

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.N.S. 1989, c. 418, AS AMENDED (the Act)**

AND

**THE DELEGATION OF CERTAIN POWERS AND DUTIES TO THE
CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)**

**DELEGATION
(Subsection 30(4) of the Act)**

WHEREAS:

- A. CIRO was established effective January 1, 2023, as a result of the amalgamation of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada.
- B. By an order issued October 25, 2022, effective January 1, 2023, the Nova Scotia Securities Commission (**Commission**) recognized CIRO as a self-regulatory organization under section 30 of the Act (**Recognition Order**), which order was varied and restated effective June 1, 2023.
- C. Under the terms and conditions of the Recognition Order, CIRO must act in the public interest in regulating the operations and the standards of practice and business conduct of investment dealers and mutual fund dealers, including establishing rules governing dealer members and administering and monitoring compliance with applicable rules and Canadian securities legislation by members and others subject to its jurisdiction.
- D. Under subsection 30(4) of the Act, the Commission may delegate, on such terms and conditions as the Commission may determine, to a self-regulatory organization any powers or duties of the Director or the Commission pursuant to the Act or the regulations respecting the registration of persons and companies that are members of the self-regulatory organization.
- E. The Commission considers it desirable to delegate to CIRO certain powers and duties of the Director in respect of the registration of firms, under Nova Scotia securities laws, in the categories of investment dealer and mutual fund dealer and the registration and status of individuals who act on behalf of firms registered in the categories of investment dealer and mutual fund dealer, subject to certain terms and conditions (**Delegation**).

- F. CIRO's performance of the delegated powers and duties will be subject to an enhanced risk-based framework of ongoing oversight by the Commission.
- G. The Commission and the Director retain concurrent authority for the delegated powers and duties and in the event of a conflict between an exercise by CIRO of a power or duty under the Delegation and an exercise of a power or duty by the Commission or the Director, the Commission's and the Director's authority will prevail.

NOW THEREFORE:

- 1. Under subsection 30(4) of the Act, the Commission delegates to CIRO the powers and duties of the Director under the following provisions of Nova Scotia securities laws:
 - (a) section 32 of the Act in respect of applications for registration, applications for reinstatement of registration, and applications for amendment of registration by
 - (i) firms in the categories of investment dealer or mutual fund dealer, and
 - (ii) individuals in the categories of
 - 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 - 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 - 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer;
 - (b) section 32A of the Act in respect of the registration of
 - (i) firms in the categories of investment dealer or mutual fund dealer, and
 - (ii) individuals in the categories of
 - 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 - 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 - 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer;

- (c) section 33 of the Act in respect of applications for the surrender of registration by firms in the categories of investment dealer or mutual fund dealer and the suspension of or imposition of conditions on such firms;
- (d) section 37 of the Act in respect of an application by or the registration of
 - (i) firms in the categories of investment dealer or mutual fund dealer, and
 - (ii) individuals in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer;
- (e) sections 11.9 and 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* but only in respect of notices required to be given by
 - (i) firms registered in the categories of investment dealer or mutual fund dealer and
 - (ii) individuals registered in the categories of
 1. dealing representative of a registered investment dealer or registered mutual fund dealer,
 2. ultimate designated person of a registered investment dealer or registered mutual fund dealer, or
 3. chief compliance officer of a registered investment dealer or registered mutual fund dealer;
- (f) section 15.1 of NI 31-103 but only in respect of exemptions from the requirements of sections 3.3, 3.5, and 3.6 as they apply to an individual who is required to be registered in the categories of dealing representative and chief compliance officer to act on behalf of a firm that is registered as a mutual fund dealer.

(the **Delegated Functions**).

2. This Delegation is subject to the terms and conditions in Appendix A.

3. This Delegation takes effect on April 1, 2025.

Dated March 19, 2025.

(signed) "Valerie Seager"

Valerie Seager

Chair

APPENDIX A
TERMS AND CONDITIONS

1. CIRO must exercise the Delegated Functions in the public interest and in accordance with the associated requirements of Nova Scotia securities laws, including the requirements of section 32 of the Act, as well as the terms and conditions of the Recognition Order.
2. CIRO must establish and maintain requirements in respect of the registration of firms and individuals under the Delegation that account for the proficiency, integrity, and solvency of those firms and individuals.
3. CIRO must maintain sufficient capacity to effectively and efficiently perform the Delegated Functions, including sufficient financial, technological, and human resources.
4. CIRO must establish service standards for the performance of the Delegated Functions that are satisfactory to the Commission. Such service standards must be established by October 1, 2025.
5. CIRO must publish the established service standards together with publication of CIRO's achievement of these standards on a quarterly basis.
6. CIRO must establish and maintain written policies and procedures, in a form satisfactory to the Commission, in respect of CIRO's performance of the Delegated Functions.
7. CIRO must provide the Commission with reasonable prior written notice of any significant proposed changes to the policies and procedures established under section 6 and CIRO must not implement the proposed changes until the Commission has notified CIRO that it has no further questions or comments.
8. CIRO must provide the Commission with reasonable prior written notice in respect of any firm registration matter where, in CIRO's opinion, an application or submission raises a significant or novel issue and CIRO must not make a final determination in the matter until the Commission has notified CIRO that it has no further questions or comments.
9. For purposes of section 8, "significant or novel issue" means any issue that, without limitation, either:
 - (a) raises a new issue which has previously not been addressed, resolved, or used in the same context;
 - (b) may have a significant impact on:

- (i) the interpretation of applicable rules or Nova Scotia securities laws, including the interpretation of the requirement to register, the business trigger for trading or advising and fitness for registration;
- (ii) registration applications;
- (iii) applications for exemptive relief;
- (iv) market participants, including Members, Approved Persons, Member employees and other registrants;
- (v) investors or investor protection;
- (vi) market structure;
- (vii) market practices or industry standards; or
- (viii) regulatory enforcement;

(c) may have an impact on policy development or rulemaking; or

(d) relates to a new business model, financial instrument, service, product, technology, or innovation.

10. CIRO must establish and maintain, in a form satisfactory to the Commission, a process for performing background checks as part of its process for making registration decisions under the Delegation.

11. CIRO will provide to the Commission information and reporting in a form and frequency acceptable to the Commission, including, without limitation, risk analyses, examination schedules and reports for Dealer Members with Nova Scotia operations and enhanced reporting about CIRO regulatory actions and registration activities.