

**For Immediate Release**

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**Canadian Securities Regulators Finalize Passport for Registrants and a Streamlined Review Policy for Registration in Multiple Jurisdictions**

**Vancouver** – The Canadian Securities Administrators (CSA) today published details of a new streamlined process for dealer and adviser registration in multiple jurisdictions.

All CSA members (except the Ontario Securities Commission) have approved rule and policy amendments to make the regulatory passport system available to registrants in all jurisdictions, including Ontario.

At the same time, CSA members in all provinces and territories (including Ontario) have approved a new policy containing procedures for registration in multiple jurisdictions. It includes an interface for firms and individuals in passport jurisdictions to register in Ontario.

“Making the passport system available for the dealer and adviser community will give all market participants faster and simpler access to Canada's capital markets,” said CSA Chair Jean St-Gelais. “This phase of passport will simplify the regulatory processes and will benefit registrants and investors in all provinces and territories.”

Amending Multilateral Instrument 11-102 *Passport System* to extend passport to the dealer and adviser community is the last step in fulfilling a major commitment in the memorandum of understanding regarding securities regulation among the governments of passport jurisdictions. Ontario is not a passport jurisdiction.

The new policy, National Policy 11-204 *Process for Registration in Multiple Jurisdictions*, will replace and streamline the current National Registration System (NRS) and establish the process for obtaining registration in multiple jurisdictions, including Ontario.

Once the rule and policy amendments are effective, the passport system will be fully implemented. Passport will allow someone to clear a prospectus, obtain a discretionary exemption or register in the home province (including Ontario) and have that clearance, exemption or registration apply automatically in all passport provinces and territories.

The foundation for passport is a set of harmonized regulatory requirements consistently interpreted and applied throughout Canada. The amendments to the passport instrument and the new national policy will be implemented concurrently with the proposed new national rule on registration requirements, which will harmonize and simplify the registration regime in Canada.

The CSA now expects to complete the work on proposed NI 31-103 *Registration Requirements* by the end of April 2009, when we expect to be in a position to determine an implementation date.

The amendments, new policy, and related documents are available on various CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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## **Passport System for Registration Backgrounder**

### **What is passport?**

A system that gives a market participant access to capital markets in multiple jurisdictions by dealing only with its principal regulator and complying with one set of harmonized laws.

### **How does it work?**

- Each market participant has a principal regulator, typically in its home jurisdiction
- A market participant can register in all passport jurisdictions through its principal regulator
- If the principal regulator imposes terms and conditions, the same terms and conditions apply automatically in all non-principal passport jurisdictions
- If the principal regulator suspends, terminates or accepts a surrender of registration, that decision applies automatically in all non-principal passport jurisdictions
- Market participants are subject to one set of harmonized registration requirements in all jurisdictions

### **What are the benefits of passport?**

- Simpler - need only one registration decision - comply with one set of harmonized laws
- Faster - deal with one regulator
- Cheaper - eliminate professional costs for dealing with multiple regulators and different laws

### **What does it mean for Ontario?**

- Ontario market participants have direct access to the markets in other jurisdictions by dealing only with the Ontario Securities Commission (OSC), even though Ontario has not adopted the passport rule
- Other market participants gain access to the Ontario market through a streamlined interface

### **Registration process:**

A firm or individual seeking registration in both the home jurisdiction and one or more passport jurisdictions

- makes a single submission
- has the submission reviewed by only one regulator
- is automatically registered in the other jurisdiction when registered in the home jurisdiction

A firm or individual already registered in the home jurisdiction and seeking registration in the same category in a passport jurisdiction

- makes a single submission
- has the submission reviewed by only one regulator
- is automatically registered in the other jurisdiction if the firm or individual is a member of any self regulatory organization required for that category

In both cases, if a firm's or individual's home jurisdiction is outside Ontario, but they are seeking registration in Ontario, the OSC makes its own registration decision.

An investment dealer firm and its representatives continue to deal with the Investment Industry Regulatory Organization of Canada, where applicable.

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