

British Columbia Securities Commission

BC Instrument 32-508

Exemption from dealing representative 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 32-508 entitled “Exemption from dealing representative 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 32-508
**Exemption from dealing representative 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 3.5 of National Instrument 31-103 *Registration Requirements and Exemptions (NI 31-103)* a dealing representative must not act as a dealer on behalf of a mutual fund dealer unless the individual has satisfied the proficiency requirements in subsections (a) or (b) of that section. Subsection 3.5(b) provides that an individual may act as a dealer on behalf of a mutual fund dealer if the individual has met the requirements of section 3.11.
3. Under section 3.9 of National Instrument 31-103 *Registration Requirements and Exemptions (NI 31-103)* a dealing representative must not act as a dealer on behalf of a exempt market dealer unless the individual has satisfied the proficiency requirements in subsections (a), (b) or (c) of that section. Subsection 3.9(c) provides that an individual may act as a dealer on behalf of an exempt market dealer if the individual has met the requirements of section 3.11.
4. An advising representative of a portfolio manager registered when 31-103 came into force is exempt from section 3.11 due to the application of section 16.10(1) and therefore may not be able to rely on the exemption granted in subsection 16.10(1) to act as a dealing representative of a mutual fund dealer or exempt market dealer under sections 3.5 and 3.9 of NI 31-103.
5. The Commission considers that limited relief from the requirements in sections 3.5 and 3.9 of NI 31-103 would not be prejudicial to the public interest.

Order

6. The Commission orders, under section 48(1) of the Act, that sections 3.5 and 3.9 of NI 31-103 do not apply to an advising representative of a portfolio manager so long as such representative is exempt from section 3.11 of NI 31-103 in any jurisdiction of Canada due to the application of subsection 16.10(1) of NI 31-103.