

## **Notice and Request for Comment**

### **Proposed Consequential Amendments to Multilateral Instrument 11-102 *Passport System***

**August 19, 2011**

#### **Introduction**

This notice describes amendments to Multilateral Instrument 11-102 *Passport System* (MI 11-102) proposed by the Canadian Securities Administrators (CSA), other than the Ontario Securities Commission. The participating jurisdictions are publishing the proposed amendments to MI 11-102 (the amendments) for a 60-day comment period.

The amendments are consequential to:

- proposed National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (NI 23-103), published on April 8, 2011, and
- proposed amendments to National Instrument 21-101 *Marketplace Operation* (NI 21-101), published on March 18, 2011.

The amendments will have different effective dates to reflect the effective dates of their respective policy projects.

Currently, the passport system applies to certain sections of NI 21-101. The amendments would extend the passport system to certain new provisions in NI 23-103. They would also make the passport system available to appropriate provisions of the proposed amendments to NI 21-101.

#### **Substance and purpose of the amendments**

The substance and purpose of the amendments is to ensure that the passport system continues to apply to appropriate market structure requirements.

#### **Anticipated costs and benefits of the amendments**

We expect the amendments to maintain the effectiveness of the passport system. We do not think they impose new regulatory costs.

#### **Request for comment on the amendments**

We invite comment on the amendments proposed as a consequence of proposed NI 23-103 and proposed amendments to NI 21-101.

#### **Alternatives considered**

Since the passport system has worked effectively, we did not consider other alternatives.

**Unpublished materials**

In proposing the amendments we did not rely upon any significant unpublished study, report, or other written materials.

**Local Notices**

Certain jurisdictions will publish other information required by local securities legislation in Appendix A to this Notice.

**Publishing jurisdictions**

The amendments are an initiative of all CSA members except Ontario. Other than Ontario, each CSA member would adopt the amendments as a rule, commission regulation, or regulation.

**How to provide your comments**

Please provide your comments in writing by **October 20, 2011**.

Please address your submissions to the following CSA members:

Alberta Securities Commission  
 Autorité des marchés financiers  
 British Columbia Securities Commission  
 Manitoba Securities Commission  
 New Brunswick Securities Commission  
 Nova Scotia Securities Commission  
 Registrar of Securities, Prince Edward Island  
 Saskatchewan Financial Services Commission  
 Securities Commission of Newfoundland and Labrador  
 Superintendent of Securities, Northwest Territories  
 Superintendent of Securities, Nunavut  
 Superintendent of Securities, Yukon Territory

You do not need to deliver your comments to all CSA members. Please deliver your comments **only** to the following addresses, and CSA members' staff will distribute your comments to all other jurisdictions:

Meg Tassie  
 British Columbia Securities Commission  
 P.O. Box 10142, Pacific Centre  
 701 West Georgia Street  
 Vancouver BC V7Y 1L2  
 Fax: 604-899-6819  
 Email: [mtassie@bcsc.bc.ca](mailto:mtassie@bcsc.bc.ca)

M<sup>e</sup> Anne-Marie Beaudoin  
 Corporate Secretary  
 Autorité des marchés financiers  
 800, square Victoria, 22e étage  
 C.P. 246, tour de la Bourse  
 Montréal, Québec H4Z 1G3  
 Email : [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

and

If you are not sending your comments by email, please send a CD-ROM containing your comments in MS Word format.

We cannot keep submissions confidential because securities legislation in certain provinces requires that we publish a summary of the written comments received during the comment period.

### Questions

Please refer your questions about amendments consequential to proposed NI 23-103 to any of:

Meg Tassie  
British Columbia Securities Commission  
604-899-6819  
mtassie@bcsc.bc.ca

Serge Boisvert  
Autorité des marchés financiers  
514-395-0337 ext. 4358  
serge.boisvert@lautorite.qc.ca

Élaine Lanouette  
Autorité des marchés financiers  
514-395-0337 ext. 4356  
elaine.lanouette@lautorite.qc.ca

Lorenz Berner  
Alberta Securities Commission  
403-355-3889  
lorenz.berner@asc.ca

Please refer your questions about amendments consequential to the proposed amendments to NI 21-101 to any of:

Michael Brady  
British Columbia Securities Commission  
604-899-6561  
mbrady@bcsc.bc.ca

Serge Boisvert  
Autorité des marchés financiers  
514-395-0337 ext. 4358  
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Jason Alcorn  
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(506) 643-7857  
jason.alcorn@nbsc-cvmnb.ca

Doug Brown  
Manitoba Securities Commission  
(204) 945-0605  
doug.brown@gov.mb.ca

## Appendix A

### Amendments to Multilateral Instrument 11-102 *Passport System*

**1. Multilateral Instrument 11-102 *Passport System* is amended by this Instrument.**

**2. Appendix D is amended by repealing the row that contains “Marketplace operation” in the Provision column and substituting the following row:**

Marketplace operation	NI 21-101 (only Parts 3, 4, 7, 8, 11 and 13 and sections 5.1(1), 5.1(2), 5.9, 5.10, 6.1, 6.2, 6.3, 6.7, 6.9 and 6.11, as those parts and sections apply to an ATS )
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**3. Appendix D is amended by adding the following row immediately below the row that contains “Use of client brokerage commissions” in the Provision column.**

Electronic trading and direct electronic access to marketplaces	NI 23-103 (only sections 3(1), 3(2), 3(3)(a) to 3(3)(d), 3(4) to 3(7), 4, 5(2), 6, 7, 8(b), 8(c), 8(e) to 8(h), 9 and 11)
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**4. The provisions of this Instrument come into force on the dates set out below:**

- (1) section 2 on \*;**
- (2) section 3 on \*\*.**