

**British Columbia Securities Commission**

**BC Instrument 32-507**

**Exemption from chief compliance officer proficiency requirements for portfolio managers adding a jurisdiction**

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective February 26, 2010, BC Instrument 32-507 entitled “Exemption from chief compliance officer proficiency requirements for portfolio managers adding a jurisdiction” is made.

February 26, 2010

Brenda M. Leong  
Chair

---

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

**Authority under which Order is made:**

Act and sections:- *Securities Act*, section 48(1)

**BC Instrument 32-507**  
**Exemption from chief compliance officer proficiency requirements for portfolio  
managers adding a jurisdiction**

Order under section 48(1) of the Securities Act

**Definitions**

1. Terms defined in the *Securities Act*, R.S.B.C. 1996, c. 418, as amended (the **Act**) or in National Instrument 14-101 *Definitions* have the same meaning in this order.

**Background**

2. Under section 3.6 of National Instrument 31-103 - *Registration Requirements and Exemptions (NI 31-103)* a mutual fund dealer must not designate an individual as its chief compliance officer unless the individual has satisfied the proficiency requirements in paragraph (a) or (b) of that section. Subsection 3.6(b) provides that an individual may be designated a mutual fund dealer's chief compliance officer if the individual has met the requirements of section 3.13 [portfolio manager – chief compliance officer].
3. Under section 3.10 of NI 31-103, an exempt market dealer must not designate an individual as its chief compliance officer unless the individual has satisfied the proficiency requirements in subsections (a) or (b) of that section. Subsection 3.10(b) provides that an individual may be designated an exempt market dealer's chief compliance officer if the individual has met the requirements of section 3.13.
4. Under section 3.14 of NI 31-103, an investment fund manager must not designate an individual as its chief compliance officer unless the individual has satisfied the proficiency requirements in subsections (a), (b) or (c) of that section. Subsection 3.14(c) provides that an individual may be designated an investment fund manager's chief compliance officer if the individual has met the requirements of section 3.13.
5. If a person or company registered as a portfolio manager in British Columbia was registered as a portfolio manager when NI 31-103 came into force, the portfolio manager's chief compliance officer may be exempt from section 3.13 due to the application of subsection 16.9(2).
6. The chief compliance officer of a person or company registered as a portfolio manager and applying for registration in an additional category is not exempt from sections 3.6, 3.10, and 3.14 of NI 31-103 since subsection 16.9(2) of NI 31-103 does not apply to such chief compliance officer.

7. The Commission considers that limited relief from the requirements in sections 3.6, 3.10 and 3.14 would not be prejudicial to the public interest.

**Order**

8. The Commission orders, under section 48(1) of the Act, that sections 3.6, 3.10, and 3.14 of NI 31-103 do not apply to a person or company registered as a portfolio manager in British Columbia and applying for registration in an additional category so long as
  - (a) the person or company is exempt from section 3.13 of NI 31-103 in any jurisdiction of Canada due to the application of subsection 16.9(2) of NI 31-103, and
  - (b) the individual designated as the person or company's chief compliance officer in respect of the person or company's mutual fund dealer, exempt market dealer or investment fund manager activities is the same individual designated as the person or company's chief compliance officer in respect of its portfolio manager activities.