

**Notice of Amendments to
National Instrument 31-103 *Registration Requirements and Exemptions* and
Companion Policy 31-103CP *Registration Requirements and Exemptions***

and

**Amendments to
National Instrument 33-109 *Registration Information***

Introduction

We, the Canadian Securities Administrators (the CSA or we), are implementing amendments to:

- National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103),
- Companion Policy 31-103CP *Registration Requirements and Exemptions* (31-103CP), and
- National Instrument 33-109 *Registration Information* (NI 33-109).

This notice forms part of a series of notices that address changes to securities legislation arising from the upcoming changeover to International Financial Reporting Standards (IFRS).

In some jurisdictions, Ministerial approval is required for these changes. Provided all necessary approvals are obtained, the amendments to NI 31-103, 31-103CP and NI 33-109 (collectively, the Amendments) will come into force on January 1, 2011. Appendix A sets out the amendments to NI 31-103 and 31-103CP. Appendix B sets out the amendments to NI 33-109.

Background

NI 31-103 provides a harmonized registration regime across Canada. NI 31-103 sets out when a person must be registered and the obligations a person must meet once registered, including financial reporting requirements. All registered firms must deliver audited annual financial statements. In addition, all investment fund managers and registered dealers, other than exempt market dealers, must deliver unaudited interim financial information. All financial statements and interim financial information delivered under NI 31-103 must comply with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107).

NI 52-107 requires domestic registrants to prepare financial statements in accordance with Canadian generally accepted accounting principles (Canadian GAAP) applicable to public enterprises. The Canadian Accounting Standards Board (AcSB) establishes Canadian GAAP and publishes it in the Canadian Institute of Chartered Accountants

Handbook (the Handbook). Following a period of public consultation, the AcSB adopted a strategic plan in 2006 to move financial reporting for Canadian publicly accountable enterprises to IFRS as issued by the International Accounting Standards Board (IASB). For financial years beginning on or after January 1, 2011, Canadian GAAP for publicly accountable enterprises will be IFRS incorporated into the Handbook.

The CSA is replacing NI 52-107 with a new National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (new NI 52-107) that reflects Canada's changeover to IFRS. The implementation of new NI 52-107 is described in a separate notice (the NI 52-107 Notice).

Substance and Purpose of the Amendments

The primary purpose of the Amendments is to reflect the transition to IFRS. We have updated the accounting terms and references in NI 31-103, 31-103CP and NI 33-109 to reflect the fact that, for financial years beginning on or after January 1, 2011, Canadian GAAP for publicly accountable enterprises will be IFRS as incorporated into the Handbook.

Registrants will transition to IFRS for financial years beginning on or after January 1, 2011. Accordingly, the amendments only apply to periods relating to financial years beginning on or after January 1, 2011. Registrants delivering financial statements and interim financial information relating to financial years beginning before January 1, 2011 will be required to comply with the current versions of NI 31-103 and NI 33-109, which contain the existing Canadian GAAP terms and phrases.

Summary of Written Comments Received by the CSA

The CSA, except the Autorité des marchés financiers and the New Brunswick Securities Commission, published the Amendments for comment on October 23, 2009. The comment period ended on January 21, 2010. We did not receive any comments on the Amendments. However, we did receive comments with respect to provisions in new NI 52-107 that apply to financial statements and interim financial information delivered by registrants. The names of those commenters and a summary of their comments, together with our responses, are in Appendices A and B to the NI 52-107 Notice.

The Autorité des marchés financiers and the New Brunswick Securities Commission published the Amendments for comment on March 12, 2010. No comments were received.

We thank the commenters for their comments.

Summary of Changes since Publication for Comment

The Amendments published for comment included a revision to the note in Form 31-103F1 *Calculation of Excess Working Capital* relating to the requirement for registrants to prepare financial statements and interim financial information on a non-consolidated basis. We changed the wording of that note to conform with the wording in the

corresponding requirement in new NI 52-107. We made similar changes to section 12.10 of 31-103CP.

Also in Form 31-103F1, we replaced the term “balance sheet” used in Line 11 with “statement of financial position”, the comparable term used in IFRS.

We also added cross-references in 31-103CP to the requirements in new NI 52-107 and related guidance in Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* that address the financial reporting framework required for financial statements and interim financial information delivered by a registrant.

In section 13.4 of 31-103CP, we replaced the term “special purpose vehicle” with “special purpose entity”, the comparable term used in IFRS.

Questions

Please refer your questions to any of:

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