

2.2.2 Ontario Instrument 91-505 Exemptions from the Options Proficiency Requirement for International Dealers, Advisers and Sub-Advisers (Interim Class Order)

ONTARIO SECURITIES COMMISSION

**ONTARIO INSTRUMENT 91-505
EXEMPTIONS FROM THE OPTIONS PROFICIENCY REQUIREMENT FOR
INTERNATIONAL DEALERS, ADVISERS AND SUB-ADVISERS (INTERIM CLASS ORDER)**

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective April 15, 2021 Ontario Instrument 91-505 entitled "Exemptions from the Options Proficiency Requirement for International Dealers, Advisers and Sub-Advisers (Interim Class Order)" is made.

April 6, 2021

"Tim Moseley"
Vice-Chair

"Frances Kordyback"
Commissioner

Authority under which the order is made:

Act and section: *Securities Act*, subsection 143.11(2)

ONTARIO SECURITIES COMMISSION

ONTARIO INSTRUMENT 91-505
*EXEMPTIONS FROM THE OPTIONS PROFICIENCY REQUIREMENT FOR
INTERNATIONAL DEALERS, ADVISERS AND SUB-ADVISERS (INTERIM CLASS ORDER)*

Interpretation

1. In this Order:

“**Act**” means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time;

“**CFA**” means the *Commodity Futures Act*, R.S.O. 1990, c. C.20, as amended from time to time;

“**Ontario Instrument 32-507**” means Ontario Instrument 32-507 (*Commodity Futures Act*) *Exemptions for International Dealers, Advisers and Sub-Advisers (Interim Class Order)*;

“**Options proficiency requirement**” means the provisions of section 3.1 of OSC Rule 91-502 that prohibit a person from trading as agent in, or giving advice in respect of, a recognized option unless he or she has successfully completed the Canadian Options Course;

“**OSC Rule 91-502**” means Ontario Securities Commission Rule 91-502 *Trades in Recognized Options*;

2. Terms defined in the Act or National Instrument 14-101 *Definitions* have the same meaning if used in this Order, unless otherwise defined.
3. Terms defined in Ontario Instrument 32-507 have the same meaning if used in this Order, unless otherwise defined.
4. Terms defined in OSC Rule 91-502 have the same meaning if used in this Order, unless otherwise defined.

Background

5. On December 1, 2020, the Ontario Securities Commission (the **Commission**) published Proposed OSC Rule 32-506 (*Commodity Futures Act*) *Exemptions for International Dealers, Advisers and Sub-Advisers* and a proposed amendment to OSC Rule 91-502 *Trades in Recognized Options* (**OSC Rule 91-502**) for a 90-day comment period (the **Proposed Instrument**).¹
6. The Proposed Instrument is a regulatory burden reduction initiative and is intended to codify relief that is routinely granted by the Commission under both the CFA and OSC Rule 91-502 to international dealers, international advisers and international sub-advisers.
7. The comment period for the Proposed Instrument expired on March 1, 2021. The Commission received two comment letters on the Proposed Instrument.² Both comment letters were generally supportive of the Proposed Instrument.
8. One of the commenters requested that the Commission consider issuing an interim class order until such time as the Proposed Instrument comes into force so as to avoid the cost and burden of renewing relief for those firms whose sunset clauses might expire prior to the coming into force of the Proposed Instrument.
9. Accordingly, this Order is intended to provide interim relief until such time as the Commission has had an opportunity to consider comments, finalize and, subject to Ministerial approval, implement the Proposed Instrument.

Class Orders under the Securities Act

10. Under section 143.11(2) of the Act, if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the Act.
11. In light of the Commission’s ongoing initiative to reduce regulatory burden, the Commission is satisfied that it would not be prejudicial to the public interest to provide, on an interim basis, exemption from the Options proficiency requirement

¹ <https://www.osc.ca/en/securities-law/instruments-rules-policies/3/32-506>

² <https://www.osc.ca/en/securities-law/instruments-rules-policies/3/32-506/proposed-osc-rule-32-506-under-commodity-futures-act-exemptions-international-dealers-advisers-and-comment-letters>

for international firms and their representatives.

Exemption from the options proficiency requirement

12. Consequently, this Order provides for the temporary exemption listed below.
13. The Options proficiency requirement does not apply to
 - (a) a person or company exempt from the dealer registration requirement or the adviser registration requirement if the person or company complies with the terms and conditions of the exemption from the registration requirement;
 - (b) a person or company exempt from the CFA dealer registration requirement or the CFA adviser registration requirement if the person or company complies with the terms and conditions of the exemption from the registration requirement.

Effective date and term

This decision comes into effect on the 15th day of April, 2021 and will cease to be effective on the earlier of the following:

- (a) the date that is 18 months after the date of this Order unless extended by the Commission, and
- (b) the effective date of the Proposed Instrument.