



Province of Saskatchewan



Sask. Reg.
8/2012

Commission Order

The Saskatchewan Financial Services Commission, pursuant to section 154 of *The Securities Act, 1988*, makes *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2012 (No. 2)* in accordance with the attached Schedule.

Dated at the City of Regina, the 1 day of February , 2012.

Chairperson
Saskatchewan Financial Services Commission

(For administrative purposes only)

Authority: *The Securities Act, 1988* - section 154



Province of Saskatchewan

Minister's Order

The Minister of Justice and Attorney General, pursuant to section 7 of *The Securities Commission (Regulation Procedures) Regulations*, approves *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2012 (No. 2)* in accordance with the attached Schedule.

Dated at the City of Regina, the 21 day of February, 2012.

Minister of Justice and Attorney General

(For administrative purposes only)

Authority: *The Securities Commission (Regulation Procedures) Regulations - section 7*

SCHEDULE

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2012 (No. 2)*.

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

2(1) Part XLIX of *The Securities Commission (Adoption of National Instruments) Regulations* is amended in the manner set forth in these regulations.

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

(a) **by adding the following definition after the definition of “IIROC”:**

“**IIROC Provision**’ means a by-law, rule, regulation or policy of IIROC named in Appendix G, as amended from time to time”; **and**

(b) **by adding the following definition after the definition of “MFDA”:**

“**MFDA Provision**’ means a by-law, rule, regulation or policy of the MFDA named in Appendix H, as amended from time to time”.

(3) **Section 3.16 is amended:**

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

“(1.1) Subsection (1) only applies to a registered individual who is a dealing representative of a member of IIROC in respect of a requirement specified in any of paragraphs (1)(a) to (c) if the registered individual complies with the corresponding IIROC Provisions that are in effect”; **and**

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

“(2.1) Subsection (2) only applies to a registered individual who is a dealing representative of a member of the MFDA in respect of a requirement specified in paragraphs (2)(a) or (b) if the registered individual complies with the corresponding MFDA Provisions that are in effect”.

APPROVED
LEGISLATIVE DRAFTING SECTION



January 12, 2012 - 9:17 a.m.

(4) Section 9.3 is amended:**(a) by adding the following subsection after subsection (1):**

“(1.1) Subsection (1) only applies to a registered firm in respect of a requirement specified in any of paragraphs (1)(a) to (q) if the registered firm complies with the corresponding IIROC Provisions that are in effect”; **and**

(b) by adding the following subsection after subsection (2):

“(2.1) Subsection (2) only applies to a registered firm in respect of a requirement specified in any of paragraphs (2)(a) to (m) if the registered firm complies with the corresponding IIROC Provisions that are in effect”.

(5) Section 9.4 is amended:**(a) by adding the following subsection after subsection (1):**

“(1.1) Subsection (1) only applies to a registered firm in respect of a requirement specified in any of paragraphs (1)(a) to (q) if the registered firm complies with the corresponding MFDA Provisions that are in effect”; **and**

(b) by adding the following subsection after subsection (2):

“(2.1) Subsection (2) only applies to a registered firm in respect of a requirement specified in any of paragraphs (2)(a) to (k) if the registered firm complies with the corresponding MFDA Provisions that are in effect”.

(6) The following Appendices are added after Appendix F:

**“APPENDIX G - EXEMPTIONS FROM CERTAIN REQUIREMENTS
FOR IIROC MEMBERS**

[Section 9.3 [exemptions from certain requirements for IIROC members]]

NI 31-103 Provision	IIROC Provision
section 12.1 [<i>capital requirements</i>]	1. Dealer Member Rule 17.1; and 2. Form 1 <i>Joint Regulatory Financial Questionnaire and Report</i> - Part I, Statement B, “Notes and Instructions”
section 12.2 [<i>notifying the regulator of a subordination agreement</i>]	1. Dealer Member Rule 5.2; and 2. Dealer Member Rule 5.2A
section 12.3 [<i>insurance - dealer</i>]	1. Dealer Member Rule 400.2 [<i>Financial Institution Bond</i>]; 2. Dealer Member Rule 400.4 [<i>Amounts Required</i>]; and 3. Dealer Member Rule 400.5 [<i>Provisos with respect to Dealer Member Rules 400.2, 400.3 and 400.4</i>]

SECURITIES COMMISSION (ADOPTION OF NATIONAL INSTRUMENTS)

NI 31-103 Provision	IIROC Provision
section 12.6 [<i>global bonding or insurance</i>]	1. Dealer Member Rule 400.7 [<i>Global Financial Institution Bonds</i>]
section 12.7 [<i>notifying the regulator of a change, claim or cancellation</i>]	1. Dealer Member Rule 17.6; 2. Dealer Member Rule 400.3 [<i>Notice of Termination</i>]; and 3. Dealer Member Rule 400.3B [<i>Termination or Cancellation</i>]
section 12.10 [<i>annual financial statements</i>]	1. Dealer Member Rule 16.2 [<i>Dealer Member Filing Requirements</i>]; and 2. Form 1 <i>Joint Regulatory Financial Questionnaire and Report</i>
section 12.11 [<i>interim financial information</i>]	1. Dealer Member Rule 16.2 [<i>Dealer Member Filing Requirements</i>]; and 2. Form 1 <i>Joint Regulatory Financial Questionnaire and Report</i>
section 12.12 [<i>delivering financial information - dealer</i>]	1. Dealer Member Rule 16.2 [<i>Dealer Member Filing Requirements</i>]
subsection 13.2(3) [<i>know your client</i>]	1. Dealer Member Rule 1300.1(a)-(n) [<i>Identity and Creditworthiness</i>]; 2. Dealer Member Rule 1300.2; 3. Dealer Member Rule 2500, Section II [<i>Opening New Accounts</i>]; and 4. Form 2 <i>New Client Application Form</i>
section 13.3 [<i>suitability</i>]	1. Dealer Member Rule 1300.1(o) [<i>Business Conduct</i>]; 2. Dealer Member Rule 1300.1(p) [<i>Suitability Generally</i>]; 3. Dealer Member Rule 1300.1(q) [<i>Suitability Determination Required When Recommendation Provided</i>]; 4. Dealer Member Rule 1300.1(r) and Dealer Member Rule 1300.1(s) [<i>Suitability Determination Not Required</i>]; 5. Dealer Member Rule 1300.1(t) [<i>Corporation Approval</i>]; 6. Dealer Member Rule 2700, Section I [<i>Customer Suitability</i>]; and 7. Dealer Member Rule 3200 [<i>Minimum Requirements for Dealer Members Seeking Approval Under Rule 1300.1(t) for Suitability Relief for Trades not Recommended by the Member</i>]
section 13.12 [<i>restriction on lending to clients</i>]	1. Dealer Member Rule 100 [<i>Margin Requirements</i>]

SECURITIES COMMISSION (ADOPTION OF NATIONAL INSTRUMENTS)

NI 31-103 Provision	IIROC Provision
section 13.13 [<i>disclosure when recommending the use of borrowed money</i>]	1. Dealer Member Rule 29.26
section 13.15 [<i>handling complaints</i>]	1. Dealer Member Rule 2500B [<i>Client Complaint Handling</i>]; and 2. Dealer Member Rule 2500, Section VIII [<i>Client Complaints</i>]
subsection 14.2(2) [<i>relationship disclosure information</i>]	<p>1. Dealer Member Rules of IIROC that set out the requirements for relationship disclosure information similar to those contained in IIROC's Client Relationship Model proposal, published for comment on January 7, 2011;</p> <div data-bbox="695 823 1328 1024" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>IIROC has not yet assigned a number to the relationship disclosure dealer member rule in its Client Relationship Model proposal. We will refer to the dealer member rule number when IIROC has assigned one.</p> </div> <p>2. Dealer Member Rule 29.8; 3. Dealer Member Rule 200.1(c); 4. Dealer Member Rule 200.1(h); 5. Dealer Member Rule 1300.1(p) [<i>Suitability Generally</i>]; 6. Dealer Member Rule 1300.1(q) [<i>Suitability Determination Required When Recommendation Provided</i>]; 7. Dealer Member Rule 1300.2; and 8. Dealer Member Rule 2500B, Part 4 [<i>Complaint procedures / standards</i>]</p>
section 14.6 [<i>holding client assets in trust</i>]	1. Dealer Member Rule 17.3
section 14.8 [<i>securities subject to a safekeeping agreement</i>]	1. Dealer Member Rule 17.2A 2. Dealer Member Rule 2600 - Internal Control Policy Statement 5 [<i>Safekeeping of Clients' Securities</i>]
section 14.9 [<i>securities not subject to a safekeeping agreement</i>]	1. Dealer Member Rule 17.3; 2. Dealer Member Rule 17.3A; and 3. Dealer Member Rule 200.1(c)
section 14.12 [<i>content and delivery of trade confirmation</i>]	1. Dealer Member Rule 200.1(h)

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**“APPENDIX H - EXEMPTIONS FROM CERTAIN REQUIREMENTS
FOR MFDA MEMBERS**

[Section 9.4 [exemptions from certain requirements for MFDA members]]

NI 31-103 Provision	MFDA Provision
section 12.1 [<i>capital requirements</i>]	<ol style="list-style-type: none"> 1. Rule 3.1.1 [<i>Minimum Levels</i>]; 2. Rule 3.1.2 [<i>Notice</i>]; 3. Rule 3.2.2 [<i>Member Capital</i>]; 4. Form 1 MFDA <i>Financial Questionnaire and Report</i>; and 5. Policy No. 4 [<i>Internal Control Policy Statements - Policy Statement 2: Capital Adequacy</i>]
section 12.2 [<i>notifying the regulator of a subordination agreement</i>]	<ol style="list-style-type: none"> 1. Form 1 MFDA <i>Financial Questionnaire and Report</i>, Statement F [<i>Statement of Changes in Subordinated Loans</i>]; and 2. Membership Application Package - Schedule I (Subordinated Loan Agreement)
section 12.3 [<i>insurance - dealer</i>]	<ol style="list-style-type: none"> 1. Rule 4.1 [<i>Financial Institution Bond</i>]; 2. Rule 4.4 [<i>Amounts Required</i>]; 3. Rule 4.5 [<i>Provisos</i>]; and 4. Policy No. 4 [<i>Internal Control Policy Statements - Policy Statement 3: Insurance</i>]
section 12.6 [<i>global bonding or insurance</i>]	<ol style="list-style-type: none"> 1. Rule 4.7 [<i>Global Financial Institution Bonds</i>]
section 12.7 [<i>notifying the regulator of a change, claim or cancellation</i>]	<ol style="list-style-type: none"> 1. Rule 4.2 [<i>Notice of Termination</i>]; and 2. Rule 4.3 [<i>Termination or Cancellation</i>]
section 12.10 [<i>annual financial statements</i>]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [<i>Monthly and Annual</i>]; 2. Rule 3.5.2 [<i>Combined Financial Statements</i>]; and 3. Form 1 MFDA <i>Financial Questionnaire and Report</i>
section 12.11 [<i>interim financial information</i>]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [<i>Monthly and Annual</i>]; 2. Rule 3.5.2 [<i>Combined Financial Statements</i>]; and 3. Form 1 MFDA <i>Financial Questionnaire and Report</i>
section 12.12 [<i>delivering financial information - dealer</i>]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [<i>Monthly and Annual</i>]
section 13.3 [<i>suitability</i>]	<ol style="list-style-type: none"> 1. Rule 2.2.1 [<i>“Know-Your-Client”</i>]; and 2. Policy No. 2 [<i>Minimum Standards for Account Supervision</i>]
section 13.12 [<i>restriction on lending to clients</i>]	<ol style="list-style-type: none"> 1. Rule 3.2.1 [<i>Client Lending and Margin</i>]; and 2. Rule 3.2.3 [<i>Advancing Mutual Fund Redemption Proceeds</i>]

SECURITIES COMMISSION (ADOPTION OF NATIONAL INSTRUMENTS)

NI 31-103 Provision	MFDA Provision
section 13.13 [<i>disclosure when recommending the use of borrowed money</i>]	1. Rule 2.6 [<i>Borrowing for Securities Purchases</i>]
section 13.15 [<i>handling complaints</i>]	1. Rule 2.11 [<i>Complaints</i>] 2. Policy No. 3 [<i>Complaint Handling, Supervisory Investigations and Internal Discipline</i>]; and 3. Policy No. 6 [<i>Information Reporting Requirements</i>]
subsection 14.2(2) [<i>relationship disclosure information</i>]	1. Rule 2.2.5 [<i>Relationship Disclosure</i>]
section 14.6 [<i>holding client assets in trust</i>]	1. Rule 3.3.1 [<i>General</i>]; 2. Rule 3.3.2 [<i>Cash</i>]; and 3. Policy No. 4 [<i>Internal Control Policy Statements - Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients' Securities</i>]
section 14.8 [<i>securities subject to a safekeeping agreement</i>]	1. Rule 3.3.3 [<i>Securities</i>]; and 2. Policy No. 4 [<i>Internal Control Policy Statements - Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients' Securities</i>]
section 14.9 [<i>securities not subject to a safekeeping agreement</i>]	1. Rule 3.3.3 [<i>Securities</i>]
section 14.12 [<i>content and delivery of trade confirmation</i>]	1. Rule 5.4.1 [<i>Delivery of Confirmations</i>]; 2. Rule 5.4.2 [<i>Automatic Payment Plans</i>]; and 3. Rule 5.4.3 [<i>Content</i>]

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Coming into force

3 These regulations come into force on the day on which they are filed with the Registrar of Regulations.