

Registration Requirements

1. Interpretation

- (1) Terms defined in the *Securities Act*, the *Securities Rules*, NI 14-101 *Definitions* or NI 31-103 *Registration Requirements*, have the same meanings in this Instrument.
- (2) “NI 31-103” means National Instrument 31-103 *Registration Requirements*.

2. Definition of dealing in securities

For the purposes of this Instrument and NI 31-103, “dealing in securities” includes

- (a) trading securities or exchange contracts,
- (b) acquiring securities or exchange contracts,
- (c) underwriting securities or exchange contracts, and
- (d) any act advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of an activity described in paragraph (b).

3. Exemption for dealers that are not in the business of dealing in securities

The dealer registration requirement does not apply to a person who is not in the business of dealing in securities.

4. Exemption from underwriter registration

The underwriter registration requirement does not apply to

- (a) a registered investment dealer,
- (b) a registered exempt market dealer, or
- (c) a dealing representative at (a) or (b).

5. Fair dealing with clients

(1) A registrant must deal fairly, honestly and in good faith with the clients of the registrant.

(2) A registered

- (a) dealing representative
- (b) advising representative
- (c) associate advising representative

must deal fairly, honestly and in good faith with the clients of the dealer or adviser.

6. Information about registrant available on client's request

- (1) On request, a registrant must provide a client or prospective client with information about
- (a) the registrant's registration status, including category of registration and any restrictions on or conditions of registration,
 - (b) any current administrative proceeding by a securities or exchange contracts regulatory authority, or by a self regulatory body or exchange, against the registrant in any jurisdiction,
 - (c) if the registrant is a registered individual, the registrant's education
 - (d) if the registrant is a dealer or adviser, a copy of the registrant's most recently prepared annual financial statements
 - (e) if the registrant is a dealer or adviser, a current list of the dealer's or adviser's partners, directors and senior officers,
 - (f) any registration or licensing under the *Financial Institutions Act* or comparable legislation in another jurisdiction.
- (2) A registered dealer and a registered adviser must inform its clients annually that the information referred to in subsection (1) is available to clients on request.

7. Subordination agreement

A registered firm must not borrow in order to maintain excess working capital unless the registered firm and the lender enter into a subordination agreement that subordinates the lender's claims to those of all current and future general creditors.

8. Compensation or contingency trust fund

- (1) A registered firm must participate in and contribute to a compensation fund or contingency trust fund established by a
- (a) self regulatory body recognized under section 24 of the Act, or
 - (b) trust company.
- (2) The executive director may exempt a registered firm from the requirement in subsection (1).

9. Trade confirmations – exchange contracts

- (1) If a registered dealer purchases or sells an exchange contract for a client, the trade confirmation that the dealer sends to the client must include, in addition to that information required under section 5.21 of NI 31-103,
- (a) the delivery month and year, and
 - (b) the expiry date.

- (2) If a registered dealer purchases or sells an exchange contract that is an option for a client, the trade confirmation that the dealer sends to the client must include, in addition to that information required under subsection (1),
 - (a) the price of the initial and offsetting transactions,
 - (b) the dates of the initial and offsetting transactions,
 - (c) the gross profit or loss on the transactions, and
 - (d) the net profit or loss on the transactions.

10. Executive director's conditions of registration

- (1) The executive director may
 - (a) vary, if the executive director considers that to do so would not be prejudicial to the public interest, or
 - (b) add to, if the executive director considers that to do so would be in the public interest,

the provisions that apply to a registrant or a group of registrants in Parts 4, 5, and 6 of NI 31-103.
- (2) The executive director must not vary or add to the provisions respecting registration under subsection (1) without giving the registrant or group of registrants an opportunity to be heard.