

**British Columbia Securities Commission**

BC Instrument 32-513

***Registration Exemption for Trades in Connection with  
Certain Prospectus-Exempt Distributions***

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective August 15, 2018, BC Instrument 32-513 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* is revoked and replaced, so that the instrument reads as attached.

August 15, 2018

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*, sections 48(1), 171 and 172

***Registration Exemption for Trades in Connection with  
Certain Prospectus-Exempt Distributions***

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 or in National Instrument 14-101 *Definitions* have the same meaning in this order.
2. “financial services” includes but are not limited to, doing any or all of the following things:
  - (a) carrying on business as a mortgage broker;
  - (b) selling or providing insurance or related services;
  - (c) acting as a financial planner who considers the tax, personal or financial situation of a person or company and then provides that person or company with advice about how to make financial plans.

**Background**

3. National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* classifies a registrant who trades in securities distributed under an exemption from the prospectus requirement as an exempt market dealer.
4. NI 31-103 prescribes conditions of registration and other requirements and restrictions applicable to an exempt market dealer.
5. National Instrument 45-106 *Prospectus Exemptions* exempts from the prospectus requirement certain distributions made relying on section 2.3 (to *accredited investors*), section 2.5 (to *family, friends and business associates*), section 2.9 (under an *offering memorandum*) or section 2.10 (*minimum investment amount*) (each of foregoing distributions being a *prospectus-exempt distribution*).
6. Commencing March 28, 2010, the Commission granted limited relief from the requirement to register as an exempt market dealer for a trade in a security in connection with a *prospectus-exempt distribution*.
7. The Commission intends to revoke that limited relief and give transitional relief to persons or companies required to seek registration as a result of the revocation.

## Order

8. The Commission orders, under section 48(1) of the Act, that the dealer registration requirement does not apply to a trade in a security by a person or company in connection with a prospectus-exempt distribution, provided that:
  - (a) the person or company is not registered under provincial or territorial securities legislation and was not formerly registered under provincial or territorial securities legislation;
  - (b) the person or company is not registered under the securities legislation of a foreign jurisdiction and was not formerly registered under securities legislation of a foreign jurisdiction;
  - (c) prior to the trade, the person or company does not advise, recommend or otherwise represent to the purchaser that the security being traded is suitable for the purchaser, with regard to the purchaser's
    - (i) investment needs and objectives,
    - (ii) financial circumstances, or
    - (iii) risk tolerance;
  - (d) at or before the time at which the purchaser enters into an agreement to purchase the security, the person or company obtains from the purchaser a signed Risk Acknowledgement Form in the form prescribed in Appendix A;
  - (e) the person or company does not hold or have access to the purchaser's assets;
  - (e.1) the person or company has not provided financial services to the purchaser other than in connection with a prospectus-exempt distribution; and
  - (f) the person or company has electronically filed with the Commission a current information report in the form prescribed in Appendix B, or has filed an update of a previously filed information report, on or before the 10<sup>th</sup> day after the prospectus-exempt distribution.
9. The dealer registration exemption in section 8 will expire April 30, 2019, except for a person or company that satisfies the following conditions:

- (a) by April 30, 2019, for that person or company, the Commission has received:
    - (i) where the person or company is not an individual, a substantially complete 33-109F6 *Firm Registration* (including fees) seeking registration as a dealer, or
    - (ii) where the person is an individual, a substantially complete Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* (including fees) seeking registration in the category of dealing representative, in combination with an application referred to in (i);
  - (b) the Commission has not yet accepted or refused the person or company's registration application referred to in subsection 9(a);
  - (c) on April 30, 2019, the person or company was relying on, and in compliance with, the dealer registration exemption in section 8; and
  - (d) the person or company is in compliance with the dealer registration exemption in section 8.
10. This order will expire April 30, 2020.

**Appendix A to BCI 32-513**

**Risk Acknowledgement under BCI 32-513 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions***

**Name of Issuer:** \_\_\_\_\_

**Name of Seller:** \_\_\_\_\_

**I acknowledge that**

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all my money; and,
- I am investing entirely at my own risk.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

\_\_\_\_\_  
Name of salesperson acting on behalf of seller

Sign two copies of this document. Keep one copy for your records.

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

**Appendix B to BCI 32-513**

**Information report under BC Instrument 32-513**  
***Registration Exemption for Trades in Connection with***  
***Certain Prospectus-Exempt Distributions***

[Date]

- To:    \_\_\_ Alberta Securities Commission  
      \_\_\_ British Columbia Securities Commission  
      \_\_\_ Government of the Northwest Territories, Securities Office  
      \_\_\_ Government of Nunavut, Securities Office  
      \_\_\_ Government of the Yukon Territory, Community Services, Securities Office  
      \_\_\_ Manitoba Securities Commission  
      \_\_\_ Financial and Consumer Affairs Authority of Saskatchewan

INSTRUCTION: Choose the jurisdiction(s) in which you are in the business of trading in securities. For a discussion about what constitutes being in the business of trading in securities, see Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

---

[Name of firm or, if a sole proprietor, individual owner's name and any related trade names]

INSTRUCTION: State the full name of the firm or individual

---

[Street address]

INSTRUCTION: State the street office for the head office of the firm or proprietorship. Do not include a P.O. box or agent for service.

---

[Website address for firm]

INSTRUCTION: State the website address for the firm. If there is no website address, state "not applicable".

---

[Telephone number for firm or, if sole proprietor, individual]

[Name of individual responsible for ensuring conditions to use this registration exemption are met]

INSTRUCTION: State the name of the individual who may be contacted with respect to any questions regarding the contents of this report. This individual should be a senior executive for the firm.

---

[Telephone number for responsible individual named above]

---

[E-mail address for responsible individual named above]

Does the firm also carry on business at other office locations?     Yes     No

---

[Names of salespersons employed by the firm to sell securities]

---

[Date]

**Collection and use of personal information**

The personal information submitted in this report is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of its administration and enforcement of the securities legislation.

If anyone referred to in this report has any questions about the collection and use of their personal information, they can contact the regulator in the jurisdiction(s) where the report is filed, at the address(es) listed below.

**Alberta**

Alberta Securities Commission  
4<sup>th</sup> Floor, 300 - 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3C4  
Attention: Information Officer  
Telephone: (403) 355-4151

**British Columbia**

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2  
Attention: Freedom of Information Officer  
Telephone: (604) 899-6500 or (800) 373-6393

**Manitoba**

The Manitoba Securities Commission  
500 - 400 St. Mary Avenue  
Winnipeg, MB R3C 4K5  
Attention: Director of Registrations  
Telephone: (204) 945-2548  
Fax: (204) 945-0330

**Northwest Territories**

Government of the Northwest Territories  
P.O. Box 1320  
Yellowknife, NWT X1A 2L9  
Attention: Deputy Superintendent of Securities  
Telephone: (867) 920-8984

**Nunavut**

Legal Registries Division  
Department of Justice  
Government of Nunavut  
P.O. Box 1000 Station 570  
Iqaluit, NU X0A 0H0  
Attention: Securities Office  
Telephone: (867) 975-6590

**Yukon**

Department of Community Services  
Securities Office  
P.O. Box 2703  
Whitehorse, YU Y1A 2C6  
Attention: Superintendent of Securities  
Telephone: (867) 667-5225

**Saskatchewan**

Financial and Consumer Affairs Authority of Saskatchewan  
Suite 601, 1919 Saskatchewan Drive  
Regina, SK S4P 4H2  
Attention: Director  
Telephone: (306)787-5842