

NOVA SCOTIA SECURITIES COMMISSION

**RULE 31-103
REGISTRATION REQUIREMENTS AND EXEMPTIONS**

-AND-

**CONSEQUENTIAL AMENDMENTS
TO RULES 14-101, 24-101, 31-102, 33-105,
81-102, 81-104, 81-105 AND 81-107**

-AND-

AMENDMENTS TO NATIONAL INSTRUMENT 14-101 DEFINITIONS, AMENDMENTS TO NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT, AMENDMENTS TO NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE, AMENDMENTS TO NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS, AMENDMENTS TO NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS, AMENDMENTS TO NATIONAL INSTRUMENT 81-104 COMMODITY POOLS, AMENDMENTS TO NATIONAL INSTRUMENT 81-105 MUTUAL FUND SALES PRACTICES AND AMENDMENTS TO NATIONAL INSTRUMENT 81-107 INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS (collectively the Rule Amendments)

-AND-

AMENDMENTS TO COMPANION POLICY 24-101CP INSTITUTIONAL TRADE MATCHING AND SETTLEMENT, AMENDMENTS TO COMPANION POLICY 31-102CP TO NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE, AMENDMENTS TO COMPANION POLICY 33-105CP UNDERWRITING CONFLICTS AND AMENDMENTS TO COMPANION POLICY 81-105CP MUTUAL FUND SALES PRACTICES (collectively the Policy Amendments)

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, copies of which are attached hereto, have been made a rule by one or more of the Canadian securities regulatory authorities;

4. The Policy Amendments, copies of which are attached hereto, have been issued by one or more of the Canadian securities regulatory authorities; and
5. 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 in the *Royal Gazette* or the Commission's website, issues the Policy Amendments as a policy statement of the Commission; and
- (c) declares that the Rule Amendments approved and made pursuant to clause (a) and the issuance of the Policy Amendments pursuant to clause (b) shall both take effect on **September 28, 2009**, unless the Minister disapproves the Rule Amendments or returns them to the Commission in accordance with subsection 150A(3) of the Act in which event the Rule Amendments and the Policy Amendments shall not be effective until the Rule Amendments are approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair of the Commission, being the member 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 15 day of July, 2009.

"H. Leslie O'Brien"
H. Leslie O'Brien, Q.C.

Attachments

AMENDING AND REVOKING OR RESCINDING INSTRUMENTS

Amendments to national instruments, multilateral instruments and companion policies

Amendments to National Instrument 14-101 Definitions

1. *National Instrument 14-101 Definitions is amended by this Instrument.*
2. *Section 1.1(3) is amended*
 - a. *by repealing the definition of “dealer registration requirement” and substituting the following:*

"dealer registration requirement" means:

- (a) in every jurisdiction except British Columbia, Manitoba and New Brunswick, the requirement in securities legislation that prohibits a person or company from acting as a dealer unless that person or company is registered in the appropriate category of registration under securities legislation, and
- (b) in British Columbia, Manitoba and New Brunswick, the requirement in securities legislation that prohibits a person or company from trading in a security unless that person or company is registered in the appropriate category of registration under securities legislation,;

- b. *by adding the following after the definition of “insider reporting requirement”:*

“investment fund manager registration requirement” means the requirement in securities legislation that prohibits a person or company from acting as an investment fund manager unless the person or company is registered in the appropriate category of registration under securities legislation,;

- c. *by repealing the definition of “person or company” and substituting the following:*

“person or company”, for the purpose of a national instrument or multilateral instrument, means,

- (a) in British Columbia, a “person” as defined in section 1(1) of the *Securities Act* (British Columbia);

(b) in New Brunswick, a “person” as defined in section 1(1) of the *Securities Act* (New Brunswick);

(c) in the Northwest Territories, a “person” as defined in section 1 of the *Securities Act* (Northwest Territories);

(d) in Prince Edward Island, a “person” as defined in section 1 of the *Securities Act* (Prince Edward Island);

(e) in Québec, a “person” as defined in section 5.1 of the *Securities Act* (Québec); and

(f) in Yukon Territory, a “person” as defined in section 1 of the *Securities Act* (Yukon territory), **and**

d. by repealing the definition of “registration requirement” and substituting the following:

“registration requirement” means all of the following:

(a) the adviser registration requirement,

(b) the dealer registration requirement,

(c) the investment fund manager registration requirement, and

(d) the underwriter registration requirement; .

3. Appendix B is amended by replacing the paragraph opposite Québec with the following:

Securities Act, An Act respecting the Autorité des marchés financiers (R.S.Q., c. A-33.2), Derivatives Act (S.Q. 2008, c. 24), the regulations under those Acts, and the blanket rulings and orders issued by the securities regulatory authority.

4. Appendix C is amended by replacing the paragraph opposite Northwest Territories with the following:

Superintendent of Securities, Northwest Territories

5. Appendix D is amended by replacing the paragraph opposite Northwest Territories with the following:

Superintendent, as defined under section 1 of the *Securities Act*

(Northwest Territories).

6. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement

1. *National Instrument 24-101 Institutional Trade Matching and Settlement is amended by this Instrument.*
2. *Section 1.1. is amended by adding the following after the definition of “matching service utility”:*

“registered firm” means a person or company registered under securities legislation as a dealer or adviser.
3. *The term “registrant” is struck out wherever it occurs and is replaced by “registered firm”.*
4. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to Companion Policy 24-101 CP Institutional Trade Matching and Settlement

1. *Companion Policy 24-101 CP Institutional Trade Matching and Settlement is amended by this Instrument.*
2. *The term “registrant” is struck out wherever it occurs and is replaced by “registered firm”.*
3. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 33-105 Underwriting Conflicts

1. *National Instrument 33-105 Underwriting Conflicts is amended by this Instrument.*
2. *Section 1.1 is amended*
 - a. *in the definition of “connected issuer” by striking out “registrant” wherever it occurs and substituting “specified firm registrant”,*
 - b. *in the definition of “influential securityholder” by striking out “registrant” and substituting “specified firm registrant”,*

- c. *in the definition of “professional group” by striking out “registrant” wherever it occurs and substituting “specified firm registrant”,*
- d. *by repealing the definition of “registrant”,*
- e. *in the definition of “related issuer” by striking out “; and” and substituting “;”,*
- f. *in the definition of “special warrant” by striking out “distribution of the other security” and substituting “distribution of the other security; and”, and*
- g. *by adding the following after the definition of “special warrant”:*

“specified firm registrant” means a person or company registered, or required to be registered, under securities legislation as a registered dealer, registered adviser or registered investment fund manager. .

- 3. *In the following provisions, the term “registrant” is struck out wherever it occurs and “specified firm registrant” is substituted:*
 - a. *section 1.2,*
 - b. *section 2.1, and*
 - c. *section 3.1.*
- 4. *Appendix C is amended by striking out “registrant” wherever it occurs and substituting “specified firm registrant”.*
- 5. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to Companion Policy 33-105CP Underwriting Conflicts

- 1. *Companion Policy 33-105CP Underwriting Conflicts is amended by this Instrument.*
- 2. *In the following provisions of the Companion Policy “registrant” is struck out wherever it occurs and “specified firm registrant” is substituted:*
 - a. *section 2.1,*
 - b. *section 2.2,*
 - c. *section 2.4,*

- d. section 4.1,*
 - e. section 4.2,*
 - f. section 4.3,*
 - g. section 5.1, and*
 - h. section 6.1.*
3. *Appendix A-1 is amended by striking out “registrant” wherever it occurs and substituting “specified firm registrant”.*
 4. *Appendix A-2 is amended by striking out “registrant” wherever it occurs and substituting “specified firm registrant”.*
 5. *Appendix A-3 is amended by striking out “registrant” wherever it occurs and substituting “specified firm registrant”.*
 6. *Appendix A-4 is amended by striking out “registrant” wherever it occurs and substituting “specified firm registrant”.*
 7. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 81-102 Mutual Funds

1. *National Instrument 81-102 Mutual Funds is amended by this Instrument.*
2. *Section 1.1. is amended in the definition of “specified dealer” by striking out “limited market dealer” and substituting “exempt market dealer”.*
3. *Appendix C is amended*
 - a. *in the column “Jurisdiction”*
 - i. *by striking out “Alberta”,*
 - ii. *by striking out “Ontario”, and*
 - iii. *by striking out “Quebec”.*
 - b. *in the column “Securities Legislation Reference”*
 - i. *by striking out “Section 9 of ASC Policy 7.1”,*

- ii. *by striking out* “Section 227 of Reg. 1015”, *and*
- iii. *by striking out* “Article 236 and 237.1 of the Securities Regulation”.

4. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 81-104 Commodity Pools

1. *National Instrument 81-104 Commodity Pools is amended by this Instrument.*
2. *In section 1.1.(1), the definition of “mutual fund restricted individual” is amended by striking out “salesperson, partner, director or officer of a dealer” and substituting “dealing representative of a registered dealer”.*
3. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 81-105 Mutual Fund Sales Practices

1. *National Instrument 81-105 Mutual Fund Sales Practices is amended by this Instrument.*
2. *Section 1.1. is amended by repealing the definition of “representative” and substituting the following:*

“representative” means, for a participating dealer,

 - (a) a partner, director, officer or employee of the participating dealer,
 - (b) an individual who trades securities on behalf of the participating dealer, whether or not the individual is employed by the dealer, and
 - (c) any company through which a person referred to in paragraphs (a) or (b) carries on activities in connection with services provided to the participating dealer.
3. *Section 1.2 is repealed and the following is substituted:*

1.2 Interpretation – Terms defined in National Instrument 81-102 *Mutual Funds* and used in this Instrument have the respective meanings ascribed to them in National Instrument 81-102 *Mutual Funds*.
4. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to Companion Policy 81-105 CP Mutual Fund Sales Practices

1. *Companion Policy 81-105CP Mutual Fund Sales Practices is amended by this Instrument.*
2. *Part 3 is amended by repealing section 3.1(1).*
3. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

Amendments to National Instrument 81-107 Independent Review Committee for Investment Funds

1. *National Instrument 81-107 Independent Review Committee for Investment Funds is amended by this Instrument.*
2. *Section 6.2 is amended by deleting subsection (4).*
3. *Appendix A is amended*
 - a. *by adding “Northwest Territories” after “New Brunswick” under the heading “Jurisdiction”,*
 - b. *by adding “Part 11 – Insider Reporting and Early Warning of the Securities Act (Northwest Territories)” under the heading “Securities Legislation Reference” opposite “Northwest Territories”, and*
 - c. *by adding “and section 13.5 of National Instrument 31-103 – Registration Requirements and Exemptions” after “Part 4 of National Instrument 81-102 Mutual Funds”.*
4. *Appendix B is repealed and the following is substituted:*

JURISDICTION	LEGISLATION REFERENCE
Alberta	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
British Columbia	Section 127(1)(b) of the <i>Securities Act</i> (British Columbia) Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Manitoba	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
New Brunswick	Section 144(1)(b) of the <i>Securities Act</i> (New Brunswick)

	Section 11.7(6) of Local Rule 31-501 Registration Requirements
	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Newfoundland and Labrador	Section 119(2)(b) of the <i>Securities Act</i> (Newfoundland and Labrador)
	Section 103(6) of Reg. 805/96
	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Northwest Territories	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Nova Scotia	Section 126(2)(b) of the <i>Securities Act</i> (Nova Scotia)
	Section 32(6) of the General Securities Rules
	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Nunavut	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Ontario	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Prince Edward Island	Section 38.1(6) of Securities Act Regulations
	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Quebec	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Saskatchewan	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>
Yukon	Section 13.5(2)(b) of National Instrument 31-103 <i>Registration Requirements and Exemptions</i>

5. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

**AMENDMENTS TO
NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE**

1. *National Instrument 31-102 National Registration Database is amended by this Instrument.*
2. *Section 1.1 is amended:*
 - (a) *in the definition of “firm filer”, by striking out “underwriter” and substituting “investment fund manager”; and*
 - (b) *in the definition of “NRD number”, by striking out “, a permitted individual,”.*
3. *Section 1.2 is amended by striking out “MI 33-109” wherever it occurs and substituting “NI 33-109”.*
4. *Section 2.1 is amended:*
 - (a) *in paragraph 4, by striking out “or a change to any information previously submitted in respect of Form 33-109F4”; and*
 - (b) *by adding the following after paragraph 4:*
 5. Form 33-109F5 to report a change to any information previously submitted in respect of Form 33-109F4;
 6. Form 33-109F7.
5. *Section 3.1 is amended by striking out “, permitted individual,” in subparagraph (1)(b).*
6. *Section 3.2 is amended:*
 - (a) *in subsection (d), by striking out “5 business days” and substituting “7 days”;*
 - (b) *in subsection (e), by striking out “5 business days” and substituting “7 days” and by striking out “and”;*
 - (c) *in subsection (f), by striking out “5 business days” and substituting “7 days”, and by adding “and” at the end of the subsection; and*
 - (d) *by adding the following after subsection (f):*
 - (g) submit any change in the phone number, fax number or e-mail address of the chief AFR in NRD format within 7 days of the change.

7. **Part 4 is amended:**

- (a) **in section 4.2(1), by striking out “a firm” and substituting “an NRD” and by striking out “firm” and substituting “NRD”;**
- (b) **in section 4.2(2), by striking out “firm” and substituting “NRD”; and**
- (c) **by adding the following after section 4.3:**

4.4 Payment of Late Filing Fees

- (1) If a firm filer is required to pay late filing fees because of an activity that creates or relates to an NRD submission, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

4.5 Exemption for Registrants not Resident in Canada - Sections 3.2(c), 4.1, 4.2, 4.3 and 4.4 do not apply to a registered firm that

- (a) has no business office in a jurisdiction of Canada,
- (b) does not have an account with a member of the Canadian Payments Association,
- (c) is not an affiliate of a registered firm resident in a jurisdiction of Canada,
- (d) pays the fees referred to in sections 4.1, 4.2 and 4.4 within 14 days of the date the payment is due,
- (e) pays the following fees by submitting a cheque, payable to CDS INC. in Canadian funds, to the firm's principal regulator within 14 days of the date the payment is due:
 - (i) NRD user fees required in respect of an NRD submission;
 - (ii) annual NRD user fees, and
- (f) pays any fee referred to in sections 4.1, 4.2 and 4.4, other than an NRD user fee, by submitting a cheque in Canadian funds to the securities regulatory authority or regulator in the local jurisdiction within 14 days of the date the payment is due.

8. *Section 5.1 is repealed and the following substituted:*

5.1 Temporary Hardship Exemption

- (1) If unanticipated technical difficulties prevent an NRD filer from making an NRD submission within the time required under securities legislation, the NRD filer is exempt from the requirement to make the submission within the required time period, if the NRD filer makes the submission other than through the NRD website or in NRD format no later than 7 days after the day on which the information was required to be submitted.
- (2) If unanticipated technical difficulties prevent an individual filer from submitting an application in NRD format, the individual filer may submit the application other than through the NRD website.
- (3) For the purpose of subsections (1) and (2), the NRD filer may make a notification or application other than through the NRD website by submitting it to the principal regulator.
- (4) Despite subsection (3), for the purpose of an application submitted under (2) which includes Ontario, the individual filer may make the application by submitting it to
 - (a) the principal regulator, if the principal jurisdiction is Ontario, or
 - (b) the principal regulator and the regulator in Ontario.
- (5) If an NRD filer makes a submission other than through the NRD website under this section, the NRD filer must include the following legend in capital letters at the top of the first page of the submission:

IN ACCORDANCE WITH SECTION 5.1 OF NATIONAL INSTRUMENT 31-102 *NATIONAL REGISTRATION DATABASE* (NRD), THIS [SPECIFY DOCUMENT] IS BEING SUBMITTED OTHER THAN THROUGH THE NRD WEBSITE UNDER A TEMPORARY HARDSHIP EXEMPTION.
- (6) If an NRD filer makes a submission other than through the NRD website under this section, the NRD filer must resubmit the information in NRD format as soon as practicable and in any event within 14 days after the unanticipated technical difficulties have been resolved.

9. *Part 7 is repealed.*

10. *This Instrument comes into force on the day National Instrument 31-103 Registration Requirements and Exemptions comes into force.*

**COMPANION POLICY 31-102CP
TO NATIONAL INSTRUMENT 31-102**

NATIONAL REGISTRATION DATABASE

PART 1 APPLICATION AND PURPOSE

1.1 ~~Application~~ National Instrument 31-102 ("NI 31-102") has been implemented in all jurisdictions.

1.2 ~~Purpose~~ The purpose of NI 31-102 is to establish requirements for the electronic submission of registration information through NRD. References in this policy to "we" mean the securities regulatory authority and regulator.

PART 2 PRODUCTION OF NRD FILINGS

2.1 The securities legislation of several jurisdictions contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. ~~Each relevant securities regulatory authority or regulator, as applicable, considers~~We consider that it may satisfy such a requirement in the case of information filed in NRD format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the securities regulatory authority or regulator that the printed copy or output is a copy of the information filed in NRD format.

PART 3 DATE OF FILING

3.1 ~~The securities regulatory authority or regulator takes the view~~We think that information filed in NRD format is, for purposes of securities legislation, filed on the day that the transmission of the information to NRD is completed.

PART 4 OFFICIAL COPY OF NRD FILINGS

4.1 For purposes of securities legislation, securities directions or any other related purpose, ~~the securities regulatory authority or regulator takes the view~~we think that the official record of any information filed in NRD format by an NRD filer is the electronic information stored in NRD.

PART 5 AUTHORIZED FIRM REPRESENTATIVE AS AGENT

5.1 ~~The securities regulatory authority or regulator is of the view~~We think that when making an NRD submission an AFR is an agent of the firm or individual to whom the filing relates.

PART 6 ONGOING FIRM FILER REQUIREMENTS

6.1 ~~The securities regulatory authority or regulator expects~~We expect that firm filers will follow the processes set out in the NRD Filer Manual User Guide to:

- (1) ~~enroll~~(a) enrol with the NRD administrator;
- (2) ~~(b)~~ keep their enrolment information current; and
- (3) ~~(c)~~ keep their NRD account information current.

PART 7 COMMODITY FUTURES ACT SUBMISSIONS

7.1—In Ontario and Manitoba, if a person or company is required to make a submission under both NI 31-102 and OSC Rule 31-509 (*Commodity Futures Act*), or in Manitoba, MSC Rule 2000-1 (Commodity Futures Act), with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.