-principal regulator has identified material issues with Materials sent to it under the mutual reliance review system for registration that, if left unresolved, would cause the non-principal regulator to opt out or not exercise its right to opt in for the particular filer of the Materials, it will advise the principal regulator of the issues.

(5) If an SRO is acting as an agent of a regulator, it may make decisions on registration including opting in and opting out of the mutual reliance review system for registration on behalf of that regulator. The SRO may also communicate these decisions directly to the filers and other regulators.

1.2 Definition - In this Policy "Materials" means applications for registration, reinstatement of registration and renewal of registration and annual delivery documents.

1.3 Interpretation - National Instrument 31-101 (the "Instrument") uses the terminology "send" throughout. The use of the word "send" is intentional by the regulators as it is generic. Canadian securities legislation in certain jurisdictions distinguishes between information that is filed with, and information that is delivered to, the Canadian securities regulatory authorities or regulators. Generally, a document that is filed is available on the public record and a document that is delivered is not available on the public record. Since the use of file and deliver in Canadian securities legislation is not yet harmonized, the Instrument uses the generic term "send" and Canadian securities legislation in the local jurisdiction will determine whether the Materials are to be filed or delivered.

PART 2 CHOICE OF PRINCIPAL REGULATOR

2.1 Exemption from Principal Regulator Requirement - Part 3 of the Instrument sets out how the principal regulator for filers will be determined. Filers who wish to request that a particular regulator act as its principal regulator may apply for an exemption from these requirements. Application should be made to the regulator that would be the principal regulator under the Instrument and the regulator that the filer wishes to act as its principal regulator. The application should set out information relating to the principal place of business and head office of the filer, if a firm filer, and, for both a firm filer and an individual filer, information relating to the number or percentage of clients resident or the number or percentage of clients expected to be resident in each jurisdiction, the volume or percentage of business generated or volume or percentage of business expected to be generated in each jurisdiction and other information the filer considers relevant. The regulator will consider these and other relevant factors in reviewing the application for exemption.

2.2 Principal Regulators - Each of the regulators has agreed to act as a principal regulator for filers under the mutual reliance review system for registration.

2.3 Non-Resident Filers' Choice of Principal Regulator - The Instrument provides that a filer that is resident in a foreign jurisdiction or that has its head office in a foreign jurisdiction must provide a notice requesting a regulator to act as its principal regulator. It also requires that the filer provide in its notice requesting a regulator to act as the principal regulator information relating to the number or percentage of clients resident or the number or percentage of clients expected to be resident in each jurisdiction and the volume or percentage of business generated or volume or percentage of business expected to be generated in each jurisdiction. The regulators have determined that they will consider these and other relevant factors in determining whether to act as principal regulator for a filer and to grant relief from the requirements of the Instrument.

PART 3 LANGUAGE OF APPLICATIONS

3.1 Language of Applications - Each of the regulators will accept registration materials that are sent to it in either of the official languages of Canada.

PART 4 MRRS DECISION DOCUMENT

4.1 Form - An MRRS Decision Document will contain the information set out in the form attached as Appendix A to this policy.

4.2 Local Decision Document - Despite the issuance of an MRRS Decision Document, certain non-principal regulators will issue concurrently their own decision documents for a registration or reinstatement or renewal of registration of a filer. It is not necessary for a filer to obtain a copy of the local decision document prior to commencing trading or advising business.

4.3 MRRS Decision Document - An MRRS Decision Document will be issued by the principal regulator once it is satisfied that a filer has met the initial registration requirements. The principal regulator will first send a draft MRRS Decision Document to all non-principal regulators. The draft MRRS Decision Document will contain proposed conditions on the registration of a filer if the principal regulator is of the view that conditions are required.

4.4 Registration Categories - An MRRS Decision Document will specify the category of registration for the registrant. The equivalent categories of registration in each jurisdiction are set out in Appendix B to this Policy.

4.5 Conditions of Registration - Canadian securities legislation in certain jurisdictions provides a filer with an opportunity to be heard prior to conditions being imposed on the filer's registration. If the filer agrees to a condition being imposed, a regulator generally requires that a written consent to the condition and a waiver of an opportunity to be heard be provided to the regulator by the filer prior to granting registration with the condition attached. To expedite the issuance of an MRRS Decision Document, filers that have agreed to conditions of registration proposed by the principal regulator should provide the principal regulator with a letter confirming consent to the condition and a waiver of an opportunity to be heard addressed to all non-principal regulators and the principal regulator.

4.6 Date of Issuance - A principal regulator will not issue an MRRS Decision Document before the seventh day after a draft MRRS Decision Document for a firm filer, or before the fifth day after a draft MRRS Decision Document for an individual filer, is sent to the non-principal regulators.

4.7 Coordination of Registration - Each of the regulators has agreed that if an individual filer has a different principal regulator than his or her sponsoring firm, each of the firm's principal regulator and the individual's principal regulator will coordinate its registration processing to ensure that the individual's registration is not granted before the granting of the sponsoring firm's registration.

4.8 Opting Out After Registration - If, after an MRRS Decision Document has been issued by a principal regulator, a regulator with which a filer is registered determines to remove or add a condition of registration on the filer's registration, the regulator will notify in writing all other regulators with which the filer is registered. The notice will include the form of the condition to be removed or added and the reasons of the regulator for the proposed removal or addition of the condition. Each non-principal regulator so advised will advise the principal regulator in writing within five days after receipt of the notice if it intends to affect the filer's registration in the manner proposed by the regulator. If there is not unanimity by all regulators with which the filer is registered, the regulators proposing to effect the change to registration will opt out of the system in relation to the filer and the principal regulator will issue a new MRRS Decision Document that does not name those jurisdictions in which the opting out regulators are situated.

PART 5 PROFICIENCY

5.1 Proficiency - Each regulator, when acting as principal regulator, will require, as a minimum, successful completion of the following courses or any predecessors or successor courses to the following courses for all individual advisers registered under the mutual reliance review system for registration:

- (a) the Canadian Securities Course;
- (b) the Canadian Investment Management Course; and
- (c) the first year of the Chartered Financial Analyst Examination Program.

PART 6 OPTING IN OR OPTING OUT

6.1 Opting In or Opting Out - Each of the regulators has agreed that its participation in the mutual reliance review system for registration may be on an opting in or opting out basis. Each regulator will choose as to how its participation in the system will be based. Each regulator may opt out of the system in relation to a particular filer at any time after registration is granted.

6.2 Opting Out - If a non-principal regulator elects to participate on an opting out basis in the mutual reliance review system for registration and elects to opt out for a particular application, it will, within seven days after a draft MRRS Decision Document for a firm filer, or within five days after a draft MRRS Decision Document for an individual filer is sent to it, send a written notice to the principal regulator and the other non-principal regulators that it has opted out and setting out the reasons for its decision to opt out for the application. A non-principal regulator that has chosen to participate on an opting out basis and that does not notify the principal regulator within the time periods provided in this section will be deemed to by its silence to agree to be named in the MRRS Decision Document.

6.3 Opting In - If a non-principal regulator chooses to participate in the mutual reliance review system for registration on an opting in basis and elects to opt in for a particular application, it will, within seven days after a draft MRRS Decision Document for a firm filer, or within five days after a draft MRRS Decision Document for an individual filer is sent to it, send a written notice to the principal regulator and the other non-principal regulators that it is opting in. If a regulator chooses to participate in the mutual reliance review system for registration on an opting in basis and it does not notify the principal regulator within the time periods provided in this section, it will not be named in the MRRS Decision Document. If a non-principal regulator that participates on an opting in basis does not opt in for a particular application, it will advise the principal regulator and non-principal regulators, within the time periods prescribed in this section for opting in, of the reasons it decided not to opt in for the application.

PART 7 OTHER REQUIREMENTS

7.1 Other Regulatory Requirements - Canadian securities directions and Canadian securities legislation in certain jurisdictions include references to compliance with laws of general application. For example, in both British Columbia and Quebec a firm filer must be extraprovincially registered before conducting business in the jurisdiction and, in Quebec this requires a French language name to be used. Filers should familiarize themselves with such provisions and govern themselves accordingly.

7.2 Local Requirements - The Instrument deals only with initial registration requirements and not ongoing registration requirements. A filer is not exempted from compliance with the ongoing requirements of Canadian securities legislation in each jurisdiction in which the filer is registered. Filers should familiarize themselves with these requirements.

7.3 British Columbia Non-Canadian Advisers - In British Columbia the regulator will generally permit a non-Canadian adviser to be registered if the non-Canadian adviser meets certain additional conditions imposed by the regulator such as restrictions on the types of clients the filer will be permitted to advise.

7.4 British Columbia Registration as Underwriter - In British Columbia an applicant for registration in a dealer category that wishes to be registered as an underwriter must apply for registration in both categories.

PART 8 PRINCIPAL REGULATOR REFUSAL

8.1 Refusal by Principal Regulator to Register, Reinstate or Renew

(1) If the principal regulator determines that it will refuse to register, reinstate or renew a filer's registration based on application Materials received by the principal regulator, it will notify the filer and the non-principal regulators by sending a refusal letter, and the mutual reliance review system for registration will no longer apply to the application Materials. In these circumstances, the filer will deal separately with the principal regulator and each non-principal regulator on the application Materials. Filers are cautioned that, once the mutual reliance review system for registration is no longer applicable to the application Materials, each non-principal regulator may conduct its own comprehensive review of the Materials.

(2) To the extent the issues that gave rise to the determination of the principal regulator to refuse to issue an MRRS Decision Document are resolved to the satisfaction of all regulators, the filer may request that the mutual reliance review system for registration apply once again to the application Materials.

8.2 Opportunity to be Heard on a Refusal - If a filer requests an opportunity to be heard because the principal regulator has advised that it intends to refuse to issue an MRRS Decision Document, the principal regulator will promptly advise the non-principal regulators. The principal regulator may hold a hearing, either solely or together with other interested non-principal regulators. The non-principal regulators may make whatever arrangements they think appropriate, including conducting a hearing.

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APPENDIX A MUTUAL RELIANCE REVIEW SYSTEM DECISION DOCUMENT

Province of British Columbia
THE BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act

Under the above noted act the following is registered as **[insert category]** by
certificate # **[insert number]**

Province of Alberta
ALBERTA SECURITIES COMMISSION
Securities Act

Under the above noted act the following is registered as **[insert category]**

Province of Saskatchewan
SASKATCHEWAN SECURITIES COMMISSION
The Securities Act, 1988

Under the above noted act the following is registered as **[insert category]**

Province of Manitoba
MANITOBA SECURITIES COMMISSION
The Securities Act

Under the above noted act the following is registered as **[insert category]**

Province of Ontario
ONTARIO SECURITIES COMMISSION
Securities Act

Under the above noted act the following is registered as **[insert category]**

Province of Québec
COMMISSION DES VALEURS MOBILIÈRES DU QUÉBEC
Securities Act

Under the above noted act the following is registered as **[insert category]** by
decision # **[insert number]**

Province of New Brunswick
OFFICE OF THE ADMINISTRATOR OF SECURITIES
Security Frauds Preventions Act

Under the above noted act the following is registered as **[insert category]**

Province of Newfoundland
SECURITIES DIVISION,
DEPARTMENT OF GOVERNMENT SERVICES AND LAND
Securities Act

Under the above noted act the following is registered as **[insert category]**

Province of Nova Scotia
NOVA SCOTIA SECURITIES COMMISSION
Securities Act

Under the above noted act the following is registered as **[insert category]**

Province of Prince Edward Island
PRINCE EDWARD ISLAND SECURITIES COMMISSION
Securities Act

Under the above noted act the following is registered as **[insert category]**

Northwest Territories
REGISTRAR OF SECURITIES
Securities Act

Under the above noted act the following is registered as **[insert category]**

Yukon Territory
REGISTRAR OF SECURITIES
Securities Act

Under the above noted act the following is registered as **[insert category]**

Registrant's name:

Firm Registrant's name: **[include if the registrant is an individual]**

Firm's head office in Canada/principal place of business in Canada: **[if none state jurisdiction in which registrant has or expects to have the greatest number of clients and volume of business]**

Conditions of registration: **[if any]**

Effective date:

Annual delivery date:

[Title of Authorized Official]

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**APPENDIX B
EQUIVALENT CATEGORIES OF REGISTRATION FOR FILERS**

ACTIVITIES	BC	YK	NT	AB	SK	MB	ON	QU	NB	PE	NS	NF
Trades in securities as principal or agent and is a member of a recognized stock exchange	B	B*	B*	B	B	B	B	UD	B*	B	B	B
Trades in securities as principal or agent and is a member of the local district of the Investment Dealers Association	ID	B*	B*	ID	ID	ID	ID	UD	B*	B*	ID	ID
Advises on the buying or selling of specific securities or gives continuous advice based on the particular objectives of each client	IC	Br	Br	IC	IC	IC	IC	RA	Br	IC	IC	IC
Manages the investment portfolio of clients through discretionary authority granted by clients	PM	Br	Br	PM	PM	BD	PM	UA	Br	PM	PM	PM
Advises through direct advice or writings, on the buying or selling of specific securities not tailored to specific clients	SA	Br	Br	SA	SA	SA	SA	RA	Br	SA	SA	SA

ID - Investment Dealer
 B - Broker
 Br - Broker restricted to specified advisory activities
 BD - Broker Dealer
 UD - Unrestricted Dealer

IC - Investment Counsel
 PM - Portfolio Manager
 SA - Securities Adviser
 RA - Restricted Adviser
 UA - Unrestricted Adviser

* These jurisdictions do not distinguish members of SROs from non-SRO member dealers

[This Schedule should also include notes setting out the precise wording of the restrictions to be placed on Br, BD and RA registrations to create categories similar to IC, PM and SA.]