



BC Notice 2010/10

Adoption of BC Instrument 32-514 Exemption from certain registration requirements for foreign-based portfolio managers

Introduction

Foreign portfolio managers registered in BC prior to September 28, 2009 have until September 28, 2010 to

- cease to be registered and operate within the limits of the international adviser exemption in section 8.26 of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103)
- apply for registration as a portfolio manager with the capacity to advise without restriction or
- cease operations in BC.

Since NI 31-103 came into force, and as various specific transition periods near expiry, we have received inquiries about the treatment of foreign portfolio managers. To address the issues raised by industry, we are issuing BC Instrument 32-514 *Exemption from certain registration requirements for foreign based portfolio managers* (BCI 32-514), effective March 27, 2010. BCI 32-514 ensures that the status quo is maintained for several key obligations for foreign portfolio managers while they decide whether to register, operate under the exemption in section 8.26 of NI 31-103 or cease operations.

BCI 32-514 provides foreign portfolio managers with United States head offices with conditional exemptions from these requirements in NI 31-103:

- (a) Section 11.2 [*Designating an ultimate designated person*]
- (b) Section 11.3 [*Designating a chief compliance officer*]
- (c) Section 11.4 [*Providing access to board*]
- (d) Section 12.4 [*Insurance - adviser*]
- (e) Section 12.6 [*Global bonding or insurance*]
- (f) Section 12.7 [*Notifying the regulator of a change, claim or cancellation*]
- (h) Section 12.13 [*Delivering financial information - adviser*]
- (i) Each section of Division 3 of Part 13 [*Referral Arrangements*]

BCI 32-514 provides foreign portfolio managers with head offices in a country other than the United States with conditional exemptions from these sections of NI 31-103:

- (a) Section 11.2 [*Designating an ultimate designated person*]
- (b) Section 11.3 [*Designating a chief compliance officer*]
- (c) Section 11.4 [*Providing access to board*]
- (d) Section 12.13 [*Delivering financial information - adviser*]
- (e) Each section of Division 3 of Part 13 [*Referral Arrangements*]

Questions

You may refer questions to:

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Brenda M. Leong
Chair and Chief Executive Officer

Ref: *Securities Act*, sections 48(1) and 187

This Notice may refer to other documents. These documents can be found at the B.C. Securities Commission public website at www.bcsc.bc.ca in the section Securities Law & Policy: Policies & Instruments.