

SASKATCHEWAN REGULATIONS 48/2011

*The Securities Act, 1988*  
Section 154

Commission Order dated June 24, 2011

(Filed July 6, 2011)

**Title**

**1** These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2011 (No. 2)*.

**R.R.S. c.S-42.2 Reg 3 amended**

**2** *The Securities Commission (Adoption of National Instruments) Regulations* are amended in the manner set forth in these regulations.

**Part XIII of Appendix amended**

**3 Part XIII of the Appendix is amended by adding the following section after section 4.2:**

**“4.2.1 Alternative Consent**

(1) Notwithstanding subparagraph 4.2(a)(vii), if the expert whose consent is required is a ‘qualified person’ as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if:

(a) the qualified person’s consent is required in connection with a technical report that was not required to be filed with the preliminary short form prospectus;

(b) the qualified person was employed by a person or company at the date of signing the technical report;

(c) the principal business of the person or company is providing engineering or geoscientific services; and

(d) the issuer files the consent of the person or company.

(2) A consent filed under subsection (1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of ‘qualified person’ in NI 43-101”.

**New Part XVI of Appendix**

**4 Part XVI of the Appendix is repealed and the following substituted:**

“PART XVI  
National Instrument 43-101  
*Standards of Disclosure for Mineral Projects*

“PART 1 DEFINITIONS AND INTERPRETATION

“1.1 Definitions - In this Instrument:

‘**acceptable foreign code**’ means the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7, the Certification Code, or any other code, generally accepted in a foreign jurisdiction, that defines mineral resources and mineral reserves in a manner that is consistent with mineral resource and mineral reserve definitions and categories set out in sections 1.2 and 1.3;

‘**adjacent property**’ means a property:

- (a) in which the issuer does not have an interest;
- (b) that has a boundary reasonably proximate to the property being reported on; and
- (c) that has geological characteristics similar to those of the property being reported on;

‘**advanced property**’ means a property that has:

- (a) mineral reserves; or
- (b) mineral resources the potential economic viability of which is supported by a preliminary economic assessment, a pre-feasibility study or a feasibility study;

‘**Certification Code**’ means the Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves prepared by the Mineral Resources Committee of the Institution of Mining Engineers of Chile, as amended;

‘**data verification**’ means the process of confirming that data has been generated with proper procedures, has been accurately transcribed from the original source and is suitable to be used;

‘**disclosure**’ means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

‘**early stage exploration property**’ means a property for which the technical report being filed has:

- (a) no current mineral resources or mineral reserves defined; and

(b) no drilling or trenching proposed;

**‘effective date’** means, with reference to a technical report, the date of the most recent scientific or technical information included in the technical report;

**‘exploration information’** means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical, and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define, or delineate a mineral prospect or mineral deposit;

**‘historical estimate’** means an estimate of the quantity, grade, or metal or mineral content of a deposit that an issuer has not verified as a current mineral resource or mineral reserve, and which was prepared before the issuer acquired, or entered into an agreement to acquire, an interest in the property that contains the deposit;

**‘JORC Code’** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended;

**‘mineral project’** means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

**‘PERC Code’** means the Pan-European Code for Reporting of Exploration Results, Mineral Resources and Reserves prepared by the Pan-European Reserves and Resources Reporting Committee, as amended;

**‘preliminary economic assessment’** means a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources;

**‘producing issuer’** means an issuer with annual audited financial statements that disclose:

(a) gross revenue, derived from mining operations, of at least \$30 million Canadian for the issuer’s most recently completed financial year; and

(b) gross revenue, derived from mining operations, of at least \$90 million Canadian in the aggregate for the issuer’s three most recently completed financial years;

**‘professional association’** means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that:

(a) is:

(i) given authority or recognition by statute in a jurisdiction of Canada;  
or

- (ii) a foreign association that is generally accepted within the international mining community as a reputable professional association;
- (b) admits individuals on the basis of their academic qualifications, experience, and ethical fitness;
- (c) requires compliance with the professional standards of competence and ethics established by the organization;
- (d) requires or encourages continuing professional development; and
- (e) has and applies disciplinary powers, including the power to suspend or expel a member regardless of where the member practises or resides;

**‘qualified person’** means an individual who:

- (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining;
- (b) has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice;
- (c) has experience relevant to the subject matter of the mineral project and the technical report;
- (d) is in good standing with a professional association; and
- (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that:
  - (i) requires attainment of a position of responsibility in his or her profession that requires the exercise of independent judgment; and
  - (ii) requires:
    - (A) a favourable confidential peer evaluation of the individual’s character, professional judgement, experience, and ethical fitness; or
    - (B) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining;

**‘quantity’** means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

**‘SAMREC Code’** means the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves prepared by the South African Mineral Resource Committee (SAMREC) under the Joint Auspices of the Southern African Institute of Mining and Metallurgy and the Geological Society of South Africa, as amended;

**‘SEC Industry Guide 7’** means the mining industry guide entitled ‘Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations’ contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended;

**‘specified exchange’** means the Australian Stock Exchange, the Johannesburg Stock Exchange, the London Stock Exchange Main Market, the Nasdaq Stock Market, the New York Stock Exchange, or the Hong Kong Stock Exchange;

**‘technical report’** means a report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that includes, in summary form, all material scientific and technical information in respect of the subject property as of the effective date of the technical report; and

**‘written disclosure’** includes any writing, picture, map, or other printed representation whether produced, stored or disseminated on paper or electronically, including websites.

**“1.2 Mineral Resource** - In this Instrument, the terms ‘mineral resource’, ‘inferred mineral resource’, ‘indicated mineral resource’ and ‘measured mineral resource’ have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

**“1.3 Mineral Reserve** - In this Instrument, the terms ‘mineral reserve’, ‘probable mineral reserve’ and ‘proven mineral reserve’ have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

**“1.4 Mining Studies** - In this Instrument, the terms ‘preliminary feasibility study’, ‘pre-feasibility study’ and ‘feasibility study’ have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

**“1.5 Independence** - In this Instrument, a qualified person is independent of an issuer if there is no circumstance that, in the opinion of a reasonable person aware of all relevant facts, could interfere with the qualified person’s judgment regarding the preparation of the technical report.

## **“PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE**

**“2.1 Requirements Applicable to All Disclosure** - All disclosure of scientific or technical information made by an issuer, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be:

(a) based upon information prepared by or under the supervision of a qualified person; or

(b) approved by a qualified person.

**“2.2 All Disclosure of Mineral Resources or Mineral Reserves** - An issuer must not disclose any information about a mineral resource or mineral reserve unless the disclosure:

(a) uses only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3;

(b) reports each category of mineral resources and mineral reserves separately, and states the extent, if any, to which mineral reserves are included in total mineral resources;

(c) does not add inferred mineral resources to the other categories of mineral resources; and

(d) states the grade or quality and the quantity for each category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is included in the disclosure.

**“2.3 Restricted Disclosure**

(1) An issuer must not disclose:

(a) the quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve, or a proven mineral reserve;

(b) the results of an economic analysis that includes or is based on inferred mineral resources or an estimate permitted under subsection 2.3(3) or section 2.4;

(c) the gross value of metal or mineral in a deposit or a sampled interval or drill intersection; or

(d) a metal or mineral equivalent grade for a multiple commodity deposit, sampled interval, or drill intersection, unless it also discloses the grade of each metal or mineral used to establish the metal or mineral equivalent grade.

(2) Despite paragraph (1)(a), an issuer may disclose in writing the potential quantity and grade, expressed as ranges, of a target for further exploration if the disclosure:

(a) states with equal prominence that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource; and

(b) states the basis on which the disclosed potential quantity and grade has been determined.

(3) Despite paragraph (1)(b), an issuer may disclose the results of a preliminary economic assessment that includes or is based on inferred mineral resources if the disclosure:

- (a) states with equal prominence that the preliminary economic assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized;
- (b) states the basis for the preliminary economic assessment and any qualifications and assumptions made by the qualified person; and
- (c) describes the impact of the preliminary economic assessment on the results of any pre-feasibility or feasibility study in respect of the subject property.

(4) An issuer must not use the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the definition of the applicable term in section 1.4.

**“2.4 Disclosure of Historical Estimates** - Despite section 2.2, an issuer may disclose an historical estimate, using the original terminology, if the disclosure:

- (a) identifies the source and date of the historical estimate, including any existing technical report;
- (b) comments on the relevance and reliability of the historical estimate;
- (c) to the extent known, provides the key assumptions, parameters, and methods used to prepare the historical estimate;
- (d) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences;
- (e) includes any more recent estimates or data available to the issuer;
- (f) comments on what work needs to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves; and
- (g) states with equal prominence that:
  - (i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and
  - (ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves.



**“PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE**

**“3.1 Written Disclosure to Include Name of Qualified Person** - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who:

(a) prepared or supervised the preparation of the information that forms the basis for the written disclosure; or

(b) approved the written disclosure.

**“3.2 Written Disclosure to Include Data Verification** - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure:

(a) a statement whether a qualified person has verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in the written disclosure;

(b) a description of how the data was verified and any limitations on the verification process; and

(c) an explanation of any failure to verify the data.

**“3.3 Requirements Applicable to Written Disclosure of Exploration Information**

(1) If an issuer discloses in writing exploration information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure a summary of:

(a) the material results of surveys and investigations regarding the property;

(b) the interpretation of the exploration information; and

(c) the quality assurance program and quality control measures applied during the execution of the work being reported on.

(2) If an issuer discloses in writing sample, analytical or testing results on a property material to the issuer, the issuer must include in the written disclosure, with respect to the results being disclosed:

(a) the location and type of the samples;

(b) the location, azimuth, and dip of the drill holes and the depth of the sample intervals;

(c) a summary of the relevant analytical values, widths, and to the extent known, the true widths of the mineralized zone;

- (d) the results of any significantly higher grade intervals within a lower grade intersection;
- (e) any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to in this subsection; and
- (f) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, and any relationship of the laboratory to the issuer.

**“3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves** - If an issuer discloses in writing mineral resources or mineral reserves on a property material to the issuer, the issuer must include in the written disclosure:

- (a) the effective date of each estimate of mineral resources and mineral reserves;
- (b) the quantity and grade or quality of each category of mineral resources and mineral reserves;
- (c) the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves;
- (d) the identification of any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources or mineral reserves; and
- (e) if the disclosure includes the results of an economic analysis of mineral resources, an equally prominent statement that mineral resources that are not mineral reserves do not have demonstrated economic viability.

**“3.5 Exception for Written Disclosure Already Filed** - Sections 3.2 and 3.3 and paragraphs (a), (c) and (d) of section 3.4 do not apply if the issuer includes in the written disclosure a reference to the title and date of a document previously filed by the issuer that complies with those requirements.

**“PART 4 OBLIGATION TO FILE A TECHNICAL REPORT**

**“4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer**

- (1) Upon becoming a reporting issuer in a jurisdiction of Canada an issuer must file in that jurisdiction a technical report for each mineral property material to the issuer.
- (2) Subsection (1) does not apply if the issuer is a reporting issuer in a jurisdiction of Canada and subsequently becomes a reporting issuer in another jurisdiction of Canada.
- (3) Subsection (1) does not apply if:
  - (a) the issuer previously filed a technical report for the property;

(b) at the date the issuer becomes a reporting issuer, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and

(c) the previously filed technical report meets any independence requirements under section 5.3.

**“4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure about Mineral Projects on Material Properties**

(1) An issuer must file a technical report to support scientific or technical information that relates to a mineral project on a property material to the issuer, or in the case of paragraph (c), the resulting issuer, if the information is contained in any of the following documents filed or made available to the public in a jurisdiction of Canada:

(a) a preliminary prospectus, other than a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions*;

(b) a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* that discloses for the first time:

(i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or

(ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer;

(c) an information or proxy circular concerning a direct or indirect acquisition of a mineral property where the issuer or resulting issuer issues securities as consideration;

(d) an offering memorandum, other than an offering memorandum delivered solely to accredited investors as defined under securities legislation;

(e) for a reporting issuer, a rights offering circular;

(f) an annual information form;

(g) a valuation required to be prepared and filed under securities legislation;

(h) an offering document that complies with and is filed in accordance with Policy 4.6 - *Public Offering by Short Form Offering Document* and Exchange Form 4H - *Short Form Offering Document*, of the TSX Venture Exchange, as amended;

(i) a take-over bid circular that discloses mineral resources, mineral reserves or the results of a preliminary economic assessment on the property if securities of the offeror are being offered in exchange on the take-over bid; and

(j) any written disclosure made by or on behalf of an issuer, other than in a document described in paragraphs (a) to (i), that discloses for the first time:

(i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or

(ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer.

(2) Subsection (1) does not apply for disclosure of an historical estimate in a document referred to in paragraph (1)(j) if the disclosure is made in accordance with subsection 2.4.

(3) If a technical report is filed under paragraph (1)(a) or (b), and new material scientific or technical information concerning the subject property becomes available before the filing of the final version of the prospectus or short form prospectus, the issuer must file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

(4) The issuer must file the technical report referred to in subsection (1) not later than the time it files or makes available to the public the document listed in subsection (1) that the technical report supports.

(5) Despite subsection (4), an issuer must:

(a) file a technical report supporting disclosure under paragraph (1)(j) not later than:

(i) if the disclosure is also contained in a preliminary short form prospectus, the earlier of 45 days after the date of the disclosure and the date of filing the preliminary short form prospectus;

(ii) if the disclosure is also contained in a directors' circular, the earlier of 45 days after the date of the disclosure and 3 business days before expiry of the take-over bid; and

(iii) in all other cases, 45 days after the date of the disclosure;

(b) issue a news release at the time it files the technical report disclosing the filing of the technical report and reconciling any material differences in the mineral resources, mineral reserves or results of a preliminary economic assessment, between the technical report and the issuer's disclosure under paragraph (1)(j).

(6) Despite subsection (4), if a property referred to in an annual information form first becomes material to the issuer less than 30 days before the filing deadline for the annual information form, the issuer must file the technical report within 45 days of the date that the property first became material to the issuer.

(7) Despite subsection (4) and paragraph (5)(a), an issuer is not required to file a technical report within 45 days to support disclosure under subparagraph (1)(j)(i), if:

(a) the mineral resources, mineral reserves or results of a preliminary economic assessment:

- (i) were prepared by or on behalf of another issuer who holds or previously held an interest in the property;
  - (ii) were disclosed by the other issuer in a document listed in subsection (1); and
  - (iii) are supported by a technical report filed by the other issuer;
- (b) the issuer, in its disclosure under subparagraph (1)(j)(i):
  - (i) identifies the title and effective date of the previous technical report and the name of the other issuer that filed it;
  - (ii) names the qualified person who reviewed the technical report on behalf of the issuer; and
  - (iii) states with equal prominence that, to the best of the issuer's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment inaccurate or misleading; and
- (c) the issuer files a technical report supporting its disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment:
  - (i) if the disclosure is also contained in a preliminary short form prospectus, by the earlier of 180 days after the date of the disclosure and the date of filing the short form prospectus; and
  - (ii) in all other cases, within 180 days after the date of the disclosure.
- (8) Subsection (1) does not apply if:
  - (a) the issuer previously filed a technical report that supports the scientific or technical information in the document;
  - (b) at the date of filing the document, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and
  - (c) the previously filed technical report meets any independence requirements under section 5.3.

**“4.3 Required Form of Technical Report** - A technical report that is required to be filed under this Part must be prepared:

- (a) in English or French; and
- (b) in accordance with Form 43-101F1.

**“PART 5 AUTHOR OF TECHNICAL REPORT**

**“5.1 Prepared by a Qualified Person** - A technical report must be prepared by or under the supervision of one or more qualified persons.

**“5.2 Execution of Technical Report** - A technical report must be dated, signed and, if the qualified person has a seal, sealed by:

(a) each qualified person who is responsible for preparing or supervising the preparation of all or part of the report; or

(b) a person or company whose principal business is providing engineering or geoscientific services if each qualified person responsible for preparing or supervising the preparation of all or part of the report is an employee, officer, or director of that person or company.

**“5.3 Independent Technical Report**

(1) A technical report required under any of the following provisions of this Instrument must be prepared by or under the supervision of one or more qualified persons that are, at the effective and filing dates of the technical report, all independent of the issuer:

(a) section 4.1;

(b) paragraphs (a) and (g) of subsection 4.2(1); or

(c) paragraphs (b), (c), (d), (e), (f), (h), (i) and (j) of subsection 4.2(1), if the document discloses:

(i) for the first time mineral resources, mineral reserves or the results of a preliminary economic assessment on a property material to the issuer, or

(ii) a 100 percent or greater change in the total mineral resources or total mineral reserves on a property material to the issuer, since the issuer’s most recently filed independent technical report in respect of the property.

(2) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(a) is not required to be prepared by or under the supervision of an independent qualified person if the securities of the issuer trade on a specified exchange.

(3) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(b) or (c) is not required to be prepared by or under the supervision of an independent qualified person.

(4) Despite subsection (1), a technical report required to be filed by an issuer concerning a property which is or will be the subject of a joint venture with a producing issuer is not required to be prepared by or under the supervision of an independent qualified person, if the qualified person preparing or supervising the preparation of the report relies on scientific and technical information prepared by or under the supervision of a qualified person that is an employee or consultant of the producing issuer.

**“PART 6 PREPARATION OF TECHNICAL REPORT**

**“6.1 The Technical Report** - A technical report must be based on all available data relevant to the disclosure that it supports.

**“6.2 Current Personal Inspection**

(1) Before an issuer files a technical report, the issuer must have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report.

(2) Subsection (1) does not apply to an issuer provided that:

- (a) the property that is the subject of the technical report is an early stage exploration property;
- (b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and
- (c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.

(3) If an issuer relies on subsection (2), the issuer must:

- (a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and
- (b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.

**“6.3 Maintenance of Records** - An issuer must keep for 7 years copies of assay and other analytical certificates, drill logs, and other information referenced in the technical report or used as a basis for the technical report.

**“6.4 Limitation on Disclaimers**

(1) An issuer must not file a technical report that contains a disclaimer by any qualified person responsible for preparing or supervising the preparation of all or part of the report that:

- (a) disclaims responsibility for, or limits reliance by another party on, any information in the part of the report the qualified person prepared or supervised the preparation of; or
- (b) limits the use or publication of the report in a manner that interferes with the issuer’s obligation to reproduce the report by filing it on SEDAR.

(2) Despite subsection (1), an issuer may file a technical report that includes a disclaimer in accordance with Item 3 of Form 43-101F1.

## **“PART 7 USE OF FOREIGN CODE**

### **“7.1 Use of Foreign Code**

(1) Despite section 2.2, an issuer may make disclosure and file a technical report that uses the mineral resource and mineral reserve categories of an acceptable foreign code, if the issuer:

- (a) is incorporated or organized in a foreign jurisdiction; or
- (b) is incorporated or organized under the laws of Canada or a jurisdiction of Canada, for its properties located in a foreign jurisdiction.

(2) If an issuer relies on subsection (1), the issuer must include in the technical report a reconciliation of any material differences between the mineral resource and mineral reserve categories used and the categories set out in sections 1.2 and 1.3.

## **“PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS**

### **“8.1 Certificates of Qualified Persons**

(1) An issuer must, when filing a technical report, file a certificate that is dated, signed, and if the signatory has a seal, sealed, of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report.

(2) A certificate under subsection (1) must state:

- (a) the name, address, and occupation of the qualified person;
- (b) the title and effective date of the technical report to which the certificate applies;
- (c) the qualified person’s qualifications, including a brief summary of relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a ‘qualified person’ for the purposes of this Instrument;
- (d) the date and duration of the qualified person’s most recent personal inspection of each property, if applicable;
- (e) the item or items of the technical report for which the qualified person is responsible;
- (f) whether the qualified person is independent of the issuer as described in section 1.5;
- (g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;



(h) that the qualified person has read this Instrument and the technical report, or part that the qualified person is responsible for, has been prepared in compliance with this Instrument; and

(i) that, at the effective date of the technical report, to the best of the qualified person's knowledge, information, and belief, the technical report, or part that the qualified person is responsible for, contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

**“8.2 Addressed to Issuer** - All technical reports must be addressed to the issuer.

**“8.3 Consents of Qualified Persons**

(1) An issuer must, when filing a technical report, file a statement of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report, dated, and signed by the qualified person:

(a) consenting to the public filing of the technical report;

(b) identifying the document that the technical report supports;

(c) consenting to the use of extracts from, or a summary of, the technical report in the document; and

(d) confirming that the qualified person has read the document and that it fairly and accurately represents the information in the technical report or part that the qualified person is responsible for.

(2) Paragraphs (1)(b), (c) and (d) do not apply to a consent filed with a technical report filed under section 4.1.

(3) If an issuer relies on subsection (2), the issuer must file an updated consent that includes paragraphs (1)(b), (c) and (d) for the first subsequent use of the technical report to support disclosure in a document filed under subsection 4.2(1).

**“PART 9 EXEMPTIONS**

**“9.1 Authority to Grant Exemptions**

(1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B to National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

**“9.2 Exemptions for Royalty or Similar Interests**

(1) An issuer whose interest in a mineral project is only a royalty or similar interest is not required to file a technical report to support disclosure in a document under subsection 4.2(1) if:

(a) the operator or owner of the mineral project is:

(i) a reporting issuer in a jurisdiction of Canada; or

(ii) a producing issuer whose securities trade on a specified exchange and that discloses mineral resources and mineral reserves under an acceptable foreign code;

(b) the issuer identifies in its document under subsection 4.2(1) the source of the scientific and technical information; and

(c) the operator or owner of the mineral project has disclosed the scientific and technical information that is material to the issuer.

(2) An issuer whose interest in a mineral project is only a royalty or similar interest and that does not qualify to use the exemption in subsection (1) is not required to:

(a) comply with section 6.2; and

(b) complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property to complete those items.

(3) Paragraphs (2)(a) and (b) only apply if the issuer:

(a) has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain;

(b) under Item 3 of Form 43-101F1, states the issuer has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain and describes the content referred to under each item of Form 43-101F1 that the issuer did not complete; and

(c) includes in all scientific and technical disclosure a statement that the issuer has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and includes a reference to the title and effective date of that technical report.

**“9.3 Exemption for Certain Types of Filings** - This Instrument does not apply if the only reason an issuer files written disclosure of scientific or technical information is to comply with the requirement under securities legislation to file a copy of a record or disclosure material that was filed with a securities commission, exchange, or regulatory authority in another jurisdiction.

**“PART 10 EFFECTIVE DATE AND REPEAL**

**“10.1 Effective Date** - This Instrument comes into force on June 30, 2011.

**“10.2 Repeal** - National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, which came into force on December 30, 2005, is repealed”.

**Part XVIII of Appendix amended**

**5 Part XVIII of the Appendix is amended by repealing item 4 in subsection 3.1(1) and substituting the following:**

“4. A copy of the technical reports, certificates, and consents required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*”.

**Part XXVIII of Appendix amended**

**6(1) Part XXVIII of the Appendix is amended in the manner set forth in this section.**

**(2) Section 1.1 is amended:**

**(a) by repealing the definition of “NI 31-102”;**

**(b) by repealing the definition of “NI 31-103”; and**

**(c) in the definition of “permitted individual”:**

**(i) in the portion preceding clause (a) by striking out “who is not a registered individual and”; and**

**(ii) by striking out “and” after clause (a) and substituting “or”.**

**(3) Section 1.2 is amended by striking out “NI 31-102” wherever it appears and in each case substituting “National Instrument 31-102-National Registration Database”.**

**(4) Clause 2.1(b) is amended by striking out “NI 31-102” and substituting “National Instrument 31-102-National Registration Database”.**

**(5) Section 2.2 is amended by striking out “NI 31-102” wherever it appears and in each case substituting “National Instrument 31-102-National Registration Database”.**

**(6) Section 2.3 is amended:**

**(a) in subsection (1) by striking out “NI 31-102” and substituting “National Instrument 31-102-National Registration Database”; and**

**(b) in subsection (2):**

**(i) in the portion preceding clause (a) by striking out “NI 31-103” and substituting “National Instrument 31-103-Registration Requirements, Exemptions and Ongoing Registrant Obligations”;**

**(ii) in the portion preceding clause (a) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(iii) in clause (b) by adding “resigned voluntarily,” after “resign,”.**

**(7) Section 2.4 is amended by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”.**

**(8) Section 2.5 is amended:**

**(a) in subsection (1):**

**(i) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(ii) by striking out “7 days” and substituting “10 days”; and**

**(b) in subsection (2):**

**(i) in clause (a) in the portion preceding subclause (i) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(ii) in subclause (a)(i) by striking out “7 days” and substituting “10 days”.**

**(9) Subsection 2.6(2) is amended by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”.**

**(10) Section 3.1 is amended by striking out “7 days” wherever it appears and in each case substituting “10 days”.**

**(11) Section 3.2 is amended:**

**(a) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(b) by striking out “7 days” and substituting “10 days”.**

**(12) Section 4.1 is amended:**

**(a) in clause (1)(b) by striking out “7 days” and substituting “10 days”;**

**(b) in subsection (3) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(c) in subsection (4):**

**(i) in the portion preceding clause (a) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and**

**(ii) by striking out “or” after clause (a); and**

(iii) by repealing clause (b) and substituting the following:

“(b) the removal or the addition of a category of registration; or

“(c) the surrender of registration in one or more non-principal jurisdictions”.

(13) Section 4.2 is amended:

(a) in subsection (1):

(i) by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”; and

(ii) in clause (b):

(A) by striking out “or retirement”; and

(B) by striking out “or the completion or expiry of an employment or agency contract”;

(b) in clause (2)(a) by striking out “7 days” and substituting “10 days”;

(c) in subsection (3):

(i) by striking out “7 days” and substituting “10 days”; and

(ii) by striking out “person or company” wherever it appears and in each case substituting “registered firm”; and

(d) in subsection (4):

(i) in the portion preceding clause (a) by striking out “person or company” wherever it appears and in each case substituting “registered firm”.

(ii) by striking out “7 days” wherever it appears:

(A) in clause (a); and

(B) in clause (b);

and in each case substituting “10 days”.

(14) Section 6.2 is amended by striking out “7 days” wherever it appears and in each case substituting “10 days”.

(15) Subsection 6.4(1) is amended by striking out “NI 31-102” and substituting “National Instrument 31-102-*National Registration Database*”.

(16) Form 33-109F1 is amended:

(a) under the heading “GENERAL INSTRUCTIONS”:

(i) by striking out “person” and substituting “individual”; and

(ii) by adding “or has ceased to act in a registerable activity or as a permitted individual” after “sponsoring firm”;

(b) under the heading “When to submit the form” by striking out “five business days” and substituting “10 days”;

(c) in Item 5:

(i) by repealing the instructions above “[*For NRD Format only:*]” and substituting the following:

“Complete Item 5 except where the individual is deceased. In the space below:

- state the reason(s) for the cessation / termination and
- provide details if the answer to any of the following questions is ‘Yes’”;

(ii) by striking out “completed temporary employment contract, retired or” below “[*For NRD Format only:*]” and substituting “individual is”;

(d) by repealing Item 6; and

(e) by repealing Schedule A.

(17) Form 33-109F2 is amended:

(a) in the heading by striking out “*Section 4.2 or 2.2(2) or 2.5(2)*” and substituting “*Section 2.2(2), 2.4, 2.6(2) or 4.1(4)*”;

(b) by repealing Item 2 and substituting the following:

**“Item 2      Registration jurisdictions**

1. Are you filing this form under the passport system / interface for registration?

Choose ‘no’ if you are registered in:

- (a) only one jurisdiction in Canada
- (b) more than one jurisdiction in Canada and you are requesting a surrender in a non-principal jurisdiction or jurisdictions, but not in your principal jurisdiction
- (c) more than one jurisdiction in Canada and you are requesting a change only in your principal jurisdiction.

Yes       No ”;

(c) by repealing Item 4 and substituting the following:

**“Item 4      Adding categories**

1. Categories

What categories are you seeking to add?

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**2. Professional liability insurance (Québec mutual fund dealers and Québec scholarship plan dealers)**

If you are seeking registration as a representative of a mutual fund dealer or of a scholarship plan dealer in Québec, are you covered by your sponsoring firm's professional liability insurance?

Yes  No

If 'No', state:

The name of your insurer \_\_\_\_\_

Your policy number \_\_\_\_\_

**3. Relevant securities industry experience**

If you have not been registered in the last 36 months and you passed the required examination more than 36 months ago, do you consider that you have gained 12 months of relevant securities industry experience during the 36-month period?

Yes  No  N/A

If you are an individual applying for IIROC approval, select 'Not Applicable' above.

If 'yes', complete Schedule A";

**(d) by repealing Schedule A and substituting the following:**

**“Schedule A  
Relevant securities industry experience (Item 4)**

Describe your responsibilities in areas relating to the category you are applying for, including the title(s) you have held, as well as start and end dates:

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What is the percentage of your time devoted to these activities?

\_\_\_\_\_ %

Indicate the continuing education activities which you have participated in during the last 36 months and which are relevant to the category of registration you are applying for:

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”;

**(e) by adding the following after Schedule A:**

**“Schedule B**

**Contact information for Notice of collection and use of personal information**



<p><b>Alberta</b>            Alberta Securities Commission,            Suite 600, 250-5<sup>th</sup> St. SW            Calgary, AB T2P 0R4            Attention: Information Officer            Telephone: (403) 355-4151</p> <p><b>British Columbia</b>            British Columbia Securities Commission            P.O. Box 10142, Pacific Centre            701 West Georgia Street            Vancouver, BC V7Y 1L2            Attention: Freedom of Information Officer            Telephone: (604) 899-6500 or (800) 373-6393 (in BC)</p> <p><b>Manitoba</b>            The Manitoba Securities Commission            500 - 400 St. Mary Avenue            Winnipeg, MB R3C 4K5            Attention: Director of Registrations            Telephone (204) 945-2548            Fax (204) 945-0330</p> <p><b>New Brunswick</b>            New Brunswick Securities Commission            Suite 300, 85 Charlotte Street            Saint John, NB E2L 2J2            Attention: Director, Regulatory Affairs            Telephone: (506) 658-3060</p> <p><b>Newfoundland and Labrador</b>            Securities NL            Financial Services Regulation Division            Department of Government Services            P.O. Box 8700, 2nd Floor, West Block            Confederation Building            St. John's, NL A1B 4J6            Attention: Manager of Registrations            Tel: (709) 729-5661</p> <p><b>Nova Scotia</b>            Nova Scotia Securities Commission            2nd Floor, Joseph Howe Building            1690 Hollis Street            P.O. Box 458            Halifax, NS B3J 2P8            Attention: Deputy Director, Capital Markets            Telephone: (902) 424-7768</p> <p><b>Northwest Territories</b>            Government of the Northwest Territories            P.O. Box 1320            Yellowknife, NWT X1A 2L9            Attention: Deputy Superintendent of Securities            Telephone: (867) 920-8984</p>	<p><b>Nunavut</b>            Legal Registries Division            Department of Justice            Government of Nunavut            P.O. Box 1000 Station 570            Iqaluit, NU X0A 0H0            Attention: Deputy Registrar of Securities            Telephone: (867) 975-6590</p> <p><b>Ontario</b>            Ontario Securities Commission            Suite 1903, Box 55            20 Queen Street West            Toronto, ON M5H 3S8            Attention: Compliance and Registrant Regulation            Telephone: (416) 593-8314            e-mail: registration@osc.gov.on.ca</p> <p><b>Prince Edward Island</b>            Securities Registry            Office of the Attorney General B Consumer,            Corporate and            Insurance Services Division            P.O. Box 2000            Charlottetown, PE C1A 7N8            Attention: Deputy Registrar of Securities            Telephone: (902) 368-6288</p> <p><b>Québec</b>            Autorité des marchés financiers            800, square Victoria, 22<sup>e</sup> étage            C.P. 246, tour de la Bourse            Montréal (Québec) H4Z 1G3            Attention: Responsable de l'accès à l'information            Telephone: (514) 395-0337 or (877) 525-0337 (in Québec)</p> <p><b>Saskatchewan</b>            Saskatchewan Financial Services Commission            Suite 601, 1919 Saskatchewan Drive            Regina, SK S4P 4H2            Attention: Director            Telephone: (306) 787-5842</p> <p><b>Yukon</b>            Yukon Securities Office            Department of Community Services            P.O. Box 2703 C-6            Whitehorse, YT Y1A 2C6            Attention: Superintendent of Securities            Telephone: (867) 667-5225</p> <p><b>Self-regulatory organization</b>            Investment Industry Regulatory            Organization of Canada            121 King Street West, Suite 1600            Toronto, Ontario M5H 3T9            Attention: Privacy Officer            Telephone: (416) 364-6133            E-mail: PrivacyOfficer@iiroc.ca</p>
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**(18) Form 33-109F3 is amended by repealing Schedule A and substituting the following:**

**“Schedule A**

**Contact information for Notice of collection and use of personal information**

<p><b>Alberta</b>            Alberta Securities Commission,            Suite 600, 250-5<sup>th</sup> St. SW            Calgary, AB T2P 0R4            Attention: Information Officer            Telephone: (403) 355-4151</p> <p><b>British Columbia</b>            British Columbia Securities Commission            P.O. Box 10142, Pacific Centre            701 West Georgia Street            Vancouver, BC V7Y 1L2            Attention: Freedom of Information Officer            Telephone: (604) 899-6500 or (800) 373-6393 (in BC)</p> <p><b>Manitoba</b>            The Manitoba Securities Commission            500 - 400 St. Mary Avenue            Winnipeg, MB R3C 4K5            Attention: Director of Registrations            Telephone (204) 945-2548            Fax (204) 945-0330</p> <p><b>New Brunswick</b>            New Brunswick Securities Commission            Suite 300, 85 Charlotte Street            Saint John, NB E2L 2J2            Attention: Director, Regulatory Affairs            Telephone: (506) 658-3060</p> <p><b>Newfoundland and Labrador</b>            Securities NL            Financial Services Regulation Division            Department of Government Services            P.O. Box 8700, 2nd Floor, West Block            Confederation Building            St. John's, NL A1B 4J6            Attention: Manager of Registrations            Tel: (709) 729-5661</p> <p><b>Nova Scotia</b>            Nova Scotia Securities Commission            2nd Floor, Joseph Howe Building            1690 Hollis Street            P.O. Box 458            Halifax, NS B3J 2P8            Attention: Deputy Director, Capital Markets            Telephone: (902) 424-7768</p> <p><b>Northwest Territories</b>            Government of the Northwest Territories            P.O. Box 1320            Yellowknife, NWT X1A 2L9            Attention: Deputy Superintendent of Securities            Telephone: (867) 920-8984</p>	<p><b>Nunavut</b>            Legal Registries Division            Department of Justice            Government of Nunavut            P.O. Box 1000 Station 570            Iqaluit, NU X0A 0H0            Attention: Deputy Registrar of Securities            Telephone: (867) 975-6590</p> <p><b>Ontario</b>            Ontario Securities Commission            Suite 1903, Box 55            20 Queen Street West            Toronto, ON M5H 3S8            Attention: Compliance and Registrant Regulation            Telephone: (416) 593-8314            e-mail: registration@osc.gov.on.ca</p> <p><b>Prince Edward Island</b>            Securities Registry            Office of the Attorney General B Consumer,            Corporate and            Insurance Services Division            P.O. Box 2000            Charlottetown, PE C1A 7N8            Attention: Deputy Registrar of Securities            Telephone: (902) 368-6288</p> <p><b>Québec</b>            Autorité des marchés financiers            800, square Victoria, 22e étage            C.P. 246, tour de la Bourse            Montréal (Québec) H4Z 1G3            Attention: Responsable de l'accès à l'information            Telephone: (514) 395-0337 or (877) 525-0337 (in Québec)</p> <p><b>Saskatchewan</b>            Saskatchewan Financial Services Commission            Suite 601, 1919 Saskatchewan Drive            Regina, SK S4P 4H2            Attention: Director            Telephone: (306) 787-5842</p> <p><b>Yukon</b>            Yukon Securities Office            Department of Community Services            P.O. Box 2703 C-6            Whitehorse, YT Y1A 2C6            Attention: Superintendent of Securities            Telephone: (867) 667-5225</p> <p><b>Self-regulatory organization</b>            Investment Industry Regulatory            Organization of Canada            121 King Street West, Suite 1600            Toronto, Ontario M5H 3T9            Attention: Privacy Officer            Telephone: (416) 364-6133            E-mail: PrivacyOfficer@iiroc.ca</p>
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**(19) Form 33-109F4 is amended:**

**(a) in the definition of “Approved person” under the heading “Terms” by striking out “member of the IIROC (Member)” and substituting “member (Member) of the Investment Industry Regulatory Organization of Canada (IIROC)”;**

**(b) under the heading “How to submit this form” by adding “with securities regulation experience” after “legal adviser”:**

**(i) in the paragraph “NRD format”; and**

**(ii) in the paragraph “Format, other than NRD format”;**

**(c) by repealing section 1 of Item 8 and substituting the following:**

**“1. Course, examination or designation information and other education**

Complete Schedule E to indicate each course, examination and designation that is required for registration or approval and that you have successfully completed or have been exempted from.

Check here if you are not required under securities legislation or derivatives legislation or both, or the rules of an SRO to satisfy any course, examination or designation requirements”;

**(d) in section 2 of Item 8 by adding the following after**

“Advocis (formerly CAIFA): \_\_\_\_\_”;

“RESP Dealers Association of Canada: \_\_\_\_\_

Other: \_\_\_\_\_”;

**(e) in section 3 of Item 8 by adding “, designation” after “examination”;**

**(f) in Item 8 by adding the following after section 3:**

**“4. Relevant securities industry experience**

If you are an individual applying for IIROC approval, select ‘Not Applicable’ below.

If you have not been registered in the last 36 months and you passed the required examination more than 36 months ago, do you consider that you have gained 12 months of relevant securities industry experience during the 36-month period?

Yes  No  N/A

If ‘yes’, complete Schedule F”;

**(g) in section 4 of Item 9 by adding “supervisor or” after “Name of”;**

**(h) in Item 14:**

(i) by striking out “*Immigration Act*” and substituting “*Immigration and Refugee Protection Act*”; and

(ii) by striking out “*Young Offenders Act*” wherever it appears and in each case substituting “former *Young Offenders Act*”;

(i) in Item 1.3 of Schedule A by adding “N/A ” after “No ”;

(j) in Schedule C by striking out “Investment Industry Regulatory Organization of Canada” and substituting “IIROC”;

(k) by repealing Schedule E and substituting the following:

**“SCHEDULE E  
Proficiency (Item 8)**

**Item 8.1 Course, examination or designation information and other education**

Course, examination, designation or other education	Date completed (YYYY/MM/DD)	Date exempted (YYYY/MM/DD)	Regulator/securities regulatory authority granting the exemption

If you have listed the CFA Charter in Item 8.1, please indicate by checking the box below whether you are a current member of the CFA Institute permitted to use the CFA Charter.

Yes  No

If ‘no’, please explain why you no longer hold this designation:

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If you have listed the CIM designation in Item 8.1, please indicate by checking the box below whether you are currently permitted to use the CIM designation.

Yes  No

If 'no', please explain why you no longer hold this designation:

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**(l) in Schedule F:**

**(i) in the heading by striking out “(Item 8.3)” and substituting “(Items 8.3 and 8.4)”;**

**(ii) by adding “, designation” after “examination” wherever it appears”; and**

**(iii) by adding the following after Item 8.3:**

**“8.4 Relevant securities industry experience**

Describe your responsibilities in areas relating to the category you are applying for, including the title(s) you have held, as well as the start and end dates:

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What is the percentage of your time devoted to these activities?

%

\_\_\_\_\_

Indicate the continuing education activities which you have participated in during the last 36 months and which are relevant to the category of registration you are applying for:

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**(m) in Schedule G by repealing section 5 and substituting the following:**

**“5. Conflicts of interest**

If you have more than one employer or are engaged in business related activities:

A. Disclose any potential for confusion by clients and any potential for conflicts of interest arising from your multiple employment or business related activities or proposed business related activities.

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B. Indicate whether or not any of the employers or organizations where you engage in business-related activities are listed on an exchange.

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C. Confirm whether the firm has procedures for minimizing potential conflicts of interest and if so, confirm that you are aware of these procedures.

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D. State the name of the person at your sponsoring firm who has reviewed and approved your multiple employment or business related activities or proposed business related activities.

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E. If you do not perceive any conflicts of interest arising from this employment, explain why.

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and

(n) by repealing Schedule O and substituting the following:

**“Schedule O  
Contact information for Notice of collection and use of personal information**

<p><b>Alberta</b>  Alberta Securities Commission,  Suite 600, 250-5<sup>th</sup> St. SW  Calgary, AB T2P 0R4  Attention: Information Officer  Telephone: (403) 355-4151</p> <p><b>British Columbia</b>  British Columbia Securities Commission  P.O. Box 10142, Pacific Centre  701 West Georgia Street  Vancouver, BC V7Y 1L2  Attention: Freedom of Information Officer  Telephone: (604) 899-6500 or (800) 373-6393 (in BC)</p> <p><b>Manitoba</b>  The Manitoba Securities Commission  500 - 400 St. Mary Avenue  Winnipeg, MB R3C 4K5  Attention: Director of Registrations  Telephone (204) 945-2548  Fax (204) 945-0330</p> <p><b>New Brunswick</b>  New Brunswick Securities Commission  Suite 300, 85 Charlotte Street  Saint John, NB E2L 2J2  Attention: Director, Regulatory Affairs  Telephone: (506) 658-3060</p> <p><b>Newfoundland and Labrador</b>  Securities NL  Financial Services Regulation Division  Department of Government Services  P.O. Box 8700, 2nd Floor, West Block  Confederation Building  St. John's, NL A1B 4J6  Attention: Manager of Registrations  Tel: (709) 729-5661</p> <p><b>Nova Scotia</b>  Nova Scotia Securities Commission  2nd Floor, Joseph Howe Building  1690 Hollis Street  P.O. Box 458  Halifax, NS B3J 2P8  Attention: Deputy Director, Capital Markets  Telephone: (902) 424-7768</p> <p><b>Northwest Territories</b>  Government of the Northwest Territories  P.O. Box 1320  Yellowknife, NWT X1A 2L9  Attention: Deputy Superintendent of Securities  Telephone: (867) 920-8984</p>	<p><b>Nunavut</b>  Legal Registries Division  Department of Justice  Government of Nunavut  P.O. Box 1000 Station 570  Iqaluit, NU X0A 0H0  Attention: Deputy Registrar of Securities  Telephone: (867) 975-6590</p> <p><b>Ontario</b>  Ontario Securities Commission  Suite 1903, Box 55  20 Queen Street West  Toronto, ON M5H 3S8  Attention: Compliance and Registrant Regulation  Telephone: (416) 593-8314  e-mail: registration@osc.gov.on.ca</p> <p><b>Prince Edward Island</b>  Securities Registry  Office of the Attorney General B Consumer,  Corporate and  Insurance Services Division  P.O. Box 2000  Charlottetown, PE C1A 7N8  Attention: Deputy Registrar of Securities  Telephone: (902) 368-6288</p> <p><b>Québec</b>  Autorité des marchés financiers  800, square Victoria, 22e étage  C.P. 246, tour de la Bourse  Montréal (Québec) H4Z 1G3  Attention: Responsable de l'accès à l'information  Telephone: (514) 395-0337 or (877) 525-0337 (in Québec)</p> <p><b>Saskatchewan</b>  Saskatchewan Financial Services Commission  Suite 601, 1919 Saskatchewan Drive  Regina, SK S4P 4H2  Attention: Director  Telephone: (306) 787-5842</p> <p><b>Yukon</b>  Yukon Securities Office  Department of Community Services  P.O. Box 2703 C-6  Whitehorse, YT Y1A 2C6  Attention: Superintendent of Securities  Telephone: (867) 667-5225</p> <p><b>Self-regulatory organization</b>  Investment Industry Regulatory  Organization of Canada  121 King Street West, Suite 1600  Toronto, Ontario M5H 3T9  Attention: Privacy Officer  Telephone: (416) 364-6133  E-mail: PrivacyOfficer@iiroc.ca</p>
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**(20) Form 33-109F5 is amended:**

**(a) under the heading “How to submit this form” by adding the following after clause (b):**

“Name of firm \_\_\_\_\_

Registration categories \_\_\_\_\_

NRD number (firm) \_\_\_\_\_ ”;

**(b) in Item 1 by adding “If submitting changes to Form 33-109F6, please attach a blackline of the amended sections of the form.” after “ Form 33-109F6”; and**

**(c) in Item 5 by striking out “Name of firm \_\_\_\_\_ ”;**  
**and**

**(d) by repealing Schedule A and substituting the following:**

**“Schedule A**

**Contact information for Notice of collection and use of personal information**

<p><b>Alberta</b>            Alberta Securities Commission,            Suite 600, 250-5<sup>th</sup> St. SW            Calgary, AB T2P 0R4            Attention: Information Officer            Telephone: (403) 355-4151</p> <p><b>British Columbia</b>            British Columbia Securities Commission            P.O. Box 10142, Pacific Centre            701 West Georgia Street            Vancouver, BC V7Y 1L2            Attention: Freedom of Information Officer            Telephone: (604) 899-6500 or (800) 373-6393 (in BC)</p> <p><b>Manitoba</b>            The Manitoba Securities Commission            500 - 400 St. Mary Avenue            Winnipeg, MB R3C 4K5            Attention: Director of Registrations            Telephone (204) 945-2548            Fax (204) 945-0330</p> <p><b>New Brunswick</b>            New Brunswick Securities Commission            Suite 300, 85 Charlotte Street            Saint John, NB E2L 2J2            Attention: Director, Regulatory Affairs            Telephone: (506) 658-3060</p> <p><b>Newfoundland and Labrador</b>            Securities NL            Financial Services Regulation Division            Department of Government Services            P.O. Box 8700, 2nd Floor, West Block            Confederation Building            St. John's, NL A1B 4J6            Attention: Manager of Registrations            Tel: (709) 729-5661</p> <p><b>Nova Scotia</b>            Nova Scotia Securities Commission            2nd Floor, Joseph Howe Building            1690 Hollis Street            P.O. Box 458            Halifax, NS B3J 2P8            Attention: Deputy Director, Capital Markets            Telephone: (902) 424-7768</p> <p><b>Northwest Territories</b>            Government of the Northwest Territories            P.O. Box 1320            Yellowknife, NWT X1A 2L9            Attention: Deputy Superintendent of Securities            Telephone: (867) 920-8984</p>	<p><b>Nunavut</b>            Legal Registries Division            Department of Justice            Government of Nunavut            P.O. Box 1000 Station 570            Iqaluit, NU X0A 0H0            Attention: Deputy Registrar of Securities            Telephone: (867) 975-6590</p> <p><b>Ontario</b>            Ontario Securities Commission            Suite 1903, Box 55            20 Queen Street West            Toronto, ON M5H 3S8            Attention: Compliance and Registrant Regulation            Telephone: (416) 593-8314            e-mail: registration@osc.gov.on.ca</p> <p><b>Prince Edward Island</b>            Securities Registry            Office of the Attorney General B Consumer,            Corporate and            Insurance Services Division            P.O. Box 2000            Charlottetown, PE C1A 7N8            Attention: Deputy Registrar of Securities            Telephone: (902) 368-6288</p> <p><b>Québec</b>            Autorité des marchés financiers            800, square Victoria, 22e étage            C.P. 246, tour de la Bourse            Montréal (Québec) H4Z 1G3            Attention: Responsable de l'accès à l'information            Telephone: (514) 395-0337 or (877) 525-0337 (in Québec)</p> <p><b>Saskatchewan</b>            Saskatchewan Financial Services Commission            Suite 601, 1919 Saskatchewan Drive            Regina, SK S4P 4H2            Attention: Director            Telephone: (306) 787-5842</p> <p><b>Yukon</b>            Yukon Securities Office            Department of Community Services            P.O. Box 2703 C-6            Whitehorse, YT Y1A 2C6            Attention: Superintendent of Securities            Telephone: (867) 667-5225</p> <p><b>Self-regulatory organization</b>            Investment Industry Regulatory            Organization of Canada            121 King Street West, Suite 1600            Toronto, Ontario M5H 3T9            Attention: Privacy Officer            Telephone: (416) 364-6133            E-mail: PrivacyOfficer@iiroc.ca</p>
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**(21) Form 33-109F6 amended:**

**(a) in the definition of “NI-31-103” by striking out “and Exemptions” and substituting “, Exemptions and Ongoing Registrant Obligations”;**

**(b) by adding the following definitions in alphabetical order:**

“Foreign jurisdiction - see National Instrument 14-101 Definitions.

“Jurisdiction or jurisdiction of Canada- see National Instrument 14-101 Definitions.

“NI 52-107 - National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”;

**(c) in section 2 under the heading “Contents of the form” by striking out “Alberta and Manitoba” and substituting “Alberta, Manitoba and New Brunswick”;**

**(d) under the heading “How to complete and submit the form”:**

**(i) by adding the following before the last paragraph:**

“In most of this form, answers are required to questions which apply only to Canadian provinces and territories; you will find that the questions are referenced to ‘jurisdictions’ or ‘jurisdiction of Canada’. These refer to all provinces and territories of Canada. However, the questions in Part 4 - Registration History and Part 7 - Regulatory Action are to be answered in respect of any jurisdiction in the world”; **and**

**(ii) in the last paragraph by striking out “and fees”;**

**(e) in section 1.3 of Part 1:**

**(i) by striking out “Questions 1.1, 1.2, 1.4, 1.5, 2.4, and Part 9” and substituting “Questions 1.1, 1.2, 1.4, 1.5, 2.4, 3.9, 5.4, 5.6\*, and Part 9”;**

**(ii) by striking out “Questions 1.1, 1.2, 1.4, 1.5, 5.1, 5.4, 5.5, 5.6, 5.7, 5.8, Part 6 and Part 9” and substituting “Questions 1.1, 1.2, 1.4, 1.5, 3.1, 5.1, 5.4, 5.5\*, 5.6\*, 5.7, 5.8, Part 6 and Part 9”;** **and**

**(iii) by adding the following after “Part 6 and Part 9”:**

“\* If the firm is adding Québec as a jurisdiction for registration in the category of mutual fund dealer or scholarship plan dealer, complete question 5.6”;

**(f) in the first line across the top of the table in clause 1.4(a):**

**(i) by striking out “NT” and substituting “NS”; and**

**(ii) by striking out “NS” and substituting “NT”;**

(g) in the table in section 1.5 under “Jurisdiction(s) where the firm has applied for the exemption”:

(i) by striking out “NT” and substituting “NS”; and

(ii) by striking out “NS” and substituting “NT”;

(h) in the table in clause 2.2(b) of Part 2:

(i) by striking out “NT” and substituting “NS”; and

(ii) by striking out “NS” and substituting “NT”;

(i) in the table in section 2.5 by striking out “Title” and substituting the following:

“

Officer title
Telephone number
E-mail address

”;

(j) in the table in section 2.6 by striking out “Title” and substituting the following:

“

Officer title
Telephone number
E-mail address

”;

(k) in section 3.3 in Part 3 by striking out “Alberta and Manitoba” and substituting “Alberta, Manitoba or New Brunswick”;

(l) in Part 4 by striking out the sentence preceding section 4.1 and substituting the following:

“The questions in Part 4 apply to any jurisdiction and any foreign jurisdiction”;

(m) in section 4.5 by striking out “ever”;

(n) by repealing section 5.1 of Part 5 and substituting the following:

**“5.1 Calculation of excess working capital**

Attach the firm’s calculation of excess working capital.

- Investment dealers must use the capital calculation form required by the Investment Industry Regulatory Organization of Canada (IIROC).
- Mutual fund dealers must use the capital calculation form required by the Mutual Fund Dealers Association of Canada (MFDA), except for mutual fund dealers registered in Québec only.
- Firms that are not members of either IIROC or the MFDA must use Form 31-103F1 Calculation of Excess Working Capital. See Schedule C”;

**(o) in section 5.4:**

**(i) by striking out “NT” and substituting “NS”; and**

**(ii) by striking out “NS” and substituting “NT”;**

**(p) in section 5.5:**

**(i) by adding the following after “Annual aggregate coverage (\$)”:**

“

Total coverage (\$)	
---------------------	--

”; and

**(ii) by striking out “Renewal date” and substituting “Expiry date”;**

**(q) in section 5.6:**

**(i) by adding the following after “Annual aggregate coverage (\$)”:**

“

Total coverage (\$)	
---------------------	--

”; and

**(ii) under “Jurisdiction covered:”:**

**(A) by striking out “NT” and substituting “NS”; and**

**(B) by striking out “NS” and substituting “NT”;**

**(r) by repealing section 5.13 and substituting the following:****“5.13 Audited financial statements**

**(a) Attach, for your most recently completed year, either:**

- (i) non-consolidated audited financial statements; or
- (ii) audited financial statements prepared in accordance with section 3.2(3) of NI 52-107.

(b) If the audited financial statements attached for item (a) were prepared for a period ending more than 90 days before the date of this application, also attach an interim financial report for a period of not more than 90 days before the date of this application.

If the firm is a start-up company, you can attach an audited opening statement of financial position instead”;

**(s) in Part 6:**

- (i) by adding the following after “Companion Policy 31-103CP”:**

“For guidance regarding whether a firm will hold or have access to client assets see section 12.4 of Companion Policy 31-103CP”; **and**

- (ii) in section 6.1 by striking out “Does” and substituting “Will”;**

**(t) in Part 7 by striking out the sentence preceding section 7.1 and substituting the following:**

“The questions in Part 7 apply to any jurisdiction and any foreign jurisdiction. The information must be provided in respect of the last 7 years”;

**(u) in section 7.1 by striking out “ever”;**

**(v) in Part 8 by striking out the provision preceding section 8.1 and substituting the following:**

“The firm must disclose offences or legal actions under any statute governing the firm and its business activities in any jurisdiction. The information must be provided in respect of the last 7 years”;

**(w) in section 8.1 by striking out “ever”;**

**(x) by repealing Schedule A and substituting the following:**

**“Schedule A**

**Contact information for Notice of collection and use of personal information**

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”;

(y) in section 4 of Schedule B by adding:

“Phone number of the Agent for Service:  
\_\_\_\_\_”; after “Address for service of  
process on the Agent for Service.”;

(z) in section 7 of Schedule B by striking out “7th day” and substituting “10th day”:

(i) in clause (a); and

(ii) in clause (b)”;

(aa) by repealing Schedule C and substituting the following:

**“Schedule C  
FORM 31-103F1 CALCULATION OF EXCESS WORKING CAPITAL**

\_\_\_\_\_  
Firm Name

Capital Calculation

(as at \_\_\_\_\_ with comparative figures as at \_\_\_\_\_ )

	<b>Component</b>	<b>Current period</b>	<b>Prior period</b>
1.	Current assets		
2.	Less current assets not readily convertible into cash (e.g., prepaid expenses)		
3.	Adjusted current assets Line 1 minus line 2 =		
4.	Current liabilities		
5.	Add 100% of long-term related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority		
6.	Adjusted current liabilities Line 4 plus line 5 =		
7.	Adjusted working capital Line 3 minus line 6 =		
8.	Less minimum capital		
9.	Less market risk		



10.	Less any deductible under the bonding or insurance policy required under Part 12 of National Instrument 31-103, <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>		
11.	Less Guarantees		
12.	Less unresolved differences		
13.	<b>Excess working capital</b>		

**Notes:**

This form must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. Section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* provides further guidance in respect of these accounting principles.

**Line 5. Related-party debt** - Refer to the CICA Handbook for the definition of ‘related party’ for publicly accountable enterprises.

**Line 8. Minimum Capital** - The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) applies.

**Line 9. Market Risk** - The amount on this line must be calculated according to the instructions set out in Schedule 1 to this Form.

**Line 11. Guarantees** - If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation. If the amount of a guarantee is included in the firm’s statement of financial position as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

**Line 12. Unresolved differences** - Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation. The examples below provide guidance as to how to calculate unresolved differences:

(i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.

(ii) If there is an unresolved difference relating to the registrant’s investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.

(iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

Please refer to section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* for further guidance on how to prepare and file this form.

### Management Certification

**Registered Firm Name:** \_\_\_\_\_

We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements as at \_\_\_\_\_.

	Name and Title	Signature	Date
1.	_____ _____	_____	_____
2.	_____ _____	_____	_____

### Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital (calculating line 9 [market risk])

For purposes of completing this form:

(1) 'Fair value' means the value of a security determined in accordance with Canadian GAAP applicable to publicly accountable enterprises.

(2) For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the 'market risk' to be entered on line 9.

**(a) Bonds, Debentures, Treasury Bills and Notes**

(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively), maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value

over 11 years: 4% of fair value

(ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any jurisdiction of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

within 1 year: 2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365

over 1 year to 3 years: 3% of fair value

over 3 years to 7 years: 4% of fair value

over 7 years to 11 years: 5% of fair value

over 11 years: 5% of fair value

(iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:

within 1 year: 3% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365

over 1 year to 3 years: 5% of fair value

over 3 years to 7 years: 5% of fair value

over 7 years to 11 years: 5% of fair value

over 11 years: 5% of fair value

(iv) Other non-commercial bonds and debentures, (not in default): 10% of fair value

(v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:

within 1 year:	3% of fair value
over 1 year to 3 years:	6 % of fair value
over 3 years to 7 years:	7% of fair value
over 7 years to 11 years:	10% of fair value
over 11 years:	10% of fair value

**(b) Bank Paper**

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year::	apply rates for commercial and corporate bonds, debentures and notes

**(c) Acceptable foreign bank paper**

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

'Acceptable Foreign Bank Paper' consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

**(d) Mutual Funds**

Securities of mutual funds qualified by prospectus for sale in any jurisdiction of Canada:

(i) 5% of the net asset value per security as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, where the fund is a money market mutual fund as defined in National Instrument 81-102 *Mutual Funds*;  
or

(ii) the margin rate determined on the same basis as for listed stocks multiplied by the net asset value per security of the fund as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*.

**(e) Stocks**

In this paragraph, 'securities' includes rights and warrants and does not include bonds and debentures.

(i) On securities including investment fund securities, rights and warrants, listed on any exchange in Canada or the United States of America:

Long Positions - Margin Required

Securities selling at \$2.00 or more - 50% of fair value

Securities selling at \$1.75 to \$1.99 - 60% of fair value

Securities selling at \$1.50 to \$1.74 - 80% of fair value

Securities selling under \$1.50 - 100% of fair value

Short Positions - Credit Required

Securities selling at \$2.00 or more - 150% of fair value

Securities selling at \$1.50 to \$1.99 - \$3.00 per share

Securities selling at \$0.25 to \$1.49 - 200% of fair value

Securities selling at less than \$0.25 - fair value plus \$0.25 per share

(ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:

- (a) Australian Stock Exchange Limited
- (b) Bolsa de Madrid
- (c) Borsa Italiana
- (d) Copenhagen Stock Exchange
- (e) Euronext Amsterdam
- (f) Euronext Brussels
- (g) Euronext Paris S.A.
- (h) Frankfurt Stock Exchange
- (i) London Stock Exchange
- (j) New Zealand Exchange Limited
- (k) Stockholm Stock Exchange
- (l) Swiss Exchange
- (m) The Stock Exchange of Hong Kong Limited
- (n) Tokyo Stock Exchange

**(f) Mortgages**

(i) For a firm registered in any jurisdiction of Canada except Ontario:

- (a) Insured mortgages (not in default): 6% of fair value

(b) Mortgages which are not insured (not in default): 12% of fair value of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater.

(ii) For a firm registered in Ontario:

(a) Mortgages insured under the National Housing Act (Canada) (not in default): 6% of fair value

(b) Conventional first mortgages (not in default): 12% of fair value of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater.

If you are registered in Ontario regardless of whether you are also registered in another jurisdiction of Canada, you will need to apply the margin rates set forth in (ii) above.
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(g) **For all other securities - 100% of fair value**".

**(22) Form 33-109F7 is amended by repealing Schedule F and substituting the following:**

**"Schedule F**

**Contact information for Notice of collection and use of personal information**

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**Part XXXVI of Appendix Amended**

7(1) Part XXXVI of the Appendix is amended in the manner set forth in this section.

**(2) Form 51-102F1 *Management's Discussion and Analysis* is amended by repealing clause 1.4(e) and substituting the following:**

“(e) for resource issuers with producing mines or mines under development, identify any milestone, including, without limitation, mine expansion plans, productivity improvements, plans to develop a new deposit, or production decisions, and whether the milestone is based on a technical report filed under National Instrument 43-101 Standards of Disclosure for Mineral Projects”.

**(3) Form 51-102F2 *Annual Information Form* is amended by repealing instruction (i) to Item 16.**

**Part XLIII of Appendix amended**

**8 Part XLIII of the Appendix is amended by repealing subsection 2.9(18).**

**Part XLIX of Appendix amended**

9(1) Part XLIX of the Appendix is amended in the manner set forth in this section.

**(2) Heading to PART XLIX is amended by striking out “AND EXEMPTIONS” and substituting “, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS”.**

**(3) Section 1.1 is amended:**

**(a) by repealing the definition of “NI 45-106”;**

**(b) in the definition of “permitted client” by repealing clause (d) and substituting the following:**

“(d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser, investment dealer, mutual fund dealer or exempt market dealer”; **and**

**(c) by striking out “NI 45-106” in:**

**(A) the definition of “Canadian financial institution”;**

**(B) the definition of “debt security”;**

**(C) clause (m) of the definition of “permitted client”;**

**(D) clause (n) of the definition of “permitted client”;**

**(E) clause (o) of the definition of “permitted client”; and**

**(F) the definition of “subsidiary”;**



**and in each case substituting** “National Instrument 45-106 *Prospectus and Registration Exemptions*”.

**(4) Section 1.3 is amended:**

**(a) in clause (1)(a) by striking out “registered firm” and substituting “person or company”; and**

**(b) in clause (1)(b):**

**(i) in the portion preceding subclause (i) by striking out “registered firm” and substituting “person or company”;**

**(ii) in subclause (i) by striking out “firm” wherever it appears and in each case substituting “person or company”; and**

**(iii) in subclause (ii) by striking out “firm’s” and substituting “person or company’s”.**

**(5) Section 3.1 is amended:**

**(a) in the definition of “Canadian Investment Funds Exam” by striking out “Canadian Investment Funds Exam” and substituting “Canadian Investment Funds Course Exam”;**

**(b) by striking out “Investment Funds Institute of Canada” wherever it appears and in each case substituting “IFSE Institute”; and**

**(c) by adding the following definition after the definition of “CFA Charter”:**

**“Chief Compliance Officers Qualifying Exam’** means the examination prepared and administered by CSI Global Education Inc. and so named on the day this Instrument comes into force, and every examination that preceded that examination, or succeeded that examination, that does not have a significantly reduced scope and content when compared to the scope and content of the first-mentioned examination”.

**(6) Section 3.3 is repealed and the following substituted:**

**“3.3 Time limits on examination requirements**

(1) For the purpose of this Part, an individual is deemed to have not passed an examination unless the individual passed the examination not more than 36 months before the date of his or her application for registration.

(2) Subsection (1) does not apply if the individual passed the examination more than 36 months before the date of his or her application and has met one of the following conditions:

(a) the individual was registered in the same category in any jurisdiction of Canada at any time during the 36-month period before the date of his or her application;

(b) the individual has gained 12 months of relevant securities industry experience during the 36-month period before the date of his or her application.

(3) For the purpose of paragraph (2)(a), an individual is not considered to have been registered during any period in which the individual's registration was suspended".

**(7) Subsection 3.4(1) is amended by adding “, including understanding the structure, features and risks of each security the individual recommends” after “competently”.**

**(8) Section 3.5 is repealed and the following substituted:**

**“3.5 Mutual fund dealer - dealing representative**

A dealing representative of a mutual fund dealer must not act as a dealer in respect of the securities listed in section 7.1(2)(b) unless any of the following apply:

(a) the individual has passed the Canadian Investment Funds Course Exam, the Canadian Securities Course Exam or the Investment Funds in Canada Course Exam;

(b) the individual has met the requirements of section 3.11 [*portfolio manager – advising representative*];

(c) the individual has earned a CFA Charter and has gained 12 months of relevant securities industry experience in the 36-month period before applying for registration;

(d) the individual is exempt from section 3.11 [*portfolio manager – advising representative*] because of subsection 16.10(1) [*proficiency for dealing and advising representatives*]”.

**(9) Section 3.6 is amended:**

**(a) in subclause (a)(i) by striking out “Canadian Investment Funds Exam” and substituting “Canadian Investment Funds Course Exam”;**

**(b) by repealing subclause (a)(ii) and substituting the following:**

“(ii) the PDO Exam, the Mutual Fund Dealers Compliance Exam or the Chief Compliance Officers Qualifying Exam”; **and**

**(c) by adding the following clause after clause (b):**

“(c) section 3.13 [*portfolio manager – chief compliance officer*] does not apply in respect of the individual because of subsection 16.9(2) [*registration of chief compliance officers*]”.

**(10) Section 3.7 is repealed and following substituted:**

**“3.7 Scholarship plan dealer – dealing representative**

A dealing representative of a scholarship plan dealer must not act as a dealer in respect of the securities listed in section 7.1(2)(c) unless the individual has passed the Sales Representative Proficiency Exam”.

**(11) Clause 3.8(c) is amended by adding “or the Chief Compliance Officers Qualifying Exam” after “Exam”.**

**(12) Section 3.9 is repealed and the following substituted:**

**“3.9 Exempt market dealer – dealing representative**

A dealing representative of an exempt market dealer must not perform an activity listed in section 7.1(2)(d) unless any of the following apply:

- (a) the individual has passed the Canadian Securities Course Exam;
- (b) the individual has passed the Exempt Market Products Exam;
- (c) the individual has earned a CFA Charter and has gained 12 months of relevant securities industry experience in the 36-month period before applying for registration;
- (d) the individual satisfies the conditions set out in section 3.11 [*portfolio manager–advising representative*];
- (e) the individual is exempt from section 3.11 [*portfolio manager – advising representative*] because of subsection 16.10(1) [*proficiency for dealing and advising representatives*]”.

**(13) Section 3.10 is repealed and the following substituted:**

**“3.10 Exempt market dealer – chief compliance officer**

An exempt market dealer must not designate an individual as its chief compliance officer under subsection 11.3(1) [*designating a chief compliance officer*] unless any of the following apply:

- (a) the individual has passed the following:
  - (i) the Exempt Market Products Exam or the Canadian Securities Course Exam; and
  - (ii) the PDO Exam or the Chief Compliance Officers Qualifying Exam;
- (b) the individual has met the requirements of section 3.13 [*portfolio manager – chief compliance officer*];
- (c) section 3.13 [*portfolio manager – chief compliance officer*] does not apply in respect of the individual because of subsection 16.9(2) [*registration of chief compliance officers*]”.

**(14) Section 3.11 is repealed and the following substituted:**

**“3.11 Portfolio manager – advising representative**

An advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless any of the following apply:

- (a) the individual has earned a CFA Charter and has gained 12 months of relevant investment management experience in the 36-month period before applying for registration;
- (b) the individual has received the Canadian Investment Manager designation and has gained 48 months of relevant investment management experience, 12 months of which was gained in the 36-month period before applying for registration”.

**(15) Section 3.12 is repealed and the following substituted:****“3.12 Portfolio manager – associate advising representative**

An associate advising representative of a portfolio manager must not act as an adviser on behalf of the portfolio manager unless any of the following apply:

- (a) the individual has completed Level 1 of the Chartered Financial Analyst program and has gained 24 months of relevant investment management experience;
- (b) the individual has received the Canadian Investment Manager designation and has gained 24 months of relevant investment management experience”.

**(16) Section 3.13 is amended:****(a) by repealing subclause (a)(ii) and substituting the following:**

“(ii) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam and, unless the individual has earned the CFA Charter, the Canadian Securities Course Exam”;

**(b) in paragraph (a)(iii)(B) by adding “also” after “and”;**

**(c) in clause (b) in the portion preceding subclause (i) by striking out “the PDO” and substituting “either the PDO Exam or the Chief Compliance Officers Qualifying”;**

**(d) in subclause (b)(ii) by adding “also” after “and”; and**

**(e) in clause (c) by striking out “the PDO” and substituting “either the PDO Exam or the Chief Compliance Officers Qualifying”.**

**(17) Section 3.14 is amended:****(a) by repealing subclause (a)(ii) and substituting the following:**

“(ii) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam and, unless the individual has earned the CFA Charter, the Canadian Securities Course Exam”;

**(b) in paragraph (a)(iii)(B) by adding “also” after “and”;**

**(c) in subclause (b)(i) by adding “Course” after “Canadian Investment Funds”;**

**(d) in subclause (b)(ii) by adding “or the Chief Compliance Officers Qualifying Exam” after “Exam”; and**

**(e) by adding the following clause after clause (c):**

“(d) section 3.13 [*portfolio manager - chief compliance officer*] does not apply in respect of the individual because of subsection 16.9(2) [*registration of chief compliance officers*]”.

**(18) Section 3.15 is amended:**

**(a) in subsection (1) by adding “that is a member of IIROC” after “dealer”; and**

**(b) in subsection (2) by adding “that is a member of the MFDA” after “dealer”.**

**(19) Subsection 3.16(3) is repealed and the following substituted:**

“(3) In Québec, the requirements listed in subsection (2) do not apply to a registered individual who is a dealing representative of a mutual fund dealer to the extent equivalent requirements to those listed in subsection (2) are applicable to the registered individual under the regulations in Québec”.

**(20) Section 4.1 is repealed and the following substituted:**

**“4.1 Restriction on acting for another registered firm**

(1) A registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual:

(a) acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned registered firm; or

(b) is registered as a dealing, advising or associate advising representative of another registered firm.

(2) Paragraph (1)(b) does not apply in respect of a representative whose registration as a dealing, advising or associate advising representative of more than one registered firm was granted before July 11, 2011”.

**(21) Subsection 4.2(3) is amended by adding “or, in Québec, the securities regulatory authority” after “the regulator”.**

**(22) Section 6.7 is repealed and the following substituted:**

**“6.7 Exception for individuals involved in a hearing or proceeding**

Despite section 6.6, if a hearing or proceeding concerning a suspended registrant is commenced under securities legislation or under the rules of an SRO, the registrant's registration remains suspended".

**(23) Section 7.1 is amended:**

**(a) in subclause (2)(b)(ii) by striking out "except in Québec,"; and**

**(b) by repealing subsection (3).**

**(24) Section 8.6 is amended:**

**(a) by striking out the heading and substituting the following "Investment fund trades by adviser to managed account";**

**(b) in subsection (1) by striking out "a non-prospectus qualified" and substituting "an";**

**(c) in subsection (2) by striking out "non-prospectus qualified"; and**

**(d) in subsection (3):**

**(i) by adding "or, in Québec, the securities regulatory authority" after "regulator"; and**

**(ii) by striking out "7 days" and substituting "10 days".**

**(25) Subsection 8.14(1) is amended by striking out "NI 45-106" and substituting "National Instrument 45-106 *Prospectus and Registration Exemptions*".**

**(26) Subsection 8.16(1) is amended:**

**(a) by repealing the definition of "control person"; and**

**(b) by striking out "NI 45-106" wherever it appears and in each case substituting "National Instrument 45-106 *Prospectus and Registration Exemptions*".**

**(27) Subsection 8.17(5) is amended:**

**(a) by striking out "8.3.1" and substituting "8.4"; and**

**(b) by striking out "NI 45-106" and substituting "National Instrument 45-106 *Prospectus and Registration Exemptions*".**

**(28) Section 8.18 is amended:**

**(a) by repealing subsection (1) and substituting the following:**

**"(1) In this section:**

**“Canadian permitted client”** means a permitted client referred to in any of paragraphs (a) to (e), (g) or (i) to (r) of the definition of ‘permitted client’ in section 1.1 if:

- (a) in the case of an individual, the individual is a resident of Canada;
- (b) in the case of a trust, the terms of the trust expressly provide that those terms are governed by the laws of a jurisdiction of Canada;
- (c) in any other case, the permitted client is incorporated, organized or continued under the laws of Canada or a jurisdiction of Canada;

**“foreign security”** means:

- (a) a security issued by an issuer incorporated, formed or created under the laws of a foreign jurisdiction; or
- (b) a security issued by a government of a foreign jurisdiction”;

**(b) in subsection (2):**

- (i) in the portion preceding clause (a) by adding “any of” after “in respect of”; and**
- (ii) by adding “Canadian” before “permitted client” in clauses (b), (c) and (d);**

**(c) in subsection (3):**

- (i) in the portion preceding clause (a):**
  - (A) by striking out “exemptions” and substituting “exemption”; and**
  - (B) by striking out “are” and substituting “is”;**
- (ii) by repealing clause (d) and substituting the following:**

“(d) the person or company is acting as principal or as agent for:

- (i) the issuer of the securities;
- (ii) a permitted client; or
- (iii) a person or company that is not a resident of Canada”;

**(d) by repealing subsection (4) and substituting the following:**

“(4) The exemption under subsection (2) is not available to a person or company in respect of a trade with a Canadian permitted client unless one of the following applies:

(a) the Canadian permitted client is a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;

(b) the person or company has notified the Canadian permitted client of all of the following:

(i) the person or company is not registered in the local jurisdiction to make the trade;

(ii) the foreign jurisdiction in which the head office or principal place of business of the person or company is located;

(iii) all or substantially all of the assets of the person or company may be situated outside of Canada;

(iv) there may be difficulty enforcing legal rights against the person or company because of the above;

(v) the name and address of the agent for service of process of the person or company in the local jurisdiction”;

**(e) by repealing subsection (5) and substituting the following:**

“(5) A person or company that relied on the exemption in subsection (2) during the 12-month period preceding December 1 of a year must notify the regulator or, in Québec, the securities regulatory authority of that fact by December 1 of that year”;  
**and**

**(f) by adding the following subsection after subsection (6):**

“(7) The adviser registration requirement does not apply to a person or company that is exempt from the dealer registration requirement under this section if the person or company provides advice to a client and the advice is:

(a) in connection with an activity or trade described under subsection (2); and

(b) not in respect of a managed account of the client”.

**(29) Subclause 8.19(2)(a)(i) is amended by adding “in respect of securities listed in section 7.1(2)(b)” after “dealer”.**

**(30) Clause 8.22(2)(d) is amended by striking out “\$25 000” and substituting “\$25,000”.**

**(31) The Note in section 8.25 is amended by striking out “7.24” and substituting “8.25”.**

**(32) Section 8.26 is amended in subsection (2):**

**(a) by adding the following definition after the definition of “aggregate consolidated gross revenue”:**



“**Canadian permitted client**” means a permitted client referred to in any of paragraphs (a) to (c), (e), (g) or (i) to (r) of the definition of ‘permitted client’ in section 1.1 if:

- (a) in the case of an individual, the individual is a resident of Canada;
- (b) in the case of a trust, the terms of the trust expressly provide that those terms are governed by the laws of a jurisdiction of Canada; and
- (c) in any other case, the permitted client is incorporated, organized or continued under the laws of Canada or a jurisdiction of Canada”;

**(b) by repealing the definition of “permitted client”; and**

**(c) by repealing subsections (3) to (5) and substituting the following:**

“(3) The adviser registration requirement does not apply to a person or company in respect of its acting as an adviser to a Canadian permitted client if the adviser does not advise that client on securities of Canadian issuers, unless providing that advice is incidental to its providing advice on a foreign security.

“(4) The exemption under subsection (3) is not available unless all of the following apply:

- (a) the adviser’s head office or principal place of business is in a foreign jurisdiction;
- (b) the adviser is registered or operates under an exemption from registration, under the securities legislation of the foreign jurisdiction in which its head office or principal place of business is located, in a category of registration that permits it to carry on the activities in that jurisdiction that registration as an adviser would permit it to carry on in the local jurisdiction;
- (c) the adviser engages in the business of an adviser in the foreign jurisdiction in which its head office or principal place of business is located;
- (d) as at the end of its most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the adviser, its affiliates and its affiliated partnerships was derived from the portfolio management activities of the adviser, its affiliates and its affiliated partnerships in Canada;
- (e) before advising a client, the adviser notifies the client of all of the following:
  - (i) the adviser is not registered in the local jurisdiction to provide the advice described under subsection (3);
  - (ii) the foreign jurisdiction in which the adviser’s head office or principal place of business is located;

(iii) all or substantially all of the adviser's assets may be situated outside of Canada;

(iv) there may be difficulty enforcing legal rights against the adviser because of the above;

(v) the name and address of the adviser's agent for service of process in the local jurisdiction;

(f) the adviser has submitted to the securities regulatory authority a completed Form 31-103F2 Submission to Jurisdiction and Appointment of Agent for Service.

“(5) A person or company that relied on the exemption in subsection (3) during the 12 month period preceding December 1 of a year must notify the regulator or, in Québec, the securities regulatory authority of that fact by December 1 of that year”.

**(33) Section 8.29 is amended by adding the following subsection after subsection (2):**

“(3) This section does not apply in Ontario.

Note: In Ontario, subsection 35.1 of the *Securities Act* (Ontario) provides a general exemption from the registration requirement for trust companies, trust corporations and other specified financial institutions.

”.

**(34) Section 9.3 is amended:**

**(a) in the heading by striking out “SRO” and substituting “IIROC”;**

**(b) in subsection (1):**

**(i) by striking out the portion preceding clause (a) and substituting the following:**

“Unless it is also registered as an investment fund manager, a registered firm that is a member of IIROC is exempt from the following provisions:”; **and**

**(ii) by adding the following clause after clause (I):**

“(1.1) section 13.15 [*handling complaints*]”;

**(c) by repealing subsection (2) and substituting the following:**

“(2) If a registered firm is a member of IIROC and is registered as an investment fund manager, the firm is exempt from the following provisions:

(a) section 12.3 [*insurance - dealer*];

(b) section 12.6 [*global bonding or insurance*];

- (c) section 12.12 [*delivering financial information - dealer*];
- (d) subsection 13.2(3) [*know your client*];
- (e) section 13.3 [*suitability*];
- (f) section 13.12 [*restriction on lending to clients*];
- (g) section 13.13 [*disclosure when recommending the use of borrowed money*];
- (h) section 13.15 [*handling complaints*];
- (i) subsection 14.2(2) [*relationship disclosure information*];
- (j) section 14.6 [*holding client assets in trust*];
- (k) section 14.8 [*securities subject to a safekeeping agreement*];
- (l) section 14.9 [*securities not subject to a safekeeping agreement*];
- (m) section 14.12 [*content and delivery of trade confirmation*]; **and**

**(d) by repealing subsections (3) to (6).**

**(35) The following section is added after section 9.3:**

**“9.4 Exemptions from certain requirements for MFDA members**

(1) Unless it is also registered as an exempt market dealer, a scholarship plan dealer or an investment fund manager, a registered firm that is a member of the MFDA is exempt from the following provisions

- (a) section 12.1 [*capital requirements*];
- (b) section 12.2 [*notifying the regulator of a subordination agreement*];
- (c) section 12.3 [*insurance - dealer*];
- (d) section 12.6 [*global bonding or insurance*];
- (e) section 12.7 [*notifying the regulator of a change, claim or cancellation*];
- (f) section 12.10 [*annual financial statements*];
- (g) section 12.11 [*interim financial information*];
- (h) section 12.12 [*delivering financial information - dealer*];
- (i) section 13.3 [*suitability*];
- (j) section 13.12 [*restriction on lending to clients*];

- (k) section 13.13 [*disclosure when recommending the use of borrowed money*];
- (l) section 13.15 [*handling complaints*];
- (m) subsection 14.2(2) [*relationship disclosure information*];
- (n) section 14.6 [*holding client assets in trust*];
- (o) section 14.8 [*securities subject to a safekeeping agreement*];
- (p) section 14.9 [*securities not subject to a safekeeping agreement*];
- (q) section 14.12 [*content and delivery of trade confirmation*].

(2) If a registered firm is a member of the MFDA and is registered as an exempt market dealer, scholarship plan dealer or investment fund manager, the firm is exempt from the following provisions:

- (a) section 12.3 [*insurance - dealer*];
- (b) section 12.6 [*global bonding or insurance*];
- (c) section 13.3 [*suitability*];
- (d) section 13.12 [*restriction on lending to clients*];
- (e) section 13.13 [*disclosure when recommending the use of borrowed money*];
- (f) section 13.15 [*handling complaints*];
- (g) subsection 14.2(2) [*relationship disclosure information*];
- (h) section 14.6 [*holding client assets in trust*];
- (i) section 14.8 [*securities subject to a safekeeping agreement*];
- (j) section 14.9 [*securities not subject to a safekeeping agreement*];
- (k) section 14.12 [*content and delivery of trade confirmation*].

(3) Subsections (1) and (2) do not apply in Québec.

(4) In Québec, the requirements listed in subsection (1) do not apply to a mutual fund dealer to the extent equivalent requirements to those listed in subsection (1) are applicable to the mutual fund dealer under the regulations in Québec”.

**(36) Section 10.6 is amended:**

- (a) in the heading by adding “or proceeding” after “hearing”; and**
- (b) by adding “or proceeding” after “hearing”.**

**(37) Subsection 11.2(2) is replaced and the following substituted:**

“(2) A registered firm must designate an individual under subsection (1) who is one of the following:

- (a) the chief executive officer of the registered firm or, if the firm does not have a chief executive officer, an individual acting in a capacity similar to a chief executive officer;
- (b) the sole proprietor of the registered firm;
- (c) the officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only within the division and the firm has significant other business activities”.

**(38) The heading to section 11.4 is amended by striking out “board” and substituting “the board of directors”.****(39) Subsections 11.6(1) and (2) are repealed and the following substituted:**

“(1) A registered firm must keep a record that it is required to keep under securities legislation:

- (a) for 7 years from the date the record is created;
- (b) in a safe location and in a durable form; and
- (c) in a manner that permits it to be provided to the regulator or, in Québec, the securities regulatory authority in a reasonable period of time.

“(2) A record required to be provided to the regulator or, in Québec, the securities regulatory authority must be provided in a format that is capable of being read by the regulator or the securities regulatory authority.

**(40) The Note to section 11.6 is amended by striking out “require” and substituting “required”.****(41) Section 11.9 is repealed and the following substituted:****“11.9 Registrant acquiring a registered firm’s securities or assets**

(1) A registrant must give the regulator or, in Québec, the securities regulatory authority written notice in accordance with subsection (2) if it proposes to acquire any of the following:

- (a) beneficial ownership of, or direct or indirect control or direction over, a security of a registered firm;
- (b) beneficial ownership of, or direct or indirect control or direction over, a security of a person or company of which a registered firm is a subsidiary;
- (c) all or a substantial part of the assets of a registered firm.

(2) The notice required under subsection (1) must be delivered to the regulator or, in Québec, the securities regulatory authority at least 30 days before the proposed acquisition and must include all relevant facts regarding the acquisition sufficient to enable the regulator or the securities regulatory authority to determine if the acquisition is:

- (a) likely to give rise to a conflict of interest;
- (b) likely to hinder the registered firm in complying with securities legislation;
- (c) inconsistent with an adequate level of investor protection; or
- (d) otherwise prejudicial to the public interest.

(3) Subsection (1) does not apply to the following:

- (a) a proposed acquisition if the beneficial ownership of, or direct or indirect control or direction over, the person or company whose security is to be acquired will not change;
- (b) a registrant who, alone or in combination with any other person or company, proposes to acquire securities that, together with the securities already beneficially owned, or over which direct or indirect control or direction is already exercised, do not exceed more than 10% of any class or series of securities.

(4) Except in Ontario and British Columbia, if, within 30 days of the regulator's, or, in Québec, the securities regulatory authority's receipt of a notice under subsection (1), the regulator or the securities regulatory authority notifies the registrant making the acquisition that the regulator or the securities regulatory authority objects to the acquisition, the acquisition must not occur until the regulator or the securities regulatory authority approves it.

(5) In Ontario, if, within 30 days of the regulator's receipt of a notice under subsection (1)(a) or (c), the regulator notifies the registrant making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.

(6) Following receipt of a notice of objection under subsection (4) or (5), the person or company who submitted the notice to the regulator or, in Québec, the securities regulatory authority may request an opportunity to be heard on the matter”.

**(42) Section 11.10 is repealed and the following substituted:**

**“11.10 Registered firm whose securities are acquired**

(1) A registered firm must give the regulator or, in Québec, the securities regulatory authority written notice in accordance with subsection (2) if it knows or has reason to believe that any person or company, alone or in combination with any other person or company, is about to acquire, or has acquired, beneficial ownership of, or direct or indirect control or direction over, 10% or more of any class or series of voting securities of any of the following:

- (a) the registered firm;
  - (b) a person or company of which the registered firm is a subsidiary.
- (2) The notice required under subsection (1) must:
- (a) be delivered to the regulator or, in Québec, the securities regulatory authority as soon as possible;
  - (b) include the name of each person or company involved in the acquisition; and
  - (c) after the registered firm has applied reasonable efforts to gather all relevant facts, include facts regarding the acquisition sufficient to enable the regulator or the securities regulatory authority to determine if the acquisition is:
    - (i) likely to give rise to a conflict of interest;
    - (ii) likely to hinder the registered firm in complying with securities legislation;
    - (iii) inconsistent with an adequate level of investor protection; or
    - (iv) otherwise prejudicial to the public interest.
- (3) This section does not apply to an acquisition in which the beneficial ownership of, or direct or indirect control or direction over, a registered firm does not change.
- (4) This section does not apply if notice of the acquisition was provided under section 11.9 [*registrant acquiring a registered firm's securities or assets*].
- (5) Except in British Columbia and Ontario, if, within 30 days of the regulator's or, in Québec, the securities regulatory authority's receipt of a notice under subsection (1), the regulator or the securities regulatory authority notifies the person or company making the acquisition that the regulator or the securities regulatory authority objects to the acquisition, the acquisition must not occur until the regulator or the securities regulatory authority approves it.
- (6) In Ontario, if, within 30 days of the regulator's receipt of a notice under section (1), the regulator notifies the person or company making the acquisition that the regulator objects to the acquisition, the acquisition must not occur until the regulator approves it.
- (7) Following receipt of a notice of objection under subsection (5) or (6), the person or company proposing to make the acquisition may request an opportunity to be heard on the matter".

**(43) Section 12.1 is repealed and the following substituted:**

**"12.1 Capital requirements**

- (1) If, at any time, the excess working capital of a registered firm, as calculated in accordance with Form 31-103F1 *Calculation of Excess Working Capital*, is less than zero, the registered firm must notify the regulator or, in Québec, the securities regulatory authority as soon as possible.
- (2) The excess working capital of a registered firm, as calculated in accordance with Form 31-103F1 *Calculation of Excess Working Capital*, must not be less than zero for 2 consecutive days.
- (3) For the purpose of completing Form 31-103F1 *Calculation of Excess Working Capital*, the minimum capital is:
- (a) \$25,000, for a registered adviser that is not also a registered dealer or a registered investment fund manager;
  - (b) \$50,000, for a registered dealer that is not also a registered investment fund manager; and
  - (c) \$100,000, for a registered investment fund manager.
- (4) Paragraph (3)(c) does not apply to a registered investment fund manager that is exempt from the dealer registration requirement under section 8.6 [*investment fund trades by adviser to managed account*] in respect of all investment funds for which it acts as adviser.
- (5) This section does not apply to a registered firm that is a member of IIROC and is registered as an investment fund manager if all of the following apply:
- (a) the firm has a minimum capital of not less than \$100,000 as calculated in accordance with IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*;
  - (b) the firm notifies the regulator or, in Québec, the securities regulatory authority as soon as possible if, at any time, the firm's risk adjusted capital, as calculated in accordance with IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, is less than zero;
  - (c) the risk adjusted capital of the firm, as calculated in accordance with IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, is not less than zero for 2 consecutive days.
- (6) This section does not apply to a mutual fund dealer that is a member of the MFDA if it is also registered as an exempt market dealer, a scholarship plan dealer or an investment fund manager and if all of the following apply:
- (a) the firm has a minimum capital, as calculated in accordance with MFDA Form 1 *MFDA Financial Questionnaire and Report*, of not less than:
    - (i) \$50,000, if the firm is registered as an exempt market dealer or scholarship plan dealer;
    - (ii) \$100,000, if the firm is registered as an investment fund manager;



(b) the firm notifies the regulator or, in Québec, the securities regulatory authority as soon as possible if, at any time, the firm's risk adjusted capital, as calculated in accordance with MFDA Form 1 *MFDA Financial Questionnaire and Report*, is less than zero;

(c) the risk adjusted capital of the firm, as calculated in accordance with MFDA Form 1 *MFDA Financial Questionnaire and Report*, is not less than zero for 2 consecutive days”.

**(44) Section 12.2 is amended:**

**(a) by striking out the heading and substituting “Notifying the regulator or the securities regulatory authority of a subordination agreement”; and**

**(b) in the portion preceding clause (a):**

**(i) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(ii) by striking out “5 days “ and substituting “10 days”.**

**(45) Subsection 12.3(2) is amended in the portion preceding clause (a) by striking out “and”.**

**(46) Section 12.4 is amended:**

**(a) in subsection (2) by striking out “Appendix A and” and substituting “Appendix A”; and**

**(b) in subsection (3) in the portion preceding clause (a) by striking out “Appendix A and” and substituting “Appendix A”.**

**(47) Subsection 12.5(2) is amended in the portion preceding clause (a) by striking out “Appendix A and” and substituting “Appendix A”.**

**(48) Section 12.7 is amended:**

**(a) by striking out the heading and substituting “Notifying the regulator or the securities regulatory authority of a change, claim or cancellation”; and**

**(b) by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(49) Section 12.8 is repealed and the following substituted:**

**“12.8 Direction by the regulator or the securities regulatory authority to conduct an audit or review**

A registered firm must direct its auditor in writing to conduct any audit or review required by the regulator or, in Québec, the securities regulatory authority during its registration and must deliver a copy of the direction to the regulator or the securities regulatory authority:

(a) with its application for registration; and

(b) no later than the 10th day after the registered firm changes its auditor”.

**(50) Section 12.10 is amended:**

**(a) in subsection (1) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(b) in subsection (2) by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(51) Section 12.11 is amended:**

**(a) in subsection (1) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(b) in subsection (2) by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(52) Section 12.12 is amended:**

**(a) in subsection (1) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”;**

**(b) in subsection (2) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”;**

**(c) by adding the following subsection after subsection (2):**

“(2.1) If a registered firm is a member of the MFDA and is registered as an exempt market dealer or scholarship plan dealer, the firm is exempt from paragraphs (1)(b) and (2)(b) if all of the following apply:

(a) the firm has a minimum capital of not less than \$50,000 as calculated in accordance with MFDA Form 1 *MFDA Financial Questionnaire and Report*;

(b) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed MFDA Form 1 *MFDA Financial Questionnaire and Report*, no later than 90 days after the end of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the financial year and as at the end of the immediately preceding financial year, if any;

(c) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed MFDA Form 1 *MFDA Financial Questionnaire and Report*, no later than 30 days after the end of the first, second and third interim period of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the interim period and as at the end of the immediately preceding month, if any”; **and**

**(d) in subsection (3) by adding “unless it is also registered in another category” after “exempt market dealer”.**

**(53) Section 12.13 is amended in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(54) Section 12.14 is amended:**

**(a) in subsection (1) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”;**

**(b) in subsection (2) in the portion preceding clause (a) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(c) by adding the following subsection after subsection (3):**

“(4) If a registered firm is a member of IIROC and is registered as an investment fund manager, the firm is exempt from paragraphs (1)(b) and (2)(b) if:

(a) the firm has a minimum capital of not less than \$100,000, as calculated in accordance with IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*;

(b) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, no later than 90 days after the end of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the financial year and as at the end of the immediately preceding financial year, if any; and

(c) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed IIROC Form 1 *Joint Regulatory Financial Questionnaire and Report*, no later than 30 days after the end of the first, second and third interim period of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the interim period and as at the end of the immediately preceding month, if any.

“(5) If a registered firm is a member of the MFDA and is registered as an investment fund manager, the firm is exempt from paragraphs (1)(b) and (2)(b) if:

(a) the firm has a minimum capital of not less than \$100,000, as calculated in accordance with MFDA Form 1 *MFDA Financial Questionnaire and Report*;

(b) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed MFDA Form 1 *MFDA Financial Questionnaire and Report*, no later than 90 days after the end of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the financial year and as at the end of the immediately preceding financial year, if any; and

(c) the firm delivers to the regulator or, in Québec, the securities regulatory authority a completed MFDA Form 1 *MFDA Financial Questionnaire and Report*, no later than 30 days after the end of the first, second and third interim period of its financial year, that shows the calculation of the firm’s risk adjusted capital as at the end of the interim period and as at the end of the immediately preceding month, if any”.

**(55) Section 13.1 is amended by adding “an investment fund manager in respect of its activities as” after “apply to”.**

**(56) Section 13.2 is amended:**

**(a) in subsection (3):**

**(i) in the portion preceding clause (a) by striking out “under paragraph (2)(a)”;**  
**and**

**(ii) in subclause (3)(b)(i) by striking out “10%” and substituting “25%”; and**

**(b) by adding the following subsection after subsection (6):**

“(7) Paragraph (2)(b) does not apply to a registrant in respect of a client for which the registrant only trades securities referred to in paragraphs 7.1(2)(b) and (2)(c)”.

**(57) Clause 13.6(b) is amended by adding “, or is managed by an affiliate of,” after “affiliate of”.**

**(58) Section 13.8 is repealed and the following substituted:**

**“13.8 Permitted referral arrangements**

A registered firm, or a registered individual whose registration is sponsored by the registered firm, must not participate in a referral arrangement with another person or company unless:

(a) before a client is referred by or to the registrant, the terms of the referral arrangement are set out in a written agreement between the registered firm and the person or company;

(b) the registered firm records all referral fees; and

(c) the registrant ensures that the information prescribed by subsection 13.10(1) [*disclosing referral arrangements to clients*] is provided to the client in writing before the party receiving the referral either opens an account for the client or provides services to the client”.

**(59) Section 13.9 is amended:**

**(a) by striking out “registrant that refers” and substituting “registered firm, or a registered individual whose registration is sponsored by the registered firm, must not refer”;**

**(b) by striking out “must take” and substituting “unless the firm first takes”; and**

**(c) by striking out “himself, herself or”.**

**(60) Subsection 13.10(1) is amended:**

**(a) in clause (a) by striking out “referral arrangement” and substituting “agreement referred to in paragraph 13.8(a)”;**

**(b) in clause (b) by striking out “referral arrangement” and substituting “agreement”;  
and**

**(c) in clause (c) by striking out “referral arrangement” wherever it appears and in each case substituting “agreement”.**

**(61) Section 13.12 is amended:**

**(a) by numbering it as subsection (1); and**

**(b) by adding the following subsection after subsection (1):**

“(2) Despite subsection (1), an investment fund manager may lend money on a short term basis to an investment fund it manages, if the loan is for the purpose of funding redemptions of its securities or meeting expenses incurred by the investment fund in the normal course of its business”.

**(62) Subsection 13.13(2) is amended:**

**(a) in the portion preceding clause (a) by adding “one of the following applies” after “if”; and**

**(b) by repealing clause (b).**

**(63) Section 13.14 is repealed and the following substituted:**

**“13.14 Application of this Division**

(1) This Division does not apply to an investment fund manager in respect of its activities as an investment fund manager.

(2) In Québec, a registered firm is deemed to comply with this Division if it complies with sections 168.1.1 to 168.1.3 of the *Securities Act* (Québec)”.

**(64) Section 14.1 repealed and the following substituted:**

**“14.1 Investment fund managers exempt from Part 14**

Other than sections 14.6 [*holding client assets in trust*], 14.12(5) [*content and delivery of trade confirmation*] and 14.14 [*account statements*], this Part does not apply to an investment fund manager in respect of its activities as an investment fund manager”.

**(65) Subsection 14.2(2) is amended:**

**(a) by repealing clause (j) and substituting the following:**

“(j) if section 13.16 applies to the registered firm, disclosure that independent dispute resolution or mediation services are available at the registered firm’s expense, to resolve any dispute that might arise between the client and the firm about any trading or advising activity of the firm or one of its representatives”; **and**

(b) in clause (k) by adding “registered” after “that the”.

**(66) Section 14.5 is repealed and the following substituted:**

**“14.5 Notice to clients by non-resident registrants**

(1) A registered firm whose head office is not located in the local jurisdiction must provide a client in the local jurisdiction with a statement in writing disclosing the following:

- (a) the firm is not resident in the local jurisdiction;
- (b) the jurisdiction in Canada or the foreign jurisdiction in which the head office or the principal place of business of the firm is located;
- (c) all or substantially all of the assets of the firm may be situated outside the local jurisdiction;
- (d) there may be difficulty enforcing legal rights against the firm because of the above;
- (e) the name and address of the agent for service of process of the firm in the local jurisdiction.

(2) This section does not apply to a registered firm whose head office is in Canada if the firm is registered in the local jurisdiction”.

**(67) Section 14.12 is amended:**

**(a) in subsection (1):**

- (i) by striking out “Subject to subsection (2), a” and substituting “A”;
- (ii) by adding “or, if the client consents in writing, to a registered adviser acting for the client” after “deliver to the client”;

**(b) by repealing subsection (3) and substituting the following:**

“(3) Paragraph (1)(h) does not apply if all of the following apply:

- (a) the security is a security of a mutual fund that is established and managed by the registered dealer or by an affiliate of the registered dealer, in its capacity as investment fund manager of the mutual fund;
- (b) the names of the dealer and the mutual fund are sufficiently similar to indicate that they are affiliated or related”; and

**(c) by adding the following subsections after subsection (4):**

“(5) A registered investment fund manager that has executed a redemption order received directly from a security holder must promptly deliver to the security holder a written confirmation of the redemption, setting out the following:

- (a) the quantity and description of the security redeemed;
- (b) the price per security received by the client;
- (c) the commission, sales charge, service charge and any other amount charged in respect of the redemption;
- (d) the settlement date of the redemption.

“(6) Section 14.12 (5) does not apply to trades in a security of an investment fund made on reliance on section 8.6”.

**(68) Section 14.13 is amended:**

- (a) in the heading by striking out “Semi-annual confirmations” and substituting “Confirmations”; and**
- (b) by repealing clause (d).**

**(69) Section 14.14 is amended:**

- (a) in the heading by striking out “Client” and substituting “Account”;**
- (b) in subsection (2) in the portion preceding clause (a) by striking out “, other than a mutual fund dealer,”;**
- (c) by adding the following after subsection (2):**

“(2.1) Subsection (2) does not apply to a mutual fund dealer in connection with its activities as a dealer in respect of the securities listed in section 7.1(2)(b)”;
- (d) by adding the following after subsection (3):**

“(3.1) If there is no dealer of record for a security holder on the records of a registered investment fund manager, the investment fund manager must deliver a statement to the security holder at least once every 12 months”;
- (e) by repealing subsection (4) and substituting the following:**

“(4) A statement delivered under subsection (1), (2), (3) or (3.1) must include all of the following information for each transaction made for the client or security holder during the period covered by the statement:

- (a) the date of the transaction;
- (b) the type of transaction;
- (c) the name of the security;
- (d) the number of securities;

(e) the price per security;

(f) the total value of the transaction”;

**(f) by repealing subsection (5) and substituting the following:**

“(5) A statement delivered under subsection (1), (2), (3) or (3.1) must include all of the following information about the client’s or security holder’s account as at the end of the period for which the statement is made:

(a) the name and quantity of each security in the account;

(b) the market value of each security in the account;

(c) the total market value of each security position in the account;

(d) any cash balance in the account;

(e) the total market value of all cash and securities in the account”; **and**

**(g) by adding the following subsections after subsection (5):**

“(6) Subsections (1) and (2) do not apply to a scholarship plan dealer if both of the following apply:

(a) the dealer is not registered in another dealer or adviser category;

(b) the dealer delivers to the client a statement at least once every 12 months that provides the information required in subsections (4) and (5)”.

**(70) Subsection 15.1(1) is amended by adding “in Québec” after “regulator”.**

**(71) Subsection 16.4 is amended:**

**(a) in clause (1)(b) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(b) in subsection (3) by adding “a” after “dealer or”.**

**(72) Subsections 16.5(1) and (2) are repealed and the following substituted:**

“(1) A person or company is not required to register in the local jurisdiction as an investment fund manager if it is registered, or has applied for registration, as an investment fund manager in the jurisdiction of Canada in which its head office is located.

“(2) Subsection (1) is repealed on September 28, 2012”.

**(73) Subsection 16.6(2) is repealed and the following substituted:**

“(2) Subsection (1) is repealed on September 28, 2012”.



**(74) Section 16.7 is amended:**

**(a) in clause (3)(b) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(b) in clause (4)(b) by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(75) Clause 16.8(b) is amended by adding “or, in Québec, the securities regulatory authority” after “regulator”.**

**(76) Section 16.9 is amended:**

**(a) in clause (1)(b) by adding “or, in Québec, the securities regulatory authority” after “regulator”; and**

**(b) in subsection (2), by adding “in a jurisdiction of Canada” after “registered firm” the first time it appears; and**

**(c) in subsection (3), by adding “in a jurisdiction of Canada” after “registered firm”.**

**(77) Subsection 16.10(1) is amended by adding “in a jurisdiction of Canada” after “is registered”.**

**(78) Section 16.16 is amended:**

**(a) in subsection (1) by adding “in a jurisdiction of Canada” after “registered firm”; and**

**(b) in subsection (2) by striking out “2 years after this Instrument comes into force” and substituting “on September 28, 2012”; and**

**(79) Section 16.17 is repealed and the following substituted:****“16.17 Account statements - mutual fund dealers**

(1) Section 14.14 [*account statements*] does not apply to a person or company that was, on September 28, 2009, either of the following:

(a) a member of the MFDA;

(b) a mutual fund dealer in Québec, unless it was also a portfolio manager in Québec.

(2) Subsection (1) is repealed on September 28, 2011”.

**(80) Form 31-103F1 is repealed and the following substituted:**

**“FORM 31-103F1  
CALCULATION OF EXCESS WORKING CAPITAL**

\_\_\_\_\_  
Firm Name

Capital Calculation  
(as at \_\_\_\_\_ with comparative figures as at \_\_\_\_\_ )

	<b>Component</b>	<b>Current period</b>	<b>Prior period</b>
1	Current assets		
2	Less current assets not readily convertible into cash (e.g., prepaid expenses)		
3	Adjusted current assets Line 1 minus line 2 =		
4	Current liabilities		
5	Add 100% of long-term related party debt unless the firm and the lender have executed a subordination agreement in the form set out in Appendix B and the firm has delivered a copy of the agreement to the regulator or, in Québec, the securities regulatory authority		
6	Adjusted current liabilities Line 4 plus line 5 =		
7	Adjusted working capital Line 3 minus line 6 =		
8	Less minimum capital		
9	Less market risk		
10	Less any deductible under the bonding or insurance policy required under Part 12 of National Instrument 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations		
11	Less Guarantees		
12	Less unresolved differences		
13	<b>Excess working capital</b>		

**Notes:**

This form must be prepared using the accounting principles that you use to prepare your financial statements in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. Section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* provides further guidance in respect of these accounting principles.

**Line 5. Related-party debt** - Refer to the CICA Handbook for the definition of ‘related party’ for publicly accountable enterprises.

**Line 8. Minimum Capital** - The amount on this line must be not less than (a) \$25,000 for an adviser and (b) \$50,000 for a dealer. For an investment fund manager, the amount must be not less than \$100,000 unless subsection 12.1(4) applies.

**Line 9. Market Risk** - The amount on this line must be calculated according to the instructions set out in Schedule 1 to this Form.

**Line 11. Guarantees** - If the registered firm is guaranteeing the liability of another party, the total amount of the guarantee must be included in the capital calculation. If the amount of a guarantee is included in the firm’s statement of financial position as a current liability and is reflected in line 4, do not include the amount of the guarantee on line 11.

**Line 12. Unresolved differences** - Any unresolved differences that could result in a loss from either firm or client assets must be included in the capital calculation. The examples below provide guidance as to how to calculate unresolved differences:

- (i) If there is an unresolved difference relating to client securities, the amount to be reported on Line 12 will be equal to the fair value of the client securities that are short, plus the applicable margin rate for those securities.
- (ii) If there is an unresolved difference relating to the registrant’s investments, the amount to be reported on Line 12 will be equal to the fair value of the investments (securities) that are short.
- (iii) If there is an unresolved difference relating to cash, the amount to be reported on Line 12 will be equal to the amount of the shortfall in cash.

Please refer to section 12.1 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* for further guidance on how to prepare and file this form.

**Management Certification****Registered Firm Name:** \_\_\_\_\_

We have examined the attached capital calculation and certify that the firm is in compliance with the capital requirements as at \_\_\_\_\_.

	<b>Name and Title</b>	<b>Signature</b>	<b>Date</b>
1.	_____	_____	_____
	_____		
2.	_____	_____	_____

**Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital  
(calculating line 9 [market risk])**

For purposes of completing this form:

(1) 'Fair value' means the value of a security determined in accordance with Canadian GAAP applicable to publicly accountable enterprises.

(2) For each security whose value is included in line 1, Current Assets, multiply the fair value of the security by the margin rate for that security set out below. Add up the resulting amounts for all of the securities you hold. The total is the 'market risk' to be entered on line 9.

**(a) Bonds, Debentures, Treasury Bills and Notes**

(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America and of any other national foreign government (provided such foreign government securities are currently rated Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively), maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years:	4% of fair value

(ii) Bonds, debentures, treasury bills and other securities of or guaranteed by any jurisdiction of Canada and obligations of the International Bank for Reconstruction and Development, maturing (or called for redemption):

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	3% of fair value
over 3 years to 7 years:	4% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

(iii) Bonds, debentures or notes (not in default) of or guaranteed by any municipal corporation in Canada or the United Kingdom maturing:

within 1 year:	3% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year to 3 years:	5% of fair value
over 3 years to 7 years:	5% of fair value
over 7 years to 11 years:	5% of fair value
over 11 years:	5% of fair value

(iv) Other non-commercial bonds and debentures, (not in default): 10% of fair value

(v) Commercial and corporate bonds, debentures and notes (not in default) and non-negotiable and non-transferable trust company and mortgage loan company obligations registered in the registered firm's name maturing:

within 1 year:	3% of fair value
over 1 year to 3 years:	6% of fair value
over 3 years to 7 years:	7% of fair value
over 7 years to 11 years:	10% of fair value
over 11 years:	10% of fair value

**(b) Bank Paper**

Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

**(c) Acceptable foreign bank paper**

Deposit certificates, promissory notes or debentures issued by a foreign bank, readily negotiable and transferable and maturing:

within 1 year:	2% of fair value multiplied by the fraction determined by dividing the number of days to maturity by 365
over 1 year:	apply rates for commercial and corporate bonds, debentures and notes

‘Acceptable Foreign Bank Paper’ consists of deposit certificates or promissory notes issued by a bank other than a Canadian chartered bank with a net worth (i.e., capital plus reserves) of not less than \$200,000,000.

**(d) Mutual Funds**

Securities of mutual funds qualified by prospectus for sale in any jurisdiction of Canada:

- (i) 5% of the net asset value per security as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, where the fund is a money market mutual fund as defined in National Instrument 81-102 *Mutual Funds*; or
- (ii) the margin rate determined on the same basis as for listed stocks multiplied by the net asset value per security of the fund as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*.

**(e) Stocks**

In this paragraph, ‘securities’ includes rights and warrants and does not include bonds and debentures.

- (i) On securities including investment fund securities, rights and warrants, listed on any exchange in Canada or the United States of America:

Long Positions - Margin Required

Securities selling at \$2.00 or more - 50% of fair value

Securities selling at \$1.75 to \$1.99 - 60% of fair value

Securities selling at \$1.50 to \$1.74 - 80% of fair value

Securities selling under \$1.50 - 100% of fair value

Short Positions - Credit Required

Securities selling at \$2.00 or more - 150% of fair value

Securities selling at \$1.50 to \$1.99 - \$3.00 per share

Securities selling at \$0.25 to \$1.49 - 200% of fair value

Securities selling at less than \$0.25 - fair value plus \$0.25 per shares

(ii) For positions in securities that are constituent securities on a major broadly-based index of one of the following exchanges, 50% of the fair value:

- (a) Australian Stock Exchange Limited
- (b) Bolsa de Madrid
- (c) Borsa Italiana
- (d) Copenhagen Stock Exchange
- (e) Euronext Amsterdam
- (f) Euronext Brussels
- (g) Euronext Paris S.A.
- (h) Frankfurt Stock Exchange
- (i) London Stock Exchange
- (j) New Zealand Exchange Limited
- (k) Stockholm Stock Exchange
- (l) Swiss Exchange
- (m) The Stock Exchange of Hong Kong Limited
- (n) Tokyo Stock Exchange

**(f) Mortgages**

(i) For a firm registered in any jurisdiction of Canada except Ontario:

- (a) Insured mortgages (not in default): 6% of fair value
- (b) Mortgages which are not insured (not in default): 12% of fair value of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater.

(ii) For a firm registered in Ontario:

- (a) Mortgages insured under the National Housing Act (Canada) (not in default): 6% of fair value
- (b) Conventional first mortgages (not in default): 12% of fair value of the loan or the rates set by Canadian financial institutions or Schedule III banks, whichever is greater.

If you are registered in Ontario regardless of whether you are also registered in another jurisdiction of Canada, you will need to apply the margin rates set forth in (ii) above.

(g) For all other securities - 100% of fair value”.

(81) Form 31-103F2 is repealed and the following substituted:

**“FORM 31-103F2 SUBMISSION TO JURISDICTION AND APPOINTMENT  
OF AGENT FOR SERVICE  
(sections 8.18 [international dealer] and 8.26 [international adviser])**

1. Name of person or company (‘International Firm’):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm.
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm’s chief compliance officer.  
  
Name:  
E-mail address:  
Phone:  
Fax:
6. Section of National Instrument 31-103, *Registration Requirements, Exemptions and Ongoing Registrant Obligations* the International Firm is relying on:  
  
 Section 8.18 [international dealer]  
 Section 8.26 [international adviser]  
 Other
7. Name of agent for service of process (the ‘Agent for Service’):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a ‘Proceeding’) arising out of or relating to or concerning the International Firm’s activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm’s activities in the local jurisdiction.



11. Until 6 years after the International Firm ceases to rely on section 8.18 [*international dealer*] or section 8.26 [*international adviser*], the International Firm must submit to the securities regulatory authority

a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated; and

b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of the International Firm or authorized signatory)

\_\_\_\_\_  
(Name and Title of authorized signatory)

### Acceptance

The undersigned accepts the appointment as Agent for Service of (Insert name of International Firm) under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Agent for Service or authorized signatory)

\_\_\_\_\_  
(Name and Title of authorized signatory) ”.

**(82) Form 31-103F3 is amended by striking out “and Exemptions” and substituting “, Exemptions and Ongoing Registrant Obligations”.**

**(83) Appendix B is amended:**

**(a) by striking out “and Exemptions” and substituting “, Exemptions and Ongoing Registrant Obligations”;**

**(b) in section 1 by striking out “owned” and substituting “owed”; and**

**(c) in section 4 by striking out “Securities Regulatory Authority prior to” and substituting “Securities Regulatory Authority 10 days before”.**

**Coming into force**

10(1) Subject to subsection (2), these regulations, other than sections 6 and 9, come into force on June 30, 2011.

(2) If these regulations are filed with the Registrar of Regulations after June 30, 2011, these regulations, other than sections 6 and 9, come into force on the day on which they are filed with the Registrar of Regulations.

(3) Subject to subsection (4), sections 6 and 9 of these regulations come into force on July 11, 2011.

(4) If these regulations are filed with the Registrar of Regulations after July 11, 2011, sections 6 and 9 of these regulations come into force on the day on which they are filed with the Registrar of Regulations.