

Appendix D

BC Instrument 32-501 Advising & Related Trading Under an Exemption Amendment Instrument

1. **BC Instrument 32-501 *Advising & Related Trading Under an Exemption* is amended by this Instrument.**

2. **Section 1 is added:**

Interpretation

1. **‘permitted supranational agency’** means the Asian Development Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank and the International Finance Corporation.

‘syndicated mortgage’ means a mortgage in which 2 or more persons participate, directly or indirectly, as lenders in a debt obligation that is secured by a mortgage.

‘variable insurance contract’ means a contract of life insurance under which the interest of the purchaser is valued for the purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets.

3. **Section 1 is repealed and the following substituted:**

Debt Security

2. The adviser registration requirement in section 34(b) of the *Securities Act* will not apply to a person advising on a debt security

(a) of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada,

(b) of or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization,

(c) of or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality on which the property is situated,

(d) of or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities, and

(e) of or guaranteed by a permitted supranational agency if

- (i) the debt securities are payable in the currency of Canada or the United States of America, and
- (ii) with respect to those securities, all documents or other information required by the commission are filed with the commission.

4. Section 2 is repealed and the following substituted:

Short-term debt

3. The adviser registration requirement in section 34(b) of the *Securities Act* does not apply to a person advising on a negotiable promissory note or commercial paper maturing not more than one year from the issue date if the note or commercial paper traded:

- (a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this section, and,
- (b) has an approved credit rating from an approved credit rating organization.

5. Section 3 is repealed and the following substituted

Mortgages

4(1) Subject to subsection (2), the adviser registration requirement in section 34(b) of the *Securities Act* does not apply to a person advising on a mortgage on real property if that person is registered or licensed, or exempted from registration or licensing, under the *Mortgage Brokers Act*, R.S.B.C. 1996, c. 313.

(2) Subsection (1) does not apply to a syndicated mortgage.

6. Section 4 is repealed.

7. Section 5 is repealed and the following substituted

Variable insurance contract

5. (1) In this section, “contract”, “group insurance”, “insurance company”, “life insurance” and “policy” have the respective meanings assigned to them in the *Financial Institutions Act*, R.S.B.C. 1996, c. 141.

(2) The adviser registration requirement in section 34(b) of the *Securities Act* does not apply to a person licensed as an insurance agent or insurance salesperson under the *Financial Institutions Act*, R.S.B.C. 1996, c. 141 in respect of advice on variable insurance contracts if the variable insurance contract is

- (a) a contract of group insurance,
- (b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75% of the premium paid up to age 75 years for a benefit payable at maturity,

(c) an arrangement for the investment of policy dividends and policy proceeds in a separate and distinct fund to which contributions are made only from policy dividends and policy proceeds, or

(d) a variable life annuity.

8. Section 6 is repealed and the following substituted

Certificates or receipts issued by Trust Companies or Credit Unions

6. The dealer registration requirement under section 34(a) of the *Securities Act* does not apply to a person who trades in certificates or receipts issued by a trust company or a credit union for moneys received for guaranteed investments.