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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

Vontobel Asset Management, Inc.

Section 48 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Vontobel Asset Management, Inc. (Vontobel) applied for 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 a prospective client resident in British Columbia, the British Columbia Investment Management Corporation (BCIMC).

Representations

- ¶ 2 Vontobel represents that:
1. it is an investment adviser, formed in the State of New York in August 1984, and its principal place of business is in New York, New York;
 2. it is registered with the US Securities and Exchange Commission as an investment advisor under the *Investment Advisors Act of 1940* (the 1940 Act);
 3. it provides investment advisory and portfolio management services to institutional clients including large corporations, government bodies and pension plans;
 4. it intends to provide securities advice to BCIMC;
 5. BCIMC is:
 - (a) a crown corporation, incorporated under the *Public Sector Pension Plans Act* (British Columbia);

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- (b) an “accredited investor” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-106); and
 - (c) has professional advisers;
- 6. it 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 otherwise might have if Vontobel were registered as an adviser under the Act;
- 7. it does not:
 - (a) maintain an office or representatives in British Columbia;
 - (b) currently have any clients in British Columbia; and
 - (c) intend to actively solicit other clients in British Columbia;
- 8. in providing securities advice to BCIMC, Vontobel would be considered to be acting as an adviser under the Act and without this order would be required to be registered, or otherwise be exempt from registration, as an adviser under the Act; and
- 9. there are no exemptions from the adviser registration requirement that Vontobel 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 Vontobel is exempt from the adviser registration requirement for securities advice provided to BCIMC, provided that:

1. BCIMC is an accredited investor as defined in NI 45-106, and

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2. Vontobel maintains in good standing its registration as an investment advisor under the 1940 Act.

May 27, 2009

Sandra Jakab
Director, Capital Markets Regulation
British Columbia Securities Commission