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Headnote

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

Aberdeen Asset Management Asia Limited

Section 48 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1 Aberdeen Asset Management Asia Limited (Aberdeen) has applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (Adviser Registration Requirement) to provide advice to a prospective client resident in British Columbia (BC).

Representations

- ¶ 2 Aberdeen represents that:
1. it is incorporated under the laws of Singapore, and has its principal office and place of business in Singapore;
 2. it provides investment counselling and portfolio management services;
 3. its clients include public funds, corporate pensions, endowments and foundations, and US registered investment companies;
 4. it is registered with the:
 - (a) Monetary Authority of Singapore to conduct:
 - (i) dealing in securities; and
 - (ii) fund management under a Capital Markets Services Licence;
 - (b) Ontario Securities Commission (OSC) as an Extra Provincial Adviser in the categories of investment counsel and portfolio manager;
 - (c) United States Securities and Exchange Commission (US SEC) as an investment adviser;

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- (d) Financial Supervisory Commission of Korea to engage in discretionary investment management business under Article 150, Paragraph (1), Items 1 and 2 of the *Indirect Investment Asset Management Business Act* in Korea;
- 5. it has carried on business as an adviser in Singapore since 1992;
- 6. as of December 31, 2006, it had aggregate funds under management in excess of US\$33 billion;
- 7. it intends to provide advice to a BC resident, the British Columbia Investment Management Corporation's (BCIMC);
- 8. it proposes to manage BCIMC's Asia-Pacific equities mandate (excluding Japan) within BCIMC's Active Asian Equity Pool through discretionary authority granted to it by BCIMC;
- 9. BCIMC is:
 - (a) a crown corporation, incorporated under the Public Sector Pension Plans Act (BC);
 - (b) an 'accredited investor' as defined in the National Instrument 45-106 *Prospectus and Registration Exemptions*; and
 - (c) has professional advisers;
- 10. Aberdeen will advise BCIMC 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) BCIMC may not have the same protection that it would otherwise have if Aberdeen was registered as an adviser under the Act;
- 11. Aberdeen does not:
 - (a) maintain an office or sales force in BC;
 - (b) have any client resident in BC, other than BCIMC; or

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- (c) intend to solicit other clients in BC;
- 12. in providing securities advice to BCIMC, Aberdeen would be considered to be acting as an adviser under the Act and without this order would be required to be registered, or otherwise exempt from registration, as an adviser under the Act; and
- 13. there are no exemptions from the adviser registration requirement that Aberdeen can rely on to provide securities advice to BCIMC.

Order

¶ 3 Considering that it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Aberdeen is exempt from the Adviser Registration Requirement for advice provided to BCIMC, provided that Aberdeen maintains in good standing its registration as an Extra Provincial Adviser with the OSC and as an investment adviser with the US SEC.

¶ 4 March 19, 2007

L.E. Evans, CA
Director
Capital Markets Regulation