# APPENDIX E

**CSA STAFF NOTICE 31-311**

**PROPOSED NATIONAL INSTRUMENT 31-103**
***REGISTRATION REQUIREMENTS AND EXEMPTIONS***
**TRANSITION INTO THE NEW REGISTRATION REGIME**

Proposed National Instrument 31-103 *Registration Requirements and Exemptions* (**NI 31-103**) was last published for comment on February 29, 2008 and has not yet been approved by the securities regulatory authorities. Over the next month, staff of the Canadian Securities Administrators (the **CSA**) will seek final approval of NI 31-103 and expect to publish it in its final form, on or about July 17, 2009. Subject to ministerial approvals in some jurisdictions, NI 31-103 would come into force on or about September 28, 2009 (the **effective date**).

Accordingly, this notice only reflects what CSA staff is recommending to the relevant securities regulatory authorities and ministries.

**Introduction**

This notice describes how staff of the CSA and the Investment Industry Regulatory Organization (**IIROC**) foresee transitioning firms and individuals from the existing registration regime to the new registration regime under NI 31-103. The CSA and IIROC staff are committed to making the transition as smooth and efficient as possible for all registrants. IIROC plans to publish its own notice regarding the conversion of registration categories as a supplement to this notice.

This notice discusses a number of issues concerning the planned implementation of NI 31-103:

- **National Registration Database (NRD) freeze period.** Subject to further notification, NRD would be shut down from 5:00 p.m. Eastern Time, September 25, 2009 to 11:59 p.m. Eastern Time, October 12, 2009.
- **Conversion.** Staff propose to convert existing categories of registration for firms and individuals to new categories of registration. In some cases, conversion would not take place if a firm's category of registration no longer exists under NI 31-103. Certain designations of unregistered individuals would not be converted (see section on Conversion below for more detail).
- **Transition timelines.** Staff propose transition periods that would give sufficient time for firms and individuals to adjust to, and comply with, certain new requirements.

**NRD freeze period**

**NRD would be shut down for two weeks from 5:00 p.m. Eastern Time, September 25, 2009 to 11:59 p.m. Eastern Time, October 12, 2009.**

It would be necessary to shut down NRD in order to convert

- existing categories of registration to the new categories of registration for firms and individuals under NI 31-103; and
- existing forms to the proposed revised forms under proposed revised National Instrument 33-109 *Registration Information* (**NI 33-109**).

**Would firms have access to NRD during the freeze period?**

Authorized firm representatives (**AFRs**) would be unable to create new submissions via NRD. Firms would have read-only access to NRD during the freeze period.

**Would firms be required to make submissions during the freeze period?**

Firms would be required to submit the following material information during the freeze period:

- Reinstatements: Using the paper version of the Form 33-109F7 *Reinstatement of Registered Individuals and Permitted Individuals*

- Termination notices for individuals who resign or are dismissed for cause: Using the paper version of the Form 33-109F1 *Notice of Termination of Registered Individuals and Permitted Individuals*

- Notices of changes to civil, criminal and financial information: Using the paper version of the Form 33-109F5 *Change of Registration Information*

These submissions would be made on paper using the forms under NI 33-109 that would also come into effect on September 28, 2009. Firms would have to re-file these notices on NRD after the freeze period is over, for recording purposes, **no later than November 10, 2009.**

Firms would be required to submit all other notices that should have otherwise been submitted during the freeze period **no later than November 24, 2009**.

Firms may continue to make applications on paper during the freeze period with the understanding that these applications may not be processed and would therefore have to be re-filed on NRD once the freeze period is over. For an application that is approved during the freeze period, it must be re-filed on NRD **no later than November 10, 2009**.

**Would firms be charged for making submissions on paper during the freeze period?**

Firms would not be required to pay any fees during the freeze period for filings made on paper that they would normally make through NRD. These fees would be payable when the filing is made on NRD after the freeze period ends.

**What would happen to applications (including NRD submissions) submitted to the regulator before NI 31-103 comes into force?**

CSA staff would use their best efforts to process applications submitted before NI 31-103 comes into force. However, if an application has been submitted but not approved by the effective date, the following would apply:

- NRD submissions would not be processed. The outstanding NRD submissions would be withdrawn from NRD. We anticipate that reports would be generated for these withdrawn submissions and the principal regulator would provide each firm with a list of these submissions.

- Firms and individuals would have to re-apply using the new forms as prescribed under revised NI 33-109.

- Firms and individuals applying for registration would be required to comply with the new requirements under NI 31-103 in order to be registered. For example, a firm would have to file Form 33-109F6 *Firm Registration* (**F6**) and comply with the new capital, insurance and proficiency requirements to obtain approval. **No transition is available.**

**What would happen to submissions in a firm's work in progress as of the freeze period?**

The applications that are in progress but not yet submitted to the regulator would be deleted by the system. We anticipate that reports would be generated for these deleted submissions and the principal regulator would provide each firm with a list of these submissions.

**Would firms be charged fees again for submissions re-filed after they are withdrawn during the freeze?**

The fees would be automatically withdrawn from NRD for individual applications and therefore it is recommended that firms use the "related to deficiency" function of NRD to avoid having fees withdrawn a second time. The regulator would, however, refund any duplicate fee withdrawals. There would be no new application fee for a firm registration.

**How can firms increase the likelihood that applications are processed before NI 31-103 comes into force?**

Applications should be submitted well in advance according to the following schedule:

| Type of application | Submission date |
|---|---|
| Firm | On or before June 26, 2009 |
| Individual – registration with adviser | On or before July 15, 2009 |
| Individual – registration with an existing firm in any category other than adviser | On or before August 14, 2009 |

**What about notices of reinstatement where a notice of termination was filed prior to the freeze period?**

After the freeze period is over, NRD would prevent a reinstatement from being filed if an individual was terminated prior to the freeze period. In this case, a reactivation on Form 33-109F4 *Registration of Individual and Review of Permitted Individuals* must be filed. As fees would be automatically withdrawn for this submission, they would be refunded if the individual was moving from one firm to another within 90 days.

**Summary of NRD freeze period**

The following table describes how the freeze period would work:

| **NRD freeze period**<br>**September 28, 2009 to October 12, 2009** | **After NRD freeze period ends**<br>**From October 13, 2009 onwards** |
|---|---|
| *NRD would be shut down at 5:00 p.m. eastern time on Friday, September 25, 2009.* | |
| • Conversion of existing categories of registration to new categories of registration takes place. All outstanding submissions in a firm's/AFR's work in progress would be deleted and those not yet processed by regulators would be withdrawn from NRD. A firm's/AFR's submissions would be deleted on September 28, 2009 whereas the regulators' submissions would be withdrawn on October 5, 2009.<br><br>• Firms/AFRs would be unable to create new submissions via NRD.<br><br>• Firms/AFRs would have read-only access during the freeze period.<br><br>• Firms would only be required to continue to file material information (all reinstatements, terminations for cause, changes in civil, criminal and financial information). The filings would be made:<br>(i) on paper,<br>(ii) using the new forms, and<br>(iii) fees are not required until material information re-filed on NRD. | • No later than November 10, 2009, firms would need to re-file the material information filed on paper during the freeze period (i.e. all reinstatements, terminations for cause, changes in civil, criminal and financial information).<br><br>• No later than November 24, 2009, firms would have to file all other notices not filed during the freeze period that would otherwise have been required.<br><br>• If an application for registration is filed during the freeze period on paper and not approved during the freeze, firms would have to re-file it on NRD after the freeze period to receive regulatory approval. If an application was approved, it must also be re-filed on NRD no later than November 10, 2009.<br><br>• Firms would have to re-file all submissions that were withdrawn from NRD during the freeze period in order to receive regulatory approval. The principal regulator would provide each firm with a list of these submissions.<br><br>• Fees would be withdrawn from a firm's NRD account for individual submissions re-filed and therefore firms should relate any re-filed submissions with those withdrawn to avoid being charged again.<br><br>• There would be no new application fee for a firm registration if application was made prior to September 28, 2009 and not approved by then. |

**Conversion**

**Staff propose to convert existing categories of registration for firms and individuals to new categories of registration, where applicable. Please refer to Appendix A for the accompanying tables.**

During the freeze period, existing categories of registration would be converted to new categories of registration as shown in the tables in Appendix A.

Some categories of registration would no longer exist under NI 31-103. These categories are set out in the tables in Appendix A. For example, the registration category of Security/Securities Issuer would be eliminated under NI 31-103. This would mean the firm is no longer registered.

***Conversion to permitted individual status***

Under NI 33-109, permitted individuals would include a director, chief executive officer, chief financial officer, chief operating officer or those performing the functional equivalent of any of those positions. In addition it would include shareholders who are the beneficial owners of, or exercise direct or indirect control or direction over, 10 percent or more of the voting securities of the firm. This is meant to capture only the mind and management that directly influence the firm. Junior officers are no longer required to seek approval. All individuals who meet the current definition of permitted individual (i.e. the more restricted group) under NI 33-109 would be converted during the freeze period.

All officers that would not be captured by the revised definition of permitted individuals should surrender the permitted activity or be terminated as permitted individuals after the effective date. However, firms should not make these surrender or termination filings during the freeze period. These individuals should be removed from NRD by December 31, 2009, otherwise the firm would be charged NRD user fees for these individuals. **These fees are non-refundable.**

Lists of officers would be generated by CDS Clearing and Depository Services Inc. (**CDS**). The regulator would send these lists to firms after the effective date to assist firms with removing officers that are not permitted individuals.

Firms can avoid NRD user fees by doing any <u>one</u> of the following:

- ***File a separate submission for each individual by December 1, 2009***

  Firms may file a separate notice of termination (Form 33-109F1 *Notice of Termination of Registered Individuals and Permitted Individuals)* or change/surrender (Form 33-109F2 *Change or Surrender of Individual Categories*) on NRD for each individual no longer captured by the definition of permitted individual under NI 31-103 by December 1, 2009.

  Notices of termination are required for individuals surrendering their last category or permitted activity on NRD. Change/surrender submissions are required for individuals who would remain active on NRD after removing the permitted activity no longer captured by NI 33-109.

  CSA staff cannot guarantee that submissions filed after December 1, 2009 would be approved by December 31, 2009.

- ***File a bulk submission for firms with more than 10 officers***

  CDS would provide assistance to firms with more than 10 officers that are no longer required to be on NRD. Lists of officers would be generated by CDS and would be sent to firms after the effective date with instructions. We expect that, after receiving this list, firms would provide their principal regulator with confirmation of the officers that need to be removed from NRD.

  For more information, IIROC-member firms may contact Lisa Mullen at registration@iiroc.ca. All other firms may contact Helen Walsh of the CSA Systems Office at inquiries@nrd-info.ca.

- ***File an annual fee exclusion by December 31, 2009***

  Firms may file an annual fee exclusion submission on NRD by December 31, 2009 for any individual that is no longer captured by the definition of permitted individual under NI 31-103 and is required to submit a notice of termination. Firms can only use this process if the individual is only approved in one category. For example, firms cannot use this process if an individual is both an officer and a representative.

The filing of an annual fee exclusion would avoid NRD fees being pulled from the firm's NRD account for that individual. It does not however, exempt the firm from filing a notice of termination to remove the individual as a permitted individual. See the NRD Information website for instruction on filing an annual fee exclusion http://www.nrd-info.ca/using/hint8.jsp?lang=en

**Transition timelines**

**CSA staff have recommended transition periods to allow for firms and individuals to comply with the new requirements. Refer to Appendix B for a chart on transition timelines.**

If a firm fails to meet the prescribed timelines set out for a transition period, it must cease to carry on business until all the requirements under NI 31-103 are met.

**We anticipate that the following transition periods would apply to firms and individuals registered before the effective date. All times listed below are from the effective date.**

***For firms registered before the effective date***

*Generally:*

- 3 months for firms to designate an individual in the category of Ultimate Designated Person (**UDP**) and to apply for registration for the registered individual as the UDP of the firm
- 3 months for firms to designate an individual in the category of Chief Compliance Officer (**CCO**) and to apply for registration of the individual as the CCO of the firm
- 6 months for firms to satisfy bonding or insurance requirements and notify the regulator of a change, claim or cancellation to an insurance policy – current bonding and insurance must be maintained until the new requirements are satisfied
- 6 months for firms to comply with the referral arrangements requirement
- 12 months for firms to deliver relationship disclosure information to clients
- 12 months for firms to satisfy capital requirements and notify the regulator of a subordination agreement – current capital must be maintained until the new requirements are satisfied
- 24 months for firms to ensure that independent dispute resolution or mediation services are made available to clients to resolve complaints[1]

A firm that obtained discretionary relief relating to registration requirements existing before the effective date would be exempt from any substantially similar provision of NI 31-103

*Mutual Fund Dealer:*

- 24 months for firms registered in the category of mutual fund dealer to comply with the requirement to deliver client statements

*International Dealer:*

- 1 month for firms registered in the category of international dealer[2] to submit a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service* – the firm's registration in the category of international dealer is revoked immediately

*International Adviser:*

- 12 months for firms registered in the category of international adviser[3] to submit a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*

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1 Except in Québec, where a transition period is not required.
2 Ontario and Newfoundland and Labrador category only.
3 Ontario category only.

During the 12 month transition period, international advisers may continue to operate under the conditions of OSC Rule 35-502 *Non-Resident Advisers* while considering whether their business would operate under the conditions of the exemption in NI 31-103 or whether they wish to be registered as a portfolio manager. If a firm currently registered as an international adviser would operate under the conditions of the exemption, it must file a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service* within 12 months of the effective date. The firm's registration category of international adviser would be converted to portfolio manager during the freeze but would be revoked in 12 months.

*Portfolio Manager & Investment Counsel (Foreign):*

- 12 months for firms registered in the category of portfolio manager & investment counsel (foreign)[4] to submit a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*

During the 12 month transition period, firms registered as portfolio manager & investment counsel (foreign) may continue to operate under the conditions of their registration and should consider whether their business would operate under the conditions of the exemption in NI 31-103 or whether they wish to be registered as a portfolio manager. If the firm would operate under the conditions of the exemption, it must file a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service* within 12 months of the effective date. The firm's registration category of portfolio manager & investment counsel (foreign) would be converted to portfolio manager during the freeze but would be revoked in 12 months.

In some jurisdictions, although there is no category of international adviser, foreign advising firms may have been registered as portfolio managers with terms and conditions restricting their activities similar to the restrictions imposed on firms that are registered in the category of international adviser in other jurisdictions. These firms should consider using the international adviser registration exemption in NI 31-103 and surrender their registration in these jurisdictions. They should submit a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*.

**For individuals registered before the effective date:**

*Generally:*

- If an individual is registered in one of the following categories, that individual would not be required to satisfy formal proficiency requirements of the category so long as the individual remains registered in the category:
  - A dealing representative of a mutual fund dealer
  - An advising representative of a portfolio manager
  - An associate advising representative of a portfolio manager
  - An advising representative with terms and conditions on that registration that are equivalent to the scope of authority of an associate advising representative under NI 31-103

Except:

  - For an individual registered as a dealing representative of a scholarship plan dealer or of an exempt market dealer transitioning from the limited market dealer category in Ontario (**ON**) and Newfoundland and Labrador (**NL**), the individual has 12 months to satisfy formal proficiency requirements and the NRD record must be updated to reflect that proficiency requirements have been met.

- An individual who was entitled to rely on an exemption granted by a regulator relating to registration requirements existing before the effective date would be exempt from any substantially similar proficiency requirements in NI 31-103

*Exempt market dealers (transitioning from limited market dealer category in ON and NL):*

- 12 months for an individual designated as the CCO to satisfy proficiency requirements and the NRD record must be updated to reflect that proficiency requirements have been met.

[4] Alberta category only.

*Portfolio Manager (Pre-approval of advice for associate advising representatives)*

- Staff has not recommended a transition for the requirement to pre-approve advice of an associate advising representative. A registered adviser must designate an advising representative to review the advice of the associate advising representative (or advising representative with equivalent terms and conditions). A firm must advise the regulator of the names of the advising representative and the associate advising representative subject to this designation on the seventh day after the designation. If your firm has already advised the regulator of this, there is no need to do this again unless there is a change.

**The following transition periods apply to firms and individuals not required to register before the effective date, but that would be required to register under NI 31-103. All times listed below are from the effective date.**

All requirements must be met at the time of the firm's application for registration. For example, if an application to register is made by a firm six months after the effective date, all requirements under NI 31-103 must be met at that time. For example, if an application to register is made by a firm on March 28, 2010, all requirements under NI 31-103 must be met by March 28, 2010.

*Exempt market dealers (other than ON and NL):*

- No transition for firms not active prior to the effective date. Regulatory approval must be obtained prior to carrying on business after the effective date.

- 12 months to apply for registration and comply with requirements if the firm is acting as a dealer in the exempt market prior to the effective date.

*Investment fund managers with a head office in Canada:*

- No transition for firms not active prior to the effective date. Regulatory approval must be obtained prior to carrying on business after the effective date.

- 12 months, for firms active prior to the effective date, to apply for registration in the jurisdiction where its head office is located

- 24 months, for firms active prior to the effective date, to apply for registration in other applicable Canadian jurisdictions*

*Investment fund managers whose head office is outside Canada:*

- 24 months to apply for registration if active prior to the effective date*

- 24 months to apply for registration if not active prior to the effective date*

* The CSA plans to publish a proposal for comment during the next year to explain under what circumstances an investment fund manager that has a head office outside Canada would need to register. This proposal would also indicate under what circumstances an investment fund manager that has a head office in Canada and is registered in that jurisdiction, would need to register in other Canadian jurisdictions.

The following chart summarizes the transition for investment fund managers

| Head office in Canada? | Active as of the effective date? | Transition Period |
|---|---|---|
| Y | N | • None – regulatory approval must be obtained prior to carrying on business |
| Y | Y | • 12 months – to apply in the jurisdiction where its head office is located<br>• 24 months – to apply in other applicable Canadian jurisdictions where it operates |
| N | Y | • 24 months – to apply for registration |
| N | N | • 24 months – to apply for registration |

If an investment fund manager is registered in another category prior to the effective date, only certain items of the F6 need to be completed (these items are identified on the F6) to add this category to the existing registration.

**Questions**

Please refer your questions to any of the following CSA staff:

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**June 12, 2009**

## APPENDIX A

***Conversion of dealer firms***

| | Existing Category | New Category |
|---|---|---|
| **Alberta** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Dealer | Restricted Dealer |
| | Dealer (Exchange Contracts) | Restricted Dealer |
| | Dealer (Restricted) | Restricted Dealer |
| | Security Issuer | -- |
| **British Columbia** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Exchange Contracts Dealer | Restricted Dealer |
| | Special Limited Dealer | Restricted Dealer |
| | Security Issuer | -- |
| | Real Estate Securities Dealer | Restricted Dealer |
| **Manitoba** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Securities Issuer | -- |
| | Underwriter | Investment Dealer |
| | Specific Securities Dealer | Restricted Dealer |
| **New Brunswick** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| **Newfoundland & Labrador** | Broker | Investment Dealer |
| | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Financial Intermediary Dealer | -- |
| | Foreign Dealer | -- |
| | International Dealer | -- |
| | Limited Market Dealer | Exempt Market Dealer * |
| | Securities Dealer | Investment Dealer |
| | Securities Issuer | -- |
| **Northwest Territories** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Restricted Dealer | Restricted Dealer |
| **Nova Scotia** | Broker | Investment Dealer |
| | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Real Estate Securities Dealer | Restricted Dealer |
| | Securities Dealer | Investment Dealer |
| | Security Issuer | -- |
| **Nunavut** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Restricted Dealer | Restricted Dealer |

| | | |
|---|---|---|
| **Ontario** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Limited Market Dealer | Exempt Market Dealer * |
| | International Dealer | -- |
| | Securities Issuer | -- |
| **Prince Edward Island** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Restricted Dealer | Restricted Dealer |
| **Québec** | Unrestricted Practice Dealer | Investment Dealer |
| | Unrestricted Practice Dealer (introducing broker) | Investment Dealer |
| | Unrestricted Practice Dealer (International Financial Centre) | Investment Dealer |
| | Discount Broker | Investment Dealer |
| | Firm in Group-Savings Plan Brokerage | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Québec Business Investment Company (QBIC) | Restricted Dealer |
| | Debt Securities Dealer | Restricted Dealer |
| | Restricted Practice Dealer | Restricted Dealer |
| | Firm in Investment Contract Brokerage | Restricted Dealer |
| | Unrestricted Practice Dealer (NASDAQ) | Restricted Dealer |
| **Saskatchewan** | Investment Dealer | Investment Dealer |
| | Mutual Fund Dealer | Mutual Fund Dealer |
| | Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Security Issuer | -- |
| **Yukon** | Broker - Securities | Investment Dealer |
| | Broker - Mutual Funds | Mutual Fund Dealer |
| | Broker - Scholarship Plan Dealer | Scholarship Plan Dealer |
| | Broker - Security Issuer | -- |

* Limited market dealers would be converted to exempt market dealer and would not be required to submit an application seeking registration as an exempt market dealer.

***Conversion of adviser firms***

| | Existing Category | New Category |
|---|---|---|
| **Alberta** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Portfolio Manager/Investment Counsel | Portfolio Manager |
| | Portfolio Manager/Investment Counsel (Foreign) | Portfolio Manager (operating under existing terms and conditions) |
| | Portfolio Manager/Investment Counsel (Exchange Contracts) | Portfolio Manager |
| | Securities Adviser | -- |
| **British Columbia** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Securities Adviser | -- |
| **Manitoba** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Securities Adviser | -- |
| **New Brunswick** | Portfolio Manager and Investment Counsel | Portfolio Manager |
| | Securities Adviser | -- |
| **Newfoundland & Labrador** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Financial Adviser | -- |
| | Securities Adviser | -- |
| **Northwest Territories** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Investment Counsel / Portfolio Manager | Portfolio Manager |
| **Nova Scotia** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Securities Adviser | -- |
| **Nunavut** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Investment Counsel / Portfolio Manager | Portfolio Manager |
| **Ontario** | Investment Counsel | Portfolio Manager with applicable conditions on a case-by-case basis |
| | Portfolio Manager | Portfolio Manager |
| | Extra Provincial Investment Counsel & Portfolio Manager | Portfolio Manager |
| | Non-Canadian Investment Counsel & Portfolio Manager | Portfolio Manager |
| | International Adviser | Portfolio Manager (operating under OSC Rule 35-502 conditions for International Advisers) |
| | Securities Adviser | -- |
| **Prince Edward Island** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Securities Adviser | -- |
| **Québec** | Unrestricted Practice Adviser | Portfolio Manager |
| | Unrestricted Practice Adviser (International Financial Centre) | Portfolio Manager |
| | Restricted Practice Adviser | Restricted Portfolio Manager |

| | | |
|---|---|---|
| **Saskatchewan** | Investment Counsel | Portfolio Manager |
| | Portfolio Manager | Portfolio Manager |
| | Securities Adviser | -- |
| **Yukon** | Broker - Investment Counsel | Portfolio Manager |

***Conversion of individuals***

Under NI 31-103, if an individual is trading or advising, this registration category would be either dealing representative or advising representative. If the individual also holds the position of an officer or partner of the firm, this position would be reflected on NRD as a separate designation (see column on far right of chart).

| | **Existing Category** | **New Category** | **Position** |
|---|---|---|---|
| **Alberta** | Officer (trading) | Dealing Representative | Officer |
| | Partner (trading) | Dealing Representative | Partner |
| | Salesperson | Dealing Representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| | Advising Employee | Advising Representative | |
| | Junior Officer (advising) | Associate Advising Representative | Officer |
| **British Columbia** | Salesperson | Dealing Representative | |
| | Trading Partner | Dealing Representative | Partner |
| | Trading Director | Dealing Representative | Director |
| | Trading Officer | Dealing Representative | Officer |
| | Advising Employee | Advising Representative | |
| | Advising Partner | Advising Representative | Partner |
| | Advising Director | Advising Representative | Director |
| | Advising Officer | Advising Representative | Officer |
| **Manitoba** | Salesperson | Dealing Representative | |
| | Branch Manager | Dealing Representative | |
| | Trading Partner | Dealing Representative | Partner |
| | Trading Director | Dealing Representative | Director |
| | Trading Officer | Dealing Representative | Officer |
| | Advising Employee | Advising Representative | |
| | Advising Officer | Advising Representative | Officer |
| | Advising Director | Advising Representative | Director |
| | Advising Partner | Advising Representative | Partner |
| | Associate Advising Officer | Associate Advising Representative | Officer |
| | Associate Advising Director | Associate Advising Representative | Director |
| | Associate Advising Partner | Associate Advising Representative | Partner |
| | Associate Advising Employee | Associate Advising Representative | |
| **New Brunswick**<br><br>**New Brunswick** | Salesperson | Dealing Representative | |
| | Officer (trading) | Dealing Representative | Officer |
| | Partner (trading) | Dealing Representative | Partner |
| | Representative (advising) | Advising Representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| | Sole Proprietor (advising) | Advising Representative | |
| | Associate Officer (advising) | Associate Advising Representative | Officer |
| | Associate Partner (advising) | Associate Advising Representative | Partner |

| | | | |
|---|---|---|---|
| | Associate Representative (advising) | Associate Advising Representative | |
| **Newfoundland & Labrador** | Salesperson | Dealing Representative | |
| | Officer (trading) | Dealing Representative | Officer |
| | Partner (trading) | Dealing Representative | Partner |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| **Northwest Territories** | Salesperson | Dealing representative | |
| | Officer (trading) | Dealing representative | Officer |
| | Partner (trading) | Dealing representative | Partner |
| | Representative (advising) | Advising Representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| **Nova Scotia** | Salesperson | Dealing Representative | |
| | Officer - trading | Dealing Representative | Officer |
| | Partner - trading | Dealing Representative | Partner |
| | Director - trading | Dealing Representative | Director |
| | Officer - advising | Advising Representative | Officer |
| | Officer - counselling | Advising Representative | Officer |
| | Partner - advising | Advising Representative | Partner |
| | Partner - counselling | Advising Representative | Partner |
| | Director - advising | Advising Representative | Director |
| | Director - counselling | Advising Representative | Director |
| **Nunavut** | Salesperson | Dealing representative | |
| | Officer (trading) | Dealing representative | Officer |
| | Partner (trading) | Dealing representative | Partner |
| | Representative (advising) | Advising Representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| **Ontario** | Salesperson | Dealing representative | |
| | Officer (trading) | Dealing representative | Officer |
| | Officer (non-trading) | -- | Officer |
| | Partner (trading) | Dealing representative | Partner |
| | Partner (non-trading) | -- | Partner |
| | Advising Representative | Advising Representative | |
| **Ontario** | Officer (advising) | Advising Representative | Officer |
| | Officer (non-advising) | -- | Officer |
| | Partner (advising) | Advising Representative | Partner |
| | Partner (non-advising) | -- eliminated under NI 31-103 -- | Partner |
| | Associate Advising Representative | Associate Advising Representative | |
| | Associate Advising Officer | Associate Advising Representative | Officer |
| | Director | -- | Director |
| | Sole Proprietor | Dealing representative or Advising Representative | |
| **Prince Edward Island** | Salesperson | Dealing representative | |
| | Officer (trading) | Dealing representative | |

| | | | |
|---|---|---|---|
| | Partner (trading) | Dealing representative | |
| | Counselling Officer (officer) | Advising Representative | |
| | Counselling Officer (partner) | Advising Representative | |
| | Counselling Officer (other) | Advising Representative | |
| **Québec** | Representative | Dealing representative | |
| | Representative - Group-Savings Plan (salesperson) | Dealing representative | |
| | Representative - Scholarship Plan (salesperson) | Dealing representative | |
| | Representative (portfolio manager) | Advising Representative | |
| | Representative (advising) | Advising Representative | |
| | Representative Options | Advising Representative | |
| | Representative Futures | Advising Representative | |
| **Saskatchewan** | Officer (trading) | Dealing representative | Officer |
| | Partner (trading) | Dealing representative | Partner |
| | Salesperson | Dealing representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |
| | Employee (advising) | Advising Representative | |
| | Junior Advising Representative (under Saskatchewan Local Policy 34-701 *Registration of Individuals as Investment Counsel*) | Associate Advising Representative | |
| **Yukon** | Salesperson | Dealing representative | |
| | Officer (trading) | Dealing representative | Officer |
| | Partner (trading) | Dealing representative | Partner |
| | Sole proprietor (trading) | Dealing representative | |
| | Representative (advising) | Advising Representative | |
| | Officer (advising) | Advising Representative | Officer |
| | Partner (advising) | Advising Representative | Partner |

## APPENDIX B - TRANSITION TIMELINES

### Firms registered prior to September 28, 2009 (Effective Date of NI 31-103)

| Requirement | Investment Dealer (IIROC members) | Mutual Fund Dealer (MFDA members[1]) | Scholarship Plan Dealer | Exempt Market Dealer (ON & NL only) | Portfolio Manager |
|---|---|---|---|---|---|
| Firms must apply for registration for their Ultimate Designated Person | 3 months | 3 months | 3 months | 3 months | 3 months |
| Firms must apply for registration for their Chief Compliance Officer | 3 months | 3 months | 3 months | 3 months | 3 months |
| Firms must satisfy new insurance requirements | SRO rules apply | SRO rules apply[2] | 6 months[3] | 6 months | 6 months |
| Firms must have policies for referral arrangements | 6 months | 6 months | 6 months | 6 months | 6 months |
| Firms must satisfy new capital requirements | SRO rules apply | SRO rules apply[2] | 12 months | 12 months | 12 months |
| Firms must provide clients with relationship disclosure information | SRO rules apply | SRO rules apply[4] | 12 months | 12 months | 12 months |
| Firms must satisfy requirement for client statements | No exemption for IIROC and no transition | 24 months | No transition available | No transition available | No transition available |
| Firms must have policies and procedures for complaint handling[5] | 24 months | 24 months | 24 months | 24 months | 24 months |
| Representatives must satisfy new proficiency requirements | SRO rules apply | Grandfathered | 12 months | 12 months | Grandfathered |
| Chief Compliance Officers must satisfy new proficiency requirements | SRO rules apply | Grandfathered | Grandfathered | 12 months | Grandfathered |

1 Mutual fund dealers registered in Québec only are not required to be MFDA members.

2 N/A for mutual fund dealers registered in Québec only.

3 The new insurance requirements do not apply to scholarship plan dealers registered in Québec only.

4. Mutual fund dealers registered in Québec only must comply with the requirement in Regulation 31-103.

5 No transition applies in Québec in respect of complaint handling.