
**NOTICE OF AND REQUEST FOR COMMENT ON
PROPOSED AMENDMENTS TO**

**NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS AND EXEMPTIONS**

**COMPANION POLICY 31-103CP REGISTRATION REQUIREMENTS AND
EXEMPTIONS**

Exemptions from certain requirements for SRO Members

Introduction

As contemplated in the Notice published on April 15, 2011, the Canadian Securities Administrators (the CSA or we) are seeking comments on proposed amendments to National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103 or the Rule) and Companion Policy 31-103CP *Registration Requirements and Exemptions* (the Companion Policy) related to the exemptions for SRO members and their dealing representatives in Parts 3 and 9 of the Rule.

The comment period will end on July 18, 2011.

Summary and purpose of the proposed amendments to the Rule and the Companion Policy

We are proposing amendments to sections 3.16, 9.3 and 9.4 of the Rule in order to add, as a condition to the exemptions provided in these sections, that the registered individual or the registered investment dealer firm comply with the specified corresponding provision of the Investment Industry Regulatory Organization of Canada (IIROC) or, in the case of a mutual fund dealer firm, the Mutual Fund Dealers Association of Canada (MFDA). These proposed amendments are in Appendix A to this Notice. A blackline of these proposed amendments is in Appendix B to this Notice. The draft amendments are further to those in the amended Rule published on April 15, 2011, which are scheduled to come into force on July 11, 2011, subject to all requisite approvals, including ministerial approvals¹.

We are also proposing amendments to the Companion Policy to provide guidance on our expectations with respect to compliance with the SRO rules and policies. These proposed amendments are in Appendix C to this Notice. The proposed amendments are further to those in the amended Companion Policy published on April 15, 2011, which are scheduled to come into force on July 11, 2011.

The purpose of these amendments is to ensure that all registrants are subject to the same enforcement regime in respect of a breach of the Rule.

If necessary, we will update the references to IIROC and MFDA provisions in the appendices to the Rule so that at the time these amendments come into force, we refer to the most current corresponding IIROC and MFDA provisions.

Alternatives considered

Due to the nature of the proposed amendments, no other alternatives were considered appropriate.

¹ Pursuant to the amendments published on April 15, 2011, the title to NI 31-103 is being changed from “*Registration Requirements and Exemptions*” to “*Registration Requirements, Exemptions and Ongoing Registrant Obligations*”. As these amendments will not be in force before July 11, 2011, the title currently in effect is used in this Notice.

Unpublished materials

In developing the proposed amendments, we have not relied on any significant unpublished study, report or other written materials.

Anticipated costs and benefits

The proposed amendments will make the Rule, the Companion Policy and the ongoing requirements more clear and specific while at the same time ensuring that all registrants will be subject to the same enforcement provisions for a breach of securities law, to the benefit of registrants and the investors they serve.

Request for comments

We would like your input on the Rule and the Companion Policy. We need to continue our open dialogue with all stakeholders if we are to achieve our regulatory objectives while balancing the interests of investors and registrants. All comments will be posted on the Ontario Securities Commission website at www.osc.gov.on.ca and on the Autorité des marchés financiers website at www.lautorite.qc.ca.

All comments will be made publicly available.

Please note that we cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. In this context, you should be aware that some information which is personal to you, such as your e-mail and residential or business address, may appear in the websites. It is important that you state on whose behalf you are making the submission.

Thank you in advance for your comments.

Where to send your comments

Please address your comments to all CSA members, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Please send your comments only to the addresses below. Your comments will be forwarded to the remaining CSA member jurisdictions.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
Fax: 416-593-2318
E-mail: jstevenson@osc.gov.on.ca

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers

800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

Questions

Please refer your questions to any of the following CSA staff:

Sarah Corrigan-Brown
Senior Legal Counsel, Legal Services
Capital Markets Regulation Division
British Columbia Securities Commission
Tel: 604-899-6738
1-800-373-6393
scorrigan-brown@bcsc.bc.ca

Navdeep Gill
Legal Counsel, Market Regulation
Alberta Securities Commission
Tel: 403-355-9043
navdeep.gill@asc.ca

Curtis Brezinski
Acting Deputy Director, Legal and Registration
Saskatchewan Financial Services Commission
Tel: 306-787-5876
curtis.brezinski@gov.sk.ca

Chris Besko
Legal Counsel, Deputy Director
The Manitoba Securities Commission
Tel. 204-945-2561
Toll Free (Manitoba only) 1-800-655-5244
chris.besko@gov.mb.ca

Leigh-Ann Ronen
Legal Counsel, Compliance and Registrant Regulation
Ontario Securities Commission
Tel: 416-204-8954
lronen@osc.gov.on.ca

Sophie Jean
Analyste expert en réglementation – pratiques de distribution
Autorité des marchés financiers
Tel: 514-395-0337, ext. 4786
Toll-free: 1-877-525-0337
sophie.jean@lautorite.qc.ca

Brian W. Murphy
Deputy Director, Capital Markets
Nova Scotia Securities Commission
Tel: 902-424-4592
murphybw@gov.ns.ca

Jason L. Alcorn
Legal Counsel
New Brunswick Securities Commission
Tel: 506-643-7857

Jason.Alcorn@gnb.ca

Katharine Tummon
Superintendent of Securities
Prince Edward Island Securities Office
Tel: 902-368-4542
kptummon@gov.pe.ca

Craig Whalen
Manager of Licensing, Registration and Compliance
Office of the Superintendent of Securities
Government of Newfoundland and Labrador
Tel: 709-729-5661
cwhalen@gov.nl.ca

Louis Arki, Director, Legal Registries
Department of Justice, Government of Nunavut
Tel: 867-975-6587
larki@gov.nu.ca

Donn MacDougall
Deputy Superintendent, Legal & Enforcement
Office of the Superintendent of Securities
Government of the Northwest Territories
Tel: 867-920-8984
donald_macdougall@gov.nt.ca

Frederik J. Pretorius
Manager Corporate Affairs (C-6)
Dept of Community Services
Government of Yukon
Tel: 867-667-5225
Fred.Pretorius@gov.yk.ca

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