

Companion Policy 11-101CP
Principal Regulator System

PART 1 GENERAL

1.1 Purpose

The Instrument provides an exemption from the registration requirement for a firm or individual to continue dealing with a client that moves to a different jurisdiction, and with family members of that client. As long as the registrant is registered in its principal jurisdiction and has a minimal number of clients and minimal amount of assets under management in the other jurisdiction, the registrant will not have to become registered in the other jurisdiction. Because Ontario has not adopted the Instrument, the exemption is not available to a registrant in another jurisdiction whose clients move to Ontario. Under the Instrument, the exemption is not available to a firm with a head office in Ontario or to an individual with a working office in Ontario.

PART 2 PRINCIPAL REGULATOR

2.1 [Repealed]

2.2 Determination of principal regulator

(1) [Repealed]

(2) **For registration** - The principal regulator for a firm is determined by the location of its head office. Under NI 31-101, a firm's principal regulator is determined using the most significant connection, with the head office as the primary indicator. If a person or company wishes to confirm its determination of principal regulator (e.g., because it determines its principal jurisdiction is different than under NI 31-101), it should follow the process set out in section 3.2(7) in National Policy 31-201 *National Registration System* (NP 31-201).

2.3 Notice of principal regulator

(1) [Repealed]

(2) **Initial notice – registration exemption** – If a person or company is required to file a Form 11-101F1 under section 2.6 of the Instrument, it should immediately file the form with its principal regulator and non-principal regulators. It may send it by e-mail to the following addresses:

British Columbia	registration@bcsc.bc.ca
Alberta	nrs@seccom.ab.ca
Saskatchewan	dmurrison@sfsc.gov.sk.ca
Manitoba	securities@gov.mb.ca
Québec	inscription@lautorite.qc.ca
New Brunswick	nrs@nbsc-cvmnb.ca
Nova Scotia	nrs@gov.ns.ca
Prince Edward Island	mlgallant@gov.pe.ca
Newfoundland & Labrador	skmurphy@gov.nl.ca
Yukon Territory	corporateaffairs@gov.yk.ca
Northwest Territories	SecuritiesRegistry@gov.nt.ca
Nunavut	svangenne@gov.nu.ca

(3) [Repealed]

(4) **Change in principal regulator – registration exemption** – If a person or company’s principal regulator changes because the firm’s head office or the individual’s working office changes to another jurisdiction, the person or company should immediately file the new Form 11-101F1 under section 2.6(1) of the Instrument with its principal regulator and non-principal regulators by e-mail to the addresses set out in section 2.3(2) of this Policy. This is only required if the person or company has not already filed a Form 31-101F2 *Notice of Change* in accordance with NI 31-101.

(5) **Change in principal regulator – by securities regulatory authority or regulator** – If a person or company’s principal or non-principal regulator disagrees with a person or company’s determination of principal regulator, the regulator may, under section 2.8 of the Instrument, advise the person or company that another regulator will be its principal regulator for the purposes of the Instrument. There is a discussion of circumstances when this may occur in section 3.3 of NP 31-201.

A person or company may request that a regulator change the person or company’s principal regulator under section 2.8 of the Instrument if the person or company originally selects its principal regulator based on the jurisdiction it has the most significant connection with, and that jurisdiction changes over time. The request should be made in writing and include the reasons for the change.

PART 3 [REPEALED]

PART 4 [REPEALED]

PART 5 REGISTRATION-RELATED EXEMPTIONS

5.1 Notice that person or company is relying on exemption

Under section 5.9 of the Instrument, a person or company must give prior notice to the securities regulatory authority in the local jurisdiction that it is relying on an exemption in Part 5. A person or company should indicate which exemption it is relying on in an e-mail sent to the e-mail addresses set out in Form 31-101F2 *Notice of Change* under NI 31-101. The requirement in section 5.9 of the Instrument is separate from the requirement in section 2.6 of the Instrument.

5.2 Interplay of mobility exemptions

Sections 5.3, 5.4, 5.5 and 5.6 of the Instrument provide separate exemptions for a dealer, unrestricted adviser or individual. If an individual employed by a dealer or unrestricted adviser is relying on the exemption for trading with or advising eligible clients in a local jurisdiction, the dealer or unrestricted adviser that employs the individual must either be registered as a dealer or unrestricted adviser, as applicable, in the local jurisdiction, or ensure that it also meets the terms of the mobility exemption.

If an individual can no longer rely on the exemption, then both the individual and the dealer or unrestricted adviser that employs the individual must apply for registration in the local jurisdiction if they want to continue to deal with eligible clients in the jurisdiction.

5.3 [Repealed]

[Amended March 17, 2008]