

MSC NOTICE 2002-45

NOTICE OF RULE UNDER THE SECURITIES ACT AND THE COMMODITY FUTURES ACT MULTILATERAL INSTRUMENT 31-102 AND COMPANION POLICY 31-102CP NATIONAL REGISTRATION DATABASE

Introduction

The Commission has, under section 149.1 of The Securities Act and section 71 of *The Commodity Futures Act* (collectively, the "Act"), made Multilateral Instrument 31-102. The transitional portions of the instrument will come into force February 1, 2003; the remainder of the instrument will come into effect March 31, 2003.

Purpose

The instrument requires that certain registration information be submitted to regulators electronically through the National Registration Database (NRD) and that fees paid in respect of registration are paid through NRD.

Background

On December 14, 2001, the Canadian Securities Administrators published for comment drafts of the instrument and companion policy. On June 14, 2002, the CSA republished for comment amended drafts of the instrument and companion policy, together with a summary of the comments received during the first comment period and our responses. During the second comment period we received 5 submissions. A summary of these comments, together with our responses, is contained in Appendix "A" to this notice.

For additional background information on the instrument and companion policy as well as a detailed summary of the contents of the drafts of previously published materials, please refer to the notices that were published with those drafts.

Summary of Changes

This section describes the changes made to the instrument and companion policy since the June 2002 drafts were published for comment.

Paragraph 3.1(1)(b) has been added to the instrument to ensure that multiple records are not created for non-registered individuals or business locations.

The part of the June 2002 draft instrument that mandated the process of enrolling to use NRD has been removed. The reason for this is that enrolment is an administrative process that does not need to be mandated in the instrument. For the same reason, the enrolment forms have been removed from the instrument. The enrolment process will be set out in the NRD filer manual.

Sections 7.5, 7.6, and 7.8 have been amended to provide that a firm no longer has an obligation to submit a Form 33-109F4 for an individual under those sections if another firm has submitted that form for the individual. The amended sections provide that if a firm is relieved of the obligation of submitting a complete Form 33-109F4 for an individual, it must still ensure that the individual's employment location is still properly recorded on NRD.

Subsection 7.9(2) of the instrument has been added to clarify that a Form 33-109F4 submitted under subsection 7.9(1) must show the individual's registration categories as they were at the time the individual applied to change his or her categories in paper format.

The companion policy has been amended to clarify that if a person or company is required to make a submission under both *The Securities Act* and *The Commodity Futures Act* with respect to the same information, the Commission is of the view that a single filing on the required form satisfies both legal requirements.

Part 8 has been amended to clarify that transition firms are required to start enrolling to use NRD on February 3, 2003. The remaining obligations in the instrument are scheduled to come into force on March 31, 2003, the date on which NRD will launch.

Questions

Please refer your questions to any of:

Douglas R. Brown
Counsel
Manitoba Securities Commission
(204) 945-0605
DouBrown@gov.mb.ca

Dirk de Lint
Legal Counsel
Ontario Securities Commission
(416) 593-8090
ddelint@osc.gov.on.ca

Kathleen Blevins
Legal Counsel
Alberta Securities Commission
(403) 297-3308
kathleen.blevins@seccom.ab.ca

Anthony Wong
Senior Legal Counsel, Legal and Market Initiatives
British Columbia Securities Commission
(604) 899-6777
awong@bcsc.bc.ca

The text of the instrument and companion policy follow.

DATED: December 6, 2002