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Headnote

1996 Securities Act s. 48 Adviser - Exemption from s.34(1)(c) requirement to be registered as an adviser - A person who resides outside BC wants to advise BC residents. - The person is registered or qualified to provide the advice in the jurisdiction in which they reside or carry on business; the person will only advise a small number of BC clients; the person will not carry on any other business in BC; the BC clients are sophisticated and have a high net worth; the clients are aware that the person is not registered in BC and the consequences.

Exemption Order

GE Asset Management Incorporated

Sections 48 and 171 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1 GE Asset Management Incorporated (GEAMI) applied for variation of an exemption order dated January 29, 1999 (the Original Order) that granted GEAMI an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to provide securities advice to Her Majesty The Queen in Right of The Province of British Columbia (the Province) subject to certain terms and conditions.

Representations

- ¶ 2 GEAMI represents that:
1. it is a corporation incorporated under the laws of the State of Delaware;
 2. it carries on the business of portfolio manager and its principal place of business is Stamford, Connecticut;
 3. it is registered with the US Securities and Exchange Commission as an investment adviser under the *Investment Advisers Act of 1940* (the 1940 Act);

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4. it is also registered as an international adviser (investment counsel and portfolio manager) under the *Securities Act* (Ontario) and as a foreign adviser under the *Securities Act* (Alberta);
5. it offers investment advisory and portfolio management services to institutional investors;
6. based and relying upon the Original Order, it entered into an investment management agreement with the Province (the Agreement) and is currently providing investment advice to the British Columbia Investment Management Corporation (the Corporation), the successor to the Province under the Agreement, in accordance with the terms and conditions of the Agreement;
7. the Corporation is an “accredited investor” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106);
8. the Corporation has asked GEAMI to establish a new account (the Account) and to exercise its discretion to invest the assets that are deposited into the Account by the Corporation from time to time in the equity securities of emerging market issuers (the Emerging Markets Mandate);
9. the Original Order precludes it from accepting the Emerging Markets Mandate from the Corporation because the Original Order requires it to exercise any discretionary authority that is granted to it by the Corporation for the sole purpose of investing in securities of United States issuers or issuers domiciled outside of Canada and the United States that trade on a United States exchange or in the United States over-the-counter market (the US Market Restriction);
10. it seeks to vary the Original Order by, among other things, deleting the US Market Restriction to permit GEAMI to accept the Emerging Markets Mandate, and any future investment mandates, from the Corporation;
11. it will advise the Corporation that:
 - (a) it is not registered as an adviser under the Act;
 - (b) it may not have the same proficiency requirements as other persons registered under the Act; and
 - (c) the Corporation may not have the same protection that it otherwise might have if GEAMI were registered as an adviser under the Act; and

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12. it does not:

- (a) maintain an office in British Columbia;
- (b) currently have any clients in British Columbia other than the Corporation; or
- (c) intend to actively solicit other clients in British Columbia.

Order

¶ 3 Considering that it is not prejudicial to the public interest, the Executive Director orders under sections 48 and 171 of the Act that the Original Order is revoked and that GEAMI is exempt from the Adviser Registration Requirement for securities advice to the Corporation provided:

- 1. the Corporation is an accredited investor as defined in NI 45-106;
- 2. it maintains in good standing its registration as an investment adviser under the 1940 Act;
- 3. it maintains in good standing its registration as an international adviser (investment counsel and portfolio manager) in Ontario; and
- 4. it maintains in good standing its registration as a foreign adviser in Alberta.

¶ 4 March 26, 2008

Mark Wang
Acting Director, Capital Markets Regulation
British Columbia Securities Commission