

THE SECURITIES ACT

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Order No. 5495

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Section 20(1)

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October 5, 2007

Registration Exemption for Salespersons' Corporations

WHEREAS:

(A) A commission or fee payable to a Salesperson by a registered dealer as a result of trading or advising in the trading in securities is an activity that requires the recipient of the commission or fee to be registered under the Act;

(B) The Manitoba Securities Commission has received various representations from industry that a Salesperson registered under the Act, if permitted, may choose to structure his or her business in a manner which would include the payment of commissions and fees paid by a dealer to a corporation controlled by the Salesperson;

(C) The Manitoba Securities Commission has determined, subject to terms and conditions set out in this order, that it would not be prejudicial to the public interest to exempt certain corporations controlled by a Salesperson from the registration requirements of the Act for the sole purpose of permitting the corporation to receive commissions and fees from a dealer relating to the trading or advising in securities.

IT IS ORDERED:

1. THAT pursuant to section 20(1) of the Act that a corporation is exempt from the registration requirement in section 6 of the Act, solely in connection with receiving commissions and fees from a dealer, subject to the following terms and conditions:

- a. The corporation must be incorporated under the laws of Canada or a province or territory of Canada, all of whose directors, officers and shareholders are salespersons of the same dealer or family members of those salespersons;
- b. The Corporation and dealer have a written contract under which the dealer is liable for the acts or omissions of the corporation that relate to securities business; and
- c. Upon the request of staff of the Commission, the Corporation will make any and all of its books and records available for inspection by Commission staff.

BY ORDER OF THE COMMISSION

Director – Legal

