

## Chapter 6

# Request for Comments

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### 6.1.1 Notice of Proposed Amendments to MI 33-109 Registration Information, Companion Policy 33-109CP, MI 31-102 National Registration Database, and Companion Policy 31-102CP

#### REQUEST FOR COMMENT

#### NOTICE OF PROPOSED AMENDMENTS TO MULTILATERAL INSTRUMENT 33-109 *REGISTRATION INFORMATION*, COMPANION POLICY 33-109CP, MULTILATERAL INSTRUMENT 31-102 *NATIONAL REGISTRATION DATABASE*, AND COMPANION POLICY 31-102CP

#### Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for comment proposed amendments to Multilateral Instrument 33-109 - *Registration Information* (**MI 33-109**), Companion Policy 33-109CP (**33-109CP**), Multilateral Instrument 31-102 - *National Registration Database* (**MI 31-102**), and Companion Policy 31-102CP (**31-102CP**).

MI 33-109, 33-109CP, MI 31-102, and 31-102CP are currently in force in all Canadian jurisdictions except for Québec. In Québec, the system has been implemented by the adoption of *Regulation 33-109Q respecting Registration Information* and *Regulation 31-102Q respecting National Registration Database* (collectively, the **Québec Regulations**), which came into force in Québec on January 1, 2005. The Québec Regulations are substantially identical to MI 33-109 and MI 31-102, except as to transition periods. Québec did not adopt 33-109CP and 31-102CP as policy statements.

Québec will adopt the amended MI 33-109 and the amended MI 31-102 as well as the amended 33-109CP. These instruments will be implemented in Québec as regulations and will replace the Québec Regulations.

#### Substance and purpose of proposed amendments

##### *Proposed changes to MI 33-109*

Four changes are proposed to be made to MI 33-109. First, references to Québec will be included in the instrument, making it into a national instrument. Second, the term “non-registered individual” will be changed to “permitted individual”. Third, three deadlines for reporting changes to information filed on NRD will be changed. Fourth, firms will now be required to advise the regulator of a change in financial year end and of a change in auditor.

##### 1. *Addition of Québec*

Québec joined the National Registration Database on January 1, 2005, and so MI 33-109, 33-109CP, MI 31-102, and 31-102CP must be updated by way of certain technical modifications to reflect that fact. These changes are not substantive, and all operational changes to the NRD to ensure this change takes effect have already occurred. With Québec’s inclusion, MI 33-109 and MI 31-102 will become national instruments.

##### 2. *Permitted individual*

A non-registered individual is defined in MI 33-109 as a director, partner, officer, or branch manager of a registered firm if the individual does not trade or advise on behalf of the firm. In Alberta, British Columbia, and Ontario, the definition also includes shareholders controlling 10 per cent or more of the voting securities of the firm.

Securities regulators require information on non-registered individuals because those individuals are the directing minds of registrant firms. The firms are required to provide securities regulators with that information.

Since MI-33-109 and MI 31-102 came into force, staff have fielded questions about why a non-registered individual must submit a Form 33-109F4, leading to confusion. Furthermore, the term has led some applicants to assume incorrectly that information filed by non-registered individuals is not reviewed by the regulator.

As a result, we propose to change the term to “permitted individual”. This term is not similar to any other in use in the financial services industry, and the term carries with it the implication that the application is not automatically granted. This change does not require any operational or functional changes to the NRD system; it requires only that the term be replaced on NRD.

3. *Deadlines*

MI 33-109 currently sets out a number of deadlines for registrants to notify the regulator in accordance with MI 31-102 of a change to any information submitted in Form 33-109F4. The deadlines vary with the importance of the information. For example, the deadline to notify the regulator about a termination of an individual is five business days; other less critical information can be submitted later.

The current deadlines are based on the pre-NRD system in which registrants submitted information to the regulator, and the regulator input the changes into its computers. With NRD, registrants bear the responsibility of inputting their own information, and for maintaining records of proof for that information. With this increased load on registrants, they have found that some of the deadlines are too short.

One deadline proposed to be changed, for a change in previous employment, has been lengthened from five business days to 10 business days in consideration of requests from industry for more time. Since this information is not as critical as, say, a termination notice, a longer deadline seems appropriate. Another deadline proposed to be changed would lengthen the amount of time in which a new non-registered individual is required to apply to the regulator from five business days to 20. Industry has requested this change because five business days is an unreasonably short amount of time to prepare all the required information.

Two deadlines, for changes in personal information and in proficiency information, have been changed from the previous maximum deadline of one year to 20 business days. The year-long deadline was so long that it was easy for a firm NRD filer to forget to submit the information.

4. *Changes in financial year end and changes of auditor*

Applicants for registration are required to submit information to the regulator about their financial year end and auditor, but they are not currently required to inform the regulator of any changes to that information. Proposed revisions to MI 33-109 will close this gap immediately, requiring registrants to inform the regulator of changes to their financial year end or to their auditor within five business days of the change.

*Proposed changes to 33-109CP*

33-109CP will be revised to reflect that MI 33-109 is now a national instrument. In addition, to clarify the responsibilities each firm bears for the information submitted to the regulator, the relevant section of the companion policy will be revised to specify that firms should regularly remind the individuals it sponsors to ensure the truth and correctness of that information.

*Proposed changes to MI 31-102*

MI 31-102 will be updated to reflect Québec participation in the NRD.

*Proposed changes to 31-102CP*

31-102CP will be revised to reflect that MI 31-102 is now a national instrument.

**Summary of proposed amendments**

The proposed amendments are minor housekeeping changes that will:

1. reflect Québec’s participation in the National Registration Database;
2. end the confusion over the term “non-registered individual”;
3. provide some relief to registrants hamstrung by two deadlines that are too short;
4. ensure the regulator is kept abreast of changes in a registrant’s financial year end and its auditor; and
5. clarify the responsibilities each firm bears for the information submitted to the regulator.

**Authority for proposed amendments - Ontario**

Paragraph 143(1) 1 of the *Securities Act* (the **Act**) authorizes the Commission to make rules prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and in respect of suspension, cancellation or reinstatement of registration.

Paragraph 143(1)7 of the Act authorizes the Commission to make rules prescribing requirements in respect of the disclosure or furnishing of information to the Commission by registrants.

Paragraph 143(1)10 of the Act authorizes the Commission to make rules prescribing requirements in respect of the books, records and other documents required by subsection 19(1) to be kept by market participants, including the form in which and the period for which the books, records and other documents are to be kept.

Paragraph 143(1) 39 of the Act authorizes the Commission to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules made thereunder and all documents determined by such regulations or rules to be ancillary to the documents, including applications for registration.

Paragraph 143(1) 44 of the Act authorizes the Commission to make rules varying the application of the Act to require the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information to be filed under the Act, the regulations or rules made thereunder.

Paragraph 143(1) 45 of the Act authorizes the Commission to make rules establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.

Paragraph 143(1) 46 of the Act authorizes the Commission to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose of the Act.

Paragraph 143(1) 49 of the Act authorizes the Commission to make rules varying the Act to permit or require methods of filing or delivery, to or by the Commission, registrants, and others, of documents, information, notices or other communications required under or governed by Ontario securities law.

**Unpublished materials**

In proposing the amendments to MI 33-109, 33-109CP, MI 31-102, and 31-102CP, the Ontario Commission has not relied on any significant unpublished study, report, or other written materials.

**Alternatives considered**

The Ontario Commission did not consider any alternatives to the proposed amendments to MI 33-109, 33-109CP, MI 31-102, and 31-102CP.

**Anticipated costs and benefits**

We anticipate that the proposed amendments will reduce the time, costs, and inconvenience of a firm filer associated with confusion over why a non-registered individual has to register, and with deadlines that were too short in certain instances.

**Comments**

Interested parties are invited to make written submissions about these proposed amendments. Submissions received by August 10, 2006 will be considered. If you are not sending your submissions by e-mail, please include a diskette or CD containing your submission (in Windows format, Word).

Submissions should be addressed to all of the CSA members listed below:

Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Saskatchewan Financial Services Commission

It is not necessary to send comments separately to all CSA member authorities. Please send them to the following person, who will ensure they are sent to the other CSA members:

## Request for Comments

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c/o John Stevenson  
Secretary to the Commission  
Ontario Securities Commission  
20 Queen Street West, Suite 1903, Box 55  
Toronto, Ontario  
M5H 3S8  
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e-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

Alberta will publish these materials at a later date.

We cannot keep submissions confidential because securities legislation in certain jurisdictions requires that a summary of the written submissions received during the comment period be published.

### Questions

Please refer your questions to any of:

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The text of the proposed amendments follow or can be found elsewhere on a CSA member website.

May 12, 2006

**NATIONAL INSTRUMENT 33-109  
REGISTRATION INFORMATION**

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**NATIONAL INSTRUMENT 33-109**  
**REGISTRATION INFORMATION**

**PART 1 DEFINITIONS**

**1.1 Definitions** - In this Instrument

"Form 3" means the required form for an application for registration as dealer, adviser, or underwriter in the local jurisdiction;

"Form 4" means the form that was required for an application for registration for an individual in the local jurisdiction before February 21, 2003, or in Québec, after January 1, 2005;

"permitted individual" means, for a registered firm or for a person or company that is applying for registration, an individual who is not registered to trade or advise on behalf of the firm and who

- (a) is a director, partner, officer, or branch manager of the firm, or
- (b) in Alberta, British Columbia, and Ontario
  - (i) is a director, partner, officer, or branch manager of the firm, or
  - (ii) beneficially owns, directly or indirectly, or exercises control or direction over, 10 percent or more of the voting securities of the firm;

"NI 31-102" means National Instrument 31-102 National Registration Database;

"NRD submission number" means the unique number generated by NRD to identify each NRD submission; "registered firm" means a person or company that is registered as a dealer, adviser, or underwriter;

"registered individual" means, for a registered firm, an individual who,

- (a) is registered to trade or advise on behalf of the registered firm, or
- (b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm;

"sponsoring firm" means,

- (a) for a registered individual,
  - (i) the registered firm on whose behalf the individual trades or advises, or
  - (ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,
- (b) for an individual applying for registration,
  - (i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or
  - (ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,
- (c) for a permitted individual of a registered firm, the registered firm on whose behalf the individual acts, or
- (d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

**1.2 Interpretation** - Terms defined in NI 31-102 and used in this Instrument have the respective meanings ascribed to those terms in NI 31-102.

## PART 2 APPLICATION FOR REGISTRATION

**2.1 Dealer, Adviser and Underwriter Registration** - Except as provided in subsection 2.3(1), an applicant for registration as a dealer, adviser, or underwriter must submit to the regulator,

- (a) in paper format, a completed Form 3;
- (b) in accordance with NI 31-102, a completed Form 33-109F3 for each business location of the applicant, other than the applicant's head office; and
- (c) in accordance with NI 31-102, a completed Form 33-109F4 for each permitted individual of the applicant who has not applied to become a registered individual with the applicant under subsection 2.2(1).

## 2.2 Individual Applicants

- (1) Except as provided in subsection (2) and subsection 2.3(2), an individual who applies for registration under securities legislation must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F4.
- (2) Despite subsection (1), a permitted individual of a registered firm who applies to become a registered individual with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

## 2.3 Commodity Futures Act Registrants

- (1) In Manitoba and Ontario, if an applicant for registration under section 2.1 is registered under the *Commodity Futures Act*, the applicant
  - (a) is not required to submit a completed Form 33-109F3 under subsection 2.1(b) for any business location of the applicant that is recorded on NRD; and
  - (b) is not required to submit a completed Form 33-109F4 under subsection 2.1(c) for a permitted individual if the applicant submits to the regulator, in accordance with NI 31-102, a completed Form 33-109F2 for the individual.
- (2) In Manitoba and Ontario, despite subsection 2.2(1), if an individual applies for registration under securities legislation and is recorded on NRD with his or her sponsoring firm as registered under the *Commodity Futures Act*, the individual must make the application by submitting to the regulator, in accordance with NI 31-102, a completed Form 33-109F2.

## PART 3 CHANGES TO REGISTERED FIRM INFORMATION

### 3.1 Changes to Form 3 Information

- (1) A registered firm must notify the regulator of a change to any information previously submitted in Form 3, or under this subsection, within 5 business days of the change.
- (2) Except as provided in subsection (3), for the purposes of subsection (1), a notice of change must be made by submitting a completed Form 33-109F5 in paper format.
- (3) Despite subsection (2), a notice of change under this section is not required to be in Form 33-109F5 if the change relates to
  - (a) the addition of an officer, partner, or director to the registered firm, and if a completed Form 33-109F4 in respect of the officer, partner, or director is submitted under section 2.2 or 3.3;
  - (b) the resignation or termination of an officer, partner or director of the registered firm, and if a completed Form 33-109F1 is submitted under section 4.3 or 5.2; or
  - (c) a business location other than head office, and if a completed Form 33-109F3 is submitted under section 3.2.

### 3.2 Changes to Business Locations

- (1) A registered firm must notify the regulator of the opening of a business location, other than a new head office, by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the opening.
- (2) A registered firm must notify the regulator of a change to any information previously submitted in Form 33-109F3 by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the change.

**3.3 Addition of Permitted individuals** - A registered firm must submit to the regulator in accordance with NI 31-102 a completed Form 33-109F4 for a permitted individual within 20 business days of the individual becoming a permitted individual of the registered firm.

**3.4 Changes to other registration information** - A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

## PART 4 CHANGES TO REGISTERED INDIVIDUAL INFORMATION

### 4.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.
- (2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.
- (3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, within 20 business days of the change.

**4.2 Application to Change or Surrender Individual Registration Categories** - A registered individual of a registered firm who applies to change or surrender his or her registration category with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

**4.3 Termination of Relationship** - A registered firm must, within 5 business days of a termination of an employment, partner, or agency relationship with a registered individual, notify the regulator of the termination of the relationship by submitting in accordance with NI 31-102 a completed Form 33-109F1.

## PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION

### 5.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.
- (2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.
- (3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.
- (4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.

- (5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

**5.2 Termination of Relationship** - A registered firm must, within 5 business days of an individual ceasing to be a permitted individual of the registered firm, notify the regulator in accordance with NI 31-102 of the termination of the relationship by submitting a completed Form 33-109F1.

## **PART 6 DUE DILIGENCE AND RECORD-KEEPING**

### **6.1 Sponsoring Firm Obligations**

- (1) A sponsoring firm must make reasonable efforts to ensure that information submitted by
- (a) the firm for a permitted individual; or
  - (b) a registered individual, or an individual applying for registration, for whom the firm is the sponsoring firm,
- is true and complete.
- (2) A sponsoring firm must retain all documents used by the firm to satisfy its obligation under subsection (1),
- (a) in the case of a permitted individual, for a period of seven years after the individual ceases to be a permitted individual; or
  - (b) in the case of a registered individual, or an individual applying for registration, for a period of seven years after the individual ceases to be a registered individual with the firm.
- (3) Without limiting the generality of subsection (2), if a registered individual, or an individual applying for registration, appoints an agent for service, the sponsoring firm must keep the original Appointment of Agent for Service executed by the individual for the period of time set out in paragraph (2)(b).
- (4) A sponsoring firm that retains a document under subsection (2) or (3) in respect of an NRD submission must record the NRD submission number on the document.

## **PART 7 EXEMPTION**

### **7.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

## **PART 8 INCONSISTENT PROVISIONS**

### **8.1 Inconsistent Provisions**

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

**COMPANION POLICY 33-109CP  
TO NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION**

**PART 1 APPLICATION AND PURPOSE**

- 1.1 Application** - National Instrument 33-109 ("NI 33-109") has been implemented in all jurisdictions.
- 1.2 Purpose** - The purpose of NI 33-109 is to consolidate and harmonize requirements regarding the initial submission of registration information and the updating of that information.

**PART 2 BUSINESS LOCATIONS**

- 2.1 Business Locations** - The securities regulatory authority or regulator is of the view that a business location for a registered firm, or a person or company that is applying for registration, is a location within the jurisdiction, including a residence, where a firm's registered individuals are based for the purpose of carrying out registerable activity.

**PART 3 NOTICE OF CHANGES**

**3.1 Bulk Transfer of Locations and Individuals**

- (1) If a registered firm is acquiring a large number of business locations (for example, as a result of an amalgamation or asset purchase) from one or more other registered firms that are located in the same jurisdictions and registered in the same categories as the acquiring firm, and if a significant number of individuals are associated on NRD with the locations, the securities regulatory authority or regulator will consider exempting the firms and individuals involved in the transaction from the following requirements:
1. the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of NI 33-109;
  2. the requirement to submit a notice regarding each individual who ceases to be a permitted individual under section 5.2 of NI 33-109;
  3. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of NI 33-109;
  4. the requirement to submit a Form 33-109F4 for each permitted individual under section 3.3 of NI 33-109;
  5. the requirement under section 3.1 of NI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.
- (2) To exempt the firms and individuals involved in the transaction from the requirements set out above, the application should include the following information:
- (a) the name and NRD number of the registered firm that will acquire control of the business locations;
  - (b) for each registered firm that is transferring control of the business locations,
    - (i) the name and NRD number of the registered firm;
    - (ii) the address and NRD number of each business location that is being transferred from the registered firm named in (b)(i) to the registered firm named in (a); and
  - (c) the date that the business locations will be transferred to the registered firm named in (a).
- (3) To facilitate the processing of the exemption application, the applicant may put the information referred to in subsection (2) in the form set out in Appendix A to this Companion Policy.
- (4) This exemption application should be submitted by the registered firm that will acquire control of the business locations at the closing of the transaction and should be submitted sufficiently in advance of the date on which the business locations are to be transferred (the "transfer date"). At this time, the securities regulatory authority is of the view that submitting the application at least 30 days prior to the transfer date should be sufficient.

- (5) In addition to any application fee, it is likely that the payment of a fee will be a condition of this type of exemption order and that the fee will be related to the number of registered firms, business locations, registered individuals, and permitted individuals involved in the transaction.
- (6) If the exemption is granted, as soon as practicable after the transfer date, the regulator will instruct the NRD administrator to indicate the transfer of the business locations, the registered individuals, and the permitted individuals on NRD.

Bulk transfers involving firms that are registered in different categories or different jurisdictions may need to take additional steps. Firms involved in such a transaction should contact the applicable regulators to discuss what steps are required to allow the firms to use the bulk transfer process described above.

#### **PART 4 DUE DILIGENCE**

**4.1 Sponsoring Firm Obligations** - The securities regulatory authority or regulator is of the view that the reasonable efforts firms are required to undertake in Part 6 of NI 33-109 include

- (a) establishing written policies and procedures relating to the investigation of an individual prior to submitting a Form 33-109F4 on behalf of the individual;
- (b) ensuring that the review of an individual pursuant to these policies and procedures is documented; and
- (c) regularly reminding
  - (i) registered individuals about their disclosure obligations under NI 33-109, such as notifying the regulator about changes to information, and
  - (ii) permitted individuals to notify their sponsoring firm about changes to information, so that the sponsoring firm can fulfill its disclosure obligations under NI 33-109.

#### **PART 5 COMMODITY FUTURES ACT SUBMISSIONS**

**5.1** In Ontario, if a person or company is required to make a submission under both NI 33-109 and OSC Rule 33-506 (*Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

Appendix A

Request for NRD Bulk Transfer of Business Locations

This is an application for exemption under National Instrument 33-109.

A) Registered firm that will acquire the business locations

Name:

Firm NRD number:

B) Registered firm transferring the business locations

Name:

Firm NRD number:

Business locations that will be transferred

Address of business location:

NRD number of business location:

Address of business location:

NRD number of business location:

(Repeat for each business location as necessary.)

C) Date that business locations will be transferred:

**NATIONAL INSTRUMENT 31-102  
NATIONAL REGISTRATION DATABASE**

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**NATIONAL INSTRUMENT 31-102**  
**NATIONAL REGISTRATION DATABASE**

**PART 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions** - In this Instrument

"authorized firm representative" or "AFR" means, for a firm filer, an individual with his or her own NRD user ID and who is authorized by the firm filer to submit information in NRD format for that firm filer and individual filers with respect to whom the firm filer is the sponsoring firm;

"chief AFR" means, for a firm filer, an individual who is an AFR and has accepted an appointment as a chief AFR by the firm filer;

"firm filer" means a person or company that is required under securities legislation to make an NRD submission in accordance with this Instrument and that is registered as, or has applied for registration as, a dealer, adviser, or underwriter;

"individual filer" means an individual that is required under securities legislation to make an NRD submission in accordance with this Instrument;

"NI 33-109" means National Instrument 33-109 Registration Information;

"National Registration Database" or "NRD" means the online electronic database of registration information regarding NRD filers and includes the computer system providing for the transmission, receipt, review, and dissemination of that registration information by electronic means;

"NRD account" means an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit;

"NRD administrator" means CDS INC. or a successor appointed by the securities regulatory authority to operate NRD;

"NRD filer" means an individual filer or a firm filer;

"NRD format" means the electronic format for submitting information through the NRD website;

"NRD number" means the unique number first generated by NRD to identify an NRD filer, a permitted individual, or a business location;

"NRD submission" means information that is submitted under securities legislation or securities directions in NRD format, or the act of submitting information under securities legislation or securities directions in NRD format, as the context requires;

"NRD website" means the website operated by the NRD administrator for the NRD submissions.

**1.2 Interpretation** - Terms defined in NI 33-109 and used in this Instrument have the respective meanings ascribed to those terms in NI 33-109.

**PART 2 INFORMATION TO BE SUBMITTED IN NRD FORMAT**

**2.1 Registration Information** - A person or company that is required to submit any of the following to the securities regulatory authority or regulator must make the submission in NRD format:

1. Form 33-109F1;
2. Form 33-109F2;
3. Form 33-109F3;
4. Form 33-109F4 or a change to any information previously submitted in respect of Form 33-109F4.

### **PART 3 MAKING NRD SUBMISSIONS**

#### **3.1 NRD Submissions**

- (1) An NRD filer that is required under securities legislation to submit information in NRD format must make that NRD submission
  - (a) through the NRD website,
  - (b) using the NRD number of the NRD filer, permitted individual, or business location, and
  - (c) in accordance with this Instrument.
- (2) A requirement in securities legislation relating to the format in which a document or other information to be submitted must be printed, or specifying the number of copies of a document that must be submitted, does not apply to an NRD submission required to be made in accordance with this Instrument.
- (3) An NRD filer making an NRD submission must make the NRD submission through an AFR.

#### **3.2 Ongoing Firm Filer Requirements - A firm filer must**

- (a) be enrolled with the NRD administrator to use NRD;
- (b) have one and no more than one chief AFR enrolled with the NRD administrator;
- (c) maintain one and no more than one NRD account;
- (d) notify the NRD administrator of the appointment of a chief AFR within 5 business days of the appointment;
- (e) notify the NRD administrator of any change in the name of the firm's chief AFR within 5 business days of the change; and
- (f) submit any change in the name of an AFR, other than the firm's chief AFR, in NRD format within 5 business days of the change.

### **PART 4 PAYMENT OF FEES THROUGH NRD**

#### **4.1 Payment of Submission Fees**

- (1) If a fee is required with respect to an NRD submission, a firm filer must pay the required fee by electronic preauthorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

#### **4.2 Payment of Annual Registration Fees**

- (1) If a firm filer is required to pay an annual registration fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

#### **4.3 Payment of NRD User Fees – Annual**

- (1) If a firm filer is required to pay an annual NRD user fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

## **PART 5 TEMPORARY HARDSHIP EXEMPTION**

### **5.1 Temporary Hardship Exemption**

- (1) If unanticipated technical difficulties prevent an NRD filer from making a submission in NRD format within the time required under securities legislation, the NRD filer is exempt from the requirement to make the submission within the required time period, if the NRD filer makes the submission in paper format or NRD format no later than 5 business days after the day on which the information was required to be submitted.
- (2) Form 33-109F5 is the paper format for submitting a notice of a change to Form 33-109F4 information.
- (3) If unanticipated technical difficulties prevent an individual filer from submitting an application in NRD format, the individual filer may submit the application in paper format.
- (4) If an NRD filer makes a paper format submission under this section, the NRD filer must include the following legend in capital letters at the top of the first page of the submission:

IN ACCORDANCE WITH SECTION 5.1 OF NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE (NRD), THIS [SPECIFY DOCUMENT] IS BEING SUBMITTED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.
- (5) If an NRD filer makes a paper format submission under this section, the NRD filer must resubmit the information in NRD format as soon as practicable and in any event within 10 business days after the unanticipated technical difficulties have been resolved.

## **PART 6 EXEMPTION**

### **6.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) In Québec, this exemption is granted pursuant to section 263 of the Securities Act (R.S.Q., c. V-1.1).

## **PART 7 INCONSISTENT PROVISIONS**

### **7.1 Inconsistent Provisions**

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the Securities Regulation.

**COMPANION POLICY 31-102CP  
TO NATIONAL INSTRUMENT 31-102  
NATIONAL REGISTRATION DATABASE**

**PART 1 APPLICATION AND PURPOSE**

- 1.1 **Application** - National Instrument 31-102 ("NI 31-102") has been implemented in all jurisdictions.
- 1.2 **Purpose** - The purpose of NI 31-102 is to establish requirements for the electronic submission of registration information through NRD.

**PART 2 PRODUCTION OF NRD FILINGS**

- 2.1 The securities legislation of several jurisdictions contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. Each relevant securities regulatory authority or regulator, as applicable, considers that it may satisfy such a requirement in the case of information filed in NRD format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the securities regulatory authority or regulator that the printed copy or output is a copy of the information filed in NRD format.

**PART 3 DATE OF FILING**

- 3.1 The securities regulatory authority or regulator takes the view that information filed in NRD format is, for purposes of securities legislation, filed on the day that the transmission of the information to NRD is completed.

**PART 4 OFFICIAL COPY OF NRD FILINGS**

- 4.1 For purposes of securities legislation, securities directions or any other related purpose, the securities regulatory authority or regulator takes the view that the official record of any information filed in NRD format by an NRD filer is the electronic information stored in NRD.

**PART 5 AUTHORIZED FIRM REPRESENTATIVE AS AGENT**

- 5.1 The securities regulatory authority or regulator is of the view that when making an NRD submission an AFR is an agent of the firm or individual to whom the filing relates.

**PART 6 ONGOING FIRM FILER REQUIREMENTS**

- 6.1 The securities regulatory authority or regulator expects that firm filers will follow the processes set out in the NRD Filer Manual to
- (a) enroll with the NRD administrator,
  - (b) keep their enrolment information current, and
  - (c) keep their NRD account information current.

**PART 7 COMMODITY FUTURES ACT SUBMISSIONS**

- 7.1 In Ontario, if a person or company is required to make a submission under both NI 31-102 and OSC Rule 31-509 (*Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

**NATIONAL INSTRUMENT 33-109  
REGISTRATION INFORMATION  
AMENDMENT INSTRUMENT**

2. **The title of Multilateral Instrument 33-109 Registration Information is amended by striking out “Multilateral” and substituting “National”.**

3. **The table of contents of the Instrument is amended by**

- (a) **striking out “2.2 Individual Registration” and substituting “2.2 Individual Applicants”,**
- (b) **striking out “3.3 Addition of Non-registered Individuals” and substituting “ 3.3 Addition of Permitted individuals”,**
- (c) **adding “3.4 Changes to Other Registration Information” after “3.3 Addition of Permitted individuals”,**
- (d) **striking out “PART 5 CHANGES TO NON-REGISTERED INDIVIDUAL INFORMATION” and substituting “PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION”,**
- (e) **striking out the following:**

**PART 8 TRANSITION TO NRD**

- 8.1 Definitions
- 8.2 Changes to Form 3 Information
- 8.3 Changes to Business Location
- 8.4 Addition of Non-registered Individuals
- 8.5 Changes to Form 4 Information – Registered Individuals
- 8.6 Termination of Relationship – Registered Individuals
- 8.7 Changes to Form 4 Information – Non-Registered Individuals
- 8.8 Termination of Relationship – Non-Registered Individuals

**PART 9 EFFECTIVE DATE**

- 9.1 Effective Date, **and**

(f) **adding the following after “7.1 Exemption”:**

**PART 8 INCONSISTENT PROVISIONS**

- 8.1 Inconsistent Provisions

4. **Section 1.1 of the Instrument is amended,**

(a) **in the definition of “Form 4”, by adding “, or in Québec, after January 1, 2005” after “February 21, 2003”,**

(b) **by striking out the definition of “MI 31-102” and substituting the following:**

“NI 31-102” means National Instrument 31-102 *National Registration Database*,

(c) **by striking out the definition of “registered individual” and substituting the following:**

“registered individual” means, for a registered firm, an individual who,

- (a) is registered to trade or advise on behalf of the registered firm, or
- (b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm, **and**

(d) **by striking out the definition of “sponsoring firm” and substituting the following:**

“sponsoring firm” means,

- (a) for a registered individual,
  - (i) the registered firm on whose behalf the individual trades or advises, or

- (ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,
- (b) for an individual applying for registration,
  - (i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or
  - (ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,
- (c) for a permitted individual of a registered firm on whose behalf the individual acts, or
- (d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

5. ***In the following provisions of the Instrument, “non-registered individual” is struck out wherever it occurs and “permitted individual” is substituted:***

- (a) ***section 1.1;***
- (b) ***paragraph 2.1(c);***
- (c) ***subsection 2.2(2);***
- (d) ***paragraph 2.3(1)(b);***
- (e) ***section 3.3;***
- (f) ***section 5.1***
- (g) ***section 5.2;***
- (h) ***section 6.1.***

3. ***In the following provisions of the Instrument, “MI 31-102” is struck out wherever it occurs and “NI 31-102” is substituted:***

- (a) ***section 1.1;***
- (b) ***section 1.2;***
- (c) ***section 2.1;***
- (d) ***section 2.2;***
- (e) ***section 2.3;***
- (f) ***section 3.2;***
- (g) ***section 3.3;***
- (h) ***section 4.1;***
- (i) ***section 4.2;***
- (j) ***section 4.3;***
- (k) ***section 5.1;***
- (l) ***section 5.2.***

**4. The Instrument is amended by adding the following as a new section after section 3.3:**

- 3.4 Changes to other registration information** – A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

**5. The Instrument is amended by repealing section 4.1 and substituting the following:**

**4.1 Changes to Form 33-109F4 Information**

- (1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.
- (2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.
- (3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 3 [*personal information*], Item 4 [*citizenship*], or paragraph 1 of Item 8 [*course or examination information*] of Form 33-109F4, or under this subsection, within 20 business days of the change.

**6. The Instrument is amended by striking out the heading of Part 5 “Changes to Non-Registered Individual Information” and substituting “Changes to Permitted Individual Information”.**

**7. The Instrument is amended by repealing section 5.1 and substituting the following:**

**5.1 Changes to Form 33-109F4 Information**

- (1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.
- (2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.
- (3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.
- (4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.
- (5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

**8. Section 7.1 of the Instrument is amended by adding the following subsection after subsection 7.1(2):**

- (3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

9. *Part 8 of the Instrument is repealed and the following is substituted:*

**PART 8 INCONSISTENT PROVISIONS**

**8.1 Inconsistent Provisions**

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

10. *Part 9 of this Instrument is repealed.*
11. *This Instrument comes into force on [insert date].*

**NATIONAL INSTRUMENT 31-102  
NATIONAL REGISTRATION DATABASE  
AMENDMENT INSTRUMENT**

1. *The title of Multilateral Instrument 31-102 National Registration Database is amended by striking out “Multilateral” and substituting “National”.*

2. *The table of contents of the Instrument is amended by*

(a) *striking out the following:*

**PART 7 TRANSITION**

- 7.1 Definitions
- 7.2 NRD Enrolment for Transition Firms
- 7.3 NRD Submissions before NRD Access Date
- 7.4 Accuracy of Business Location Information
- 7.5 Individuals Included in the Data Transfer
- 7.6 Individuals not Included in the Data Transfer
- 7.7 Changes to Form 4 Information – Registered Individuals
- 7.8 Changes to Form 4 Information – Non-registered Individuals
- 7.9 Pending Application to Change Individual’s Registration Category
- 7.10 Currency of Form 33-109F4
- 7.11 Termination or Cessation of Relationship

**PART 8 EFFECTIVE DATE**

- 8.1 Effective Date, *and*

(b) *adding the following after “6.1 Exemption”:*

**PART 7 INCONSISTENT PROVISIONS**

- 7.1 Inconsistent Provisions

3. *Section 1.1 of the Instrument is amended by striking out the definition of “MI 33-109” and substituting the following:*

“NI 33-109” means National Instrument 33-109 *Registration Information*,

4. *The definition of “NRD number” in section 1.1 of the Instrument is amended by striking out “non-registered individual” and substituting “permitted individual”.*

5. *Paragraph 3.1(1)(b) of the Instrument is amended by striking out “non-registered individual” and substituting “permitted individual”.*

6. *Subsection 5.1(4) of the Instrument is amended by striking out “MULTILATERAL” and substituting “NATIONAL”.*

7. *Section 6.1 of the Instrument is amended by adding the following subsection after subsection 6.1(2):*

(3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

8. *Part 7 of this Instrument is repealed and the following is substituted:*

**PART 7 INCONSISTENT PROVISIONS**

**7.1 Inconsistent Provisions**

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

9. *Part 8 of this Instrument is repealed.*

10. *This Instrument comes into force on [insert date].*