

Nova Scotia Securities Commission

Rule 14-101 (Amendment)
Definitions

-and-

Consequential Amendments to Rules 11-102, 21-101, 23-102, 31-103, and 55-104

-and-

**Amendments to Multilateral Instrument 11-102 *Passport System*, National Instrument 21-101 *Marketplace Operation*, National Instrument 23-102 *Use of Client Brokerage Commissions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, and National Instrument 55-104 *Insider Reporting Requirements and Exemptions*
(collectively, the Rule Amendments)**

-and-

**Changes to Companion Policy 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
(the Policy Amendment)**


WHEREAS:

1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the Act), the Nova Scotia Securities Commission (the Commission) has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. The Rule Amendments and the Policy Amendment, copies of which are attached hereto, have been made a rule by one or more of the Canadian securities regulatory authorities; and
4. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

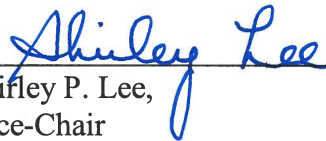
NOW THEREFORE the Commission hereby:

- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule Amendments and makes the same a rule of the Commission;
- (b) pursuant to the authority contained in section 19 of the Act and subject to publication on the Commission's website, issues the Policy Amendment as a policy statement of the Commission; and
- (c) declares that the rule approved and made pursuant to clause (a) and the issuance of the policy statement pursuant to clause (b) shall both take effect on **February 1, 2017**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule and the policy statement shall not be effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and the Vice-Chair of the Commission, being the members of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 6th day of October, 2016.



Paul Radford, Q.C.,
Chair



Shifley P. Lee,
Vice-Chair

Attachments

**AMENDMENTS TO
MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM***

1. *Multilateral Instrument 11-102 Passport System is amended by this Instrument.*
2. *Appendix D is amended as follows:*
 - (a) *in respect of the row entitled “Trading exchange contracts on an exchange in jurisdiction” by replacing*
 - (i) *under the column titled “Alberta” replacing “s.106 & 107” with “n/a”,*
 - (ii) *under the column titled “Saskatchewan” replacing “s.40” with “n/a”, and*
 - (iii) *under the column titled “New Brunswick” replacing “s.70.1” with “n/a”, and*
 - (b) *in respect of the row entitled “Trading exchange contracts on an exchange outside jurisdiction” by replacing*
 - (iv) *under the column titled “Alberta” replacing “s.108 & 109” with “n/a”,*
 - (v) *under the column titled “Saskatchewan” replacing “s.41 ” with “n/a”, and*
 - (vi) *under the column titled “New Brunswick” replacing “s.70.2” with “n/a”.*
3. (1) This Instrument comes into force on February 1, 2017.
- (2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after February 1, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**AMENDMENTS TO
NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION**

1. *National Instrument 21-101 Marketplace Operation is amended by this Instrument.*

2. *Section 1.4 is amended by adding the following subsection:*

(4) In Alberta, New Brunswick, Nova Scotia and Saskatchewan, the term “security”, when used in this Instrument, includes an option that is an exchange contract..

3. (1) This Instrument comes into force on February 1, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after February 1, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**AMENDMENTS TO
NATIONAL INSTRUMENT 23-102 USE OF CLIENT BROKERAGE COMMISSIONS**

1. *National Instrument 23-102 Use of Client Brokerage Commissions is amended by this Instrument.*

2. *Section 1.2 is replaced with the following*

1.2 Interpretation – Security

For the purposes of this Instrument,

- (a) in British Columbia, “security” includes an exchange contract;
- (b) in Quebec, “security” includes a standardized derivative, and
- (c) in Alberta, New Brunswick, Nova Scotia and Saskatchewan, “security” includes a derivative..

3. (1) This Instrument comes into force on February 1, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after February 1, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**AMENDMENTS TO
NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS
AND ONGOING REGISTRANT OBLIGATIONS***

- 1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.***

- 2. *Section 1.2 is replaced with the following***
 - 1.2 Interpretation of “Securities” in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan**
 - (1) In British Columbia, a reference to “securities” in this Instrument includes “exchange contracts”, unless the context otherwise requires.
 - (2) In Alberta, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this Instrument includes “derivatives”, unless the context otherwise requires..

- 3. *Section 8.2 is amended by***
 - (a) *adding “, Nova Scotia” before “and Saskatchewan” in the heading,***
 - (b) *replacing subsection (1) with the following:***

Despite section 1.2, in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this Division excludes “exchange contracts”., *and*
 - (c) *in Alberta, repealing subsection (2).***

- 4. *Section 8.20 is amended by***
 - (a) *adding “, Nova Scotia” before “and Saskatchewan” in the heading,***
 - (b) *replacing subsection (1) with the following:***

In Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, the dealer registration requirement does not apply to a person or company in respect of a trade in an exchange contract by the person or company if one of the following applies:

- (a) the trade is made through a registered dealer, if the dealer is registered in a category that permits the trade unless, in furtherance of the trade, the person or company seeking the exemption solicits or contacts directly any purchaser or prospective purchaser in relation to the trade;
- (b) the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade., *and*

(c) *in Alberta, repealing subsection (1.1).*

5. Section 8.20.1 is amended by

(a) *adding “, Nova Scotia” before “and Saskatchewan” in the heading,*

(b) *replacing subsection (1) with the following:*

In Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, the dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities related to exchange contracts that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement., *and*

(c) *in Alberta, repealing subsection (1.1).*

6. Section 8.26 is amended by

(a) *replacing subsection (1) with the following:*

Despite section 1.2, in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this section excludes “exchange contracts”., *and*

(b) *in Alberta, repealing subsection (1.1).*

7. (1) This Instrument comes into force on February 1, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after February 1, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**AMENDMENTS TO
NATIONAL INSTRUMENT 55-104 *INSIDER REPORTING REQUIREMENTS AND
EXEMPTIONS***

- 1. *National Instrument 55-104 Insider Reporting Requirements and Exemptions is amended by this Instrument.***
- 2. *Subsection 1.1(1) is amended in the definition of “derivative”***
 - (a) in paragraph (a)***
 - (i) by adding “Nova Scotia,” before “Nunavut”, and***
 - (ii) by adding “, Saskatchewan” before “and the Yukon Territory”, and***
 - (b) in paragraph (b)***
 - (i) by adding “Nova Scotia,” before “Nunavut”, and***
 - (ii) by adding “, Saskatchewan” before “and the Yukon Territory”.***
- 3. (1) This Instrument comes into force on February 1, 2017.**
- (2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after February 1, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.**

**CHANGES TO
COMPANION POLICY 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND
ONGOING REGISTRANT OBLIGATIONS**

1. *The changes to Companion Policy 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations are set out in this document.*
2. *Appendix B – Terms defined in National Instrument 14-101 Definitions is changed by adding the following:*
 - “exchange contract (AB, SK, NB and NS only)”.
3. *Appendix B - Terms defined in the Securities Act of most jurisdictions is changed by replacing “exchange contract (BC, AB, SK and NB only)” with “exchange contract (BC only)”.*
4. These changes become effective on February 1, 2017.