

Schedule A
Amendments to
Multilateral Instrument 11-102 *Passport System*

1 ***This Instrument amends Multilateral Instrument 11-102 Passport System.***

2 ***Section 1.1 is amended***

(a) ***by adding the following definitions:***

“category” means a category of registration set out in NI 31-103;

“firm” means a person or company that is registered, or seeking registration, as a dealer, adviser or investment fund manager in its principal jurisdiction;

“foreign firm” means a firm that has its head office outside Canada;

“foreign individual” means an individual whose working office is outside Canada;

“Form 33-109F2” means Form 33-109F2 *Change or Surrender of Individual Categories* under NI 33-109;

“Form 33-109F4” means Form 33-109F4 *Registration of Individuals and Review of Permitted Persons* under NI 33-109;

“Form 33-109F5” means Form 33-109F5 *Change of Information in Form 33-109F4 or Form 33-109F6* under NI 33-109;

“Form 33-109F6” means Form 33-109F6 *Registration as a Dealer, Adviser or Investment Fund Manager for Securities and/or Derivatives* under NI 33-109;

“NI 31-103” means National Instrument 31-103 *Registration Requirements*;

“NI 33-109” means National Instrument 33-109 *Registration Information*;

“sponsoring firm” has the same meaning as in NI 33-109;

“working office” means the office of the sponsoring firm where an individual does most of his or her business.

(b) ***in the definition of “national prospectus instrument” by striking out “or” at the end of paragraph (d) and by adding the following paragraph:***

(d.1) National Instrument 71-101 *The Multijurisdictional Disclosure System*, or,
and

(c) ***in the definition of “principal regulator” by striking out “Part 3 or 4,” and substituting “Part 3, 4 or 6,”.***

3 *Part 2 is repealed.*

4 *Section 3.4 is repealed.*

5 *Section 4.4 is amended by striking out “Subject to section 4.5 and 4.6,” and substituting “Subject to sections 4.4.1, 4.5 and 4.6,”.*

6 *The following section is added:*

4.4.1 Principal regulator for discretionary exemption application made with an application for registration

Subject to sections 4.5 and 4.6, if a firm or individual makes an application for exemption from a requirement listed below in connection with an application for registration in the principal jurisdiction, the principal regulator for the application for exemption is the principal regulator as determined under section 6.1:

- (a) a requirement in Part 4 of NI 31-103;
- (b) a requirement in Part 2 of NI 33-109.

7 *Section 4.5 is amended*

(a) *in subsection (1),*

- (i)** *by striking out “Subject to subsection (2),” and substituting “Subject to section 4.6 and subsection (2),”, and*
- (ii)** *by striking out “as determined under section 4.2, 4.3 or 4.4” and substituting “as determined under section 4.2, 4.3, 4.4 or 4.4.1”, and*

(b) *in subsection (2),*

- (i)** *by striking out “if at any one time” and substituting “Subject to section 4.6, if at any one time”, and*
- (ii)** *by striking out “as determined under section 4.2, 4.3 or 4.4 or subsection (1), and substituting “as determined under section 4.2, 4.3, 4.4 or 4.4.1 or subsection (1)”.*

8 *Section 4.7(1) is amended by adding “and the exemption is in effect” at the end of paragraph (b).*

9 ***The following Part is added:***

PART 6 **REGISTRATION**

6.1 **Principal regulator for registration**

- (1) Subject to subsections (2) and (3) and section 6.2, for the purposes of this Part, the principal regulator is the securities regulatory authority or regulator of the jurisdiction in which,
 - (a) for a firm, the firm's head office is located, or
 - (b) for an individual, the individual's working office is located.
- (2) The principal regulator for a foreign firm is the securities regulatory authority or regulator in the jurisdiction of Canada the firm identified as its principal jurisdiction in its most recently submitted
 - (a) Form 33-109F5, or
 - (b) Form 33-109F6.
- (3) The principal regulator for a foreign individual is the principal regulator for the individual's sponsoring firm.

6.2 **Discretionary change of principal regulator for registration**

If a securities regulatory authority or regulator gives written notice that specifies a principal regulator for the firm or individual, the securities regulatory authority or regulator specified in the notice is the principal regulator for the firm or individual as of the later of

- (a) the date the firm or individual receives the notice, and
- (b) the effective date specified in the notice, if any.

6.3 **Firm registration**

- (1) Subject to subsection (4), if a firm is registered in a category in its principal jurisdiction, the firm is registered in the same category in the local jurisdiction if
 - (a) the firm has submitted a completed Form 33-109F6 in accordance with NI 33-109, and
 - (b) in the case of a category for which securities legislation requires that the firm be a member of a self-regulatory organization, the firm is a member of the self-regulatory organization or is exempt from the requirement.
- (2) A firm that makes a submission under subsection (1)(a) must pay the required fee at the time it makes the submission.

- (3) For the purpose of subsection (1), the firm may make the submission by giving it to the principal regulator.
- (4) Subsection (1) does not apply to a firm registered in the category of restricted dealer.

6.4 Individual registration

- (1) If an individual acting on behalf of a sponsoring firm is registered in a category in his or her principal jurisdiction, the individual is registered in the same category in the local jurisdiction if
 - (a) the sponsoring firm is registered in the local jurisdiction in the same category as in the firm's principal jurisdiction,
 - (b) the individual has submitted a completed Form 33-109F2 or a completed Form 33-109F4 in accordance with NI 33-109, and
 - (c) in the case of a category for which securities legislation requires that the individual be a member of a self-regulatory organization, the individual is a member of the self-regulatory organization or is exempt from the requirement.
- (2) An individual who makes a submission under subsection (1)(b) must pay the required fee at the time the individual makes the submission.

6.5 Terms and conditions of registration

- (1) If a firm or individual is registered in the same category in the principal jurisdiction and in the local jurisdiction, a term, condition, restriction or requirement imposed on the registration in the principal jurisdiction applies as if it were imposed in the local jurisdiction.
- (2) A term, condition, restriction or requirement that applies in the local jurisdiction under subsection (1) continues to apply until the earlier of the date
 - (a) the securities regulatory authority or regulator that imposed the term, condition, restriction or requirement cancels or revokes it, or
 - (b) the term, condition, restriction or requirement expires.

6.6 Suspension

If a firm's or individual's registration in the principal jurisdiction is suspended, the firm's or individual's registration in the local jurisdiction is suspended.

6.7 Termination

If a firm's or individual's registration in the principal jurisdiction is cancelled, revoked or terminated, as applicable, the firm's or individual's registration in the local jurisdiction is cancelled, revoked or terminated, as applicable.

6.8 Surrender

If a firm or individual is registered in the same category in the local jurisdiction and the principal jurisdiction, and the firm or individual applies to surrender the registration in the principal jurisdiction, the firm's or individual's registration in that category in the local jurisdiction is cancelled, revoked or terminated, as applicable, if the principal regulator accepts the firm's or individual's surrender of registration in the principal jurisdiction.

6.9 Transition – terms and conditions in non-principal jurisdictions

- (1) Subject to subsection (2), section 6.5 does not apply to a firm or individual registered in the local jurisdiction before [insert the effective date of this Part] until [insert the date 30 days after the effective date of this Part].
- (2) Section 6.5 does not apply to a firm or individual after [insert the date 30 days after the effective date of this Part] if
 - (a) on or before [insert the date 30 days after the effective date of this Part], the firm or individual applies to the securities regulatory authority or regulator for an exemption from section 6.5, and
 - (b) the securities regulatory authority or regulator has not issued a decision rejecting the application and the application has not been withdrawn.
- (3) Subject to subsection (4), if a firm or individual was registered in the local jurisdiction before [insert the effective date of this Part], a term, condition, restriction or requirement imposed on the registration in the local jurisdiction before [insert the date 30 days after the effective date of this Part], if any, does not apply to the firm or individual on or after the [insert the date 30 days after the effective date of this Part] unless the term, condition, restriction or requirement was
 - (a) agreed to under a settlement agreement between the firm or individual and the securities regulatory authority or regulator, or
 - (b) imposed in a decision relating to the firm or individual made by the securities regulatory authority or regulator following a hearing.
- (4) If a firm or individual applies for an exemption under subsection (2), subsection (3) does not apply unless
 - (a) the securities regulatory authority or regulator has issued a decision rejecting the application, or
 - (b) the application has been withdrawn.

6.10 Transition - notice of principal regulator for foreign firm

- (1) If a foreign firm was registered in a category in the local jurisdiction and another jurisdiction of Canada before [insert effective date of this Part], the firm must submit, on or before [insert date that is 30 days after effective date of this Part] the information about a principal jurisdiction required in Form 33-109F6 in accordance with NI 33-109.

(2) For the purposes of subsection (1), the foreign firm may make the submission by giving it to the principal regulator.

10 Appendix A is repealed.

11 Appendix B is amended by

(a) repealing the text opposite “Prince Edward Island” and substituting “sections 94 (Prospectus required) and 95 (Filing prospectus without distribution)”,

(b) repealing the text opposite “Yukon” and substituting “sections 94 (Prospectus required) and 95 (Filing prospectus without distribution)”,

(c) repealing the text opposite “Northwest Territories” and substituting “sections 94 (Prospectus required) and 95 (Filing prospectus without distribution)”, **and**

(d) repealing the text opposite “Nunavut” and substituting “sections 94 (Prospectus required) and 95 (Filing prospectus without distribution)”.

12 Appendix C is repealed.

13 Appendix D is repealed and Appendix D attached to this Instrument is substituted.

14 This Instrument comes into force on *.