

5.1.3 Notice and Commission Approval of Rule Under the Commodity Futures Act - OSC Rule 31-509 (Commodity Futures Act) and Companion Policy 31-509CP, National Registration Database

**NOTICE AND COMMISSION APPROVAL OF
RULE UNDER THE COMMODITY FUTURES ACT
ONTARIO SECURITIES COMMISSION RULE 31-509 (Commodity Futures Act)
AND COMPANION POLICY 31-509CP
NATIONAL REGISTRATION DATABASE**

Introduction

The Commission has, under section 65 of the *Commodity Futures Act* (the "Act"), made Ontario Securities Commission Rule 31-509.

The rule and the material required by the Act to be delivered to the Minister of Finance were delivered on November 15, 2002. If the Minister approves the rule, does not reject the rule or return it to the Commission for further consideration, it will come into force on February 3, 2003.

Purpose

The rule requires that certain registration information be submitted to regulators electronically through the National Registration Database (NRD) and that fees paid in respect of registration are paid through NRD.

Background

On December 14, 2001, the Commission published for comment drafts of the rule and companion policy. On June 14, 2002, the Commission republished for comment amended drafts of the rule and companion policy, together with a summary of the comments received during the first comment period and our responses. During the second comment period we received 5 submissions. A summary of these comments, together with our responses, is contained in Appendix "A" to the Notice and Commission Approval of Rule under the *Securities Act* Multilateral Instrument 31-102.

For additional background information on the rule and companion policy as well as a detailed summary of the contents of the drafts of previously published materials, please refer to the notices that were published with those drafts.

Summary of Changes

This section describes the changes made to the rule and companion policy since the June 2002 drafts were published for comment.

Paragraph 3.1(1)(b) has been added to the rule to ensure that multiple records are not created for non-registered individuals or business locations.

The part of the June 2002 draft rule that mandated the process of enrolling to use NRD has been removed. The reason for this is that enrolment is an administrative process that does not need to be mandated in the rule. For the same reason, the enrolment forms have been removed from the rule. The enrolment process will be set out in the NRD filer manual.

Sections 7.5, 7.6, and 7.8 have been amended to provide that a firm no longer has an obligation to submit a Form 33-506F4 for an individual under those sections if another firm has submitted that form for the individual. The amended sections provide that if a firm is relieved of the obligation of submitting a complete Form 33-506F4 for an individual, it must still ensure that the individual's employment location is still properly recorded on NRD.

Subsection 7.9(2) of the rule has been added to clarify that a Form 33-506F4 submitted under subsection 7.9(1) must show the individual's registration categories as they were at the time the individual applied to change his or her categories in paper format.

The companion policy has been amended to clarify that if a person or company is required to make a submission under both this rule and MI 31-102 with respect to the same information, the Commission is of the view that a single filing on the required form satisfies both legal requirements.

Part 8 has been amended to clarify that transition firms are required to start enrolling to use NRD on February 3, 2003. The remaining obligations in the rule are scheduled to come into force on March 31, 2003, the date on which NRD will launch.

Questions

Please refer your questions to:

Dirk de Lint
Legal Counsel
Ontario Securities Commission
(416) 593-8090
ddelint@osc.gov.on.ca

The text of the rule and companion policy follow.

DATED: November 15, 2002