

**ALBERTA SECURITIES COMMISSION
NOTICE**

**REPUBLICATION FOR COMMENT OF PROPOSED
MULTILATERAL INSTRUMENT 33-109
REGISTRATION INFORMATION
AND COMPANION POLICY 33-109CP**

June 14, 2002

Introduction

The members of the Canadian Securities Administrators (CSA) are republishing for comment proposed Multilateral Instrument 33-109 *Registration Information*, Forms 33-109F1 through F5 and Companion Policy 33-109CP.

The proposed multilateral instrument is expected to be adopted as a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, as a commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA other than Québec. The proposed multilateral instrument and companion policy are not being proposed for adoption at this time by the Commission des valeurs mobilières du Québec (the "CVMQ").

Purpose

The purpose of the proposed instrument is to consolidate and harmonize requirements regarding the initial submission of registration information and the updating of that information.

Background

On December 14, 2001, the CSA published for comment earlier drafts of the proposed instrument and companion policy. During the comment period, we received 7 submissions. A summary of these comments, together with our responses, is contained in Appendix "A" to this notice. After reviewing the comments and further considering the instrument, forms and companion policy, we are proposing a number of amendments to the 2001 drafts.

For additional background information on the proposed instrument, forms and companion policy as well as a detailed summary of the contents of the 2001 drafts, please refer to the notice that was published with those drafts.

Summary of Changes

This section describes the substantive changes made to the proposed instrument, forms and companion policy since the 2001 drafts were published for comment.

The definition of “business location” has been removed from the proposed instrument and guidance with respect to its meaning has been added to the companion policy. The reason for this change is that it would be preferable to provide guidance in the companion policy on what is generally a well-understood term rather than attempt to define the term precisely in the instrument.

The definition of “non-registered individual” has been amended to include branch managers. This is to ensure that Forms 33-109F4 will be submitted for branch managers in jurisdictions where the individual is not required to be a registered individual.

In subsection 6.1(1) of the proposed instrument, the phrase “shall exercise due diligence” has been replaced with “must make reasonable efforts”. The reason for this change is to describe the obligation on firms in plain language.

Subsection 6.1(4) of the 2001 draft has been removed. This subsection specified where records kept under Part 6 were to be located. Given that firms are otherwise required to maintain these records and ensure they are readily accessible, we agreed with commentators that mandating the location of the records is not necessary.

The proposed instrument is scheduled to come into force on November 20, 2002, instead of September 1, 2002 as was proposed in the 2001 draft. This delay is to accommodate a second comment period. Given this delay the data transfer date (defined in Part 8 of the proposed instrument) is scheduled to occur on November 4, 2002.

Several non-substantive changes have been made to the forms in response to comments made regarding the 2001 draft. These changes and the reasons for them are set out in Appendix “A”.

The 2001 draft of the companion policy contained a list of suggested enquiries that firms should make into in order to fulfill their reasonable efforts obligation under subsection 6.1(1) of the proposed instrument. This list has been removed. The reason for this change is that what constitutes a reasonable effort will depend on the situation and on changing industry standards.

Request for Comments

Interested parties are encouraged to make comments on the proposed instrument and companion policy. Please submit your comments in writing on or before August 15, 2002.

Address your submission to the CSA member commissions listed below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick

Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

Deliver your comments only to the following address:

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario
M5H 3S8
jstevenson@osc.gov.on.ca

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions

Please refer your questions to any of:

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

Dirk de Lint
Legal Counsel
Ontario Securities Commission
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British Columbia Securities Commission
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The text of the proposed instrument, forms and companion policy follow.

**Appendix “A”
Comment Table
Multilateral Instrument 33-109 Registration Information**

Commentators

Investment Funds Institute of Canada
 Scotiabank Wealth Management Group
 BMO Nesbitt Burns Burns
 Royal Bank of Canada and affiliates
 Dundee Private Investors
 Dundee Securities Corporation
 Edward Jones

	Category	Comment	Response
1.	33-109	<p>In Section 1.1 consider defining the term “business location”. The proposed definition should exclude locations where a registrant/applicant/non-registrant could carry on registerable activities on an ad hoc or occasional basis, but that should not be considered a registered location (i.e. a booth in at a fall fair).</p> <p>We propose that “business location” be more clearly defined (i.e. to include only locations where a registrant/applicant/non-registrant could carry on business as a dealer or advisor AND that would also be considered registered locations)</p>	<p>The definition only applies to those locations, where the registrant actually carries on business or purposes to carry on business, not any location where they could possibly carry out registerable activities. In addition, the definition does not apply to those locations that are merely incidental to the carrying on of the business. The term has been clarified in the companion policy to the instrument.</p>
2.	33-109	<p>“Non-registered individuals” are defined to include: officers, directors, and shareholders that are not registered to trade or advise on behalf of the firm. This definition conflicts with the current industry definition of “non-registered” individuals. The industry term used for the parties described in section 1.1 as “non-registered” individuals is “non-trading” or “non-advising”. Adopting a definition that will now refer to these individuals as “non-registered” may confuse people at the administrative level who do not have the definitions readily available.</p>	<p>The terms “non-trading” and “non-advising” were considered, but the titles do not fully describe the persons to be captured by the term “non-registered”. “Non-advising” is vague because it does not address whether the individual is registered to trade and vice-versa. The term ”non-registered” is more specific. It covers only those persons not already registered to trade or advise.</p>

	Category	Comment	Response
		The term “non-registered” is misleading because approval for these individuals is still required. We propose that individuals currently defined in section 1.1 as “non-registered” individuals be redefined as “non-trading individuals” or “non-advising individuals”	
3.	33-109	Consider replacing “an” with “a” in Section 2.2 (2)	This revision has been made.
4.	33-109	<p>Section 3.1 Changes to Form 3 Information – This section currently requires a registered firm to notify the regulator of a change to any information previously submitted in Form 3 (particularly 33-109F4) within 5 business days of the change. The IDA and MFDA currently require reporting of similar changes within 10 business days. We propose that the filing deadline for changes be 10 business days instead of 5 days to harmonize it with the IDA and MFDA rules. This is broader than current reporting requirements. For example and with respect to the British Columbia Securities Commission only certain changes to previously filed information are reported. These include: changes in residential address, change in legal name, change in employment, bankruptcy, etc. In essence, only areas that have bearing on the identity of the individual or their fitness for registration are subject to reporting upon any changes.</p> <p>We propose that the reporting requirement for changes in information be made narrower and more specific. We would also ask that certain changes that do not require a copy of an original document to be maintained (as in a legal name change) be permitted to be filed electronically and exempt from paper filing (i.e. changes to residential address information might be exempted from paper filing).</p>	<p>Form 3 contains material information about the firm. A firm should be well aware of any change to such material information when it occurs. Therefore, 5 business days is sufficient time to notify the CSA members of a change to Form 3 information. In addition, the IDA rule for filing similar information within 10 business days has not yet received the required approvals and therefore is not presently, and may never be, in place.</p> <p>Form 3 deals with information regarding firms, not individuals. The information required by section 3.1 is all deemed to be relevant to the continued registration of the firm. The first phase of NRD will handle only registration applications for individuals. Therefore, the firm information requested by 3.1 cannot be filed electronically during phase 1 of NRD.</p>

	Category	Comment	Response
5.	33-109 Part 3	The time period for reporting a change outlined in 33-109 part 3.1(1) should be 5 business days from the day of becoming aware of the change rather than 5 business days from the date of the change.	The notification period is worded as such because the Firm filers should be aware of all Form 3 changes as they occur.
6.	33-109 Due Diligence	<p>Is it the intention of Section 6.1(1) that firm filers verify that each piece of information provided by the applicant is true by performing an investigation of the individual prior to submission of a Form 33-109F4? Further, is it the intention that firm filers investigate into the credit and banking history of the individual registrants? If this is so, please advise how filer firms are to verify that an applicant has disclosed all of his/her banking or credit information? Will filer firms be given statutory authority to demand this information from financial institutions so that they may verify the truthfulness of the applicant's statements?</p> <p>The Companion Policy should state:</p> <ul style="list-style-type: none"> • what types of due diligence inquiries dealers are expected to make • exactly what criminal records and financial information are deemed to have a bearing on an individual's fitness for registration • dealers are not required to perform due diligence on existing registered individuals that are completing an F4 as part of the NRD transition process. <p>Guidelines or a template should be provided indicating what newly hired individuals should sign off on so as to initiate the proper checks on the required information. We are of the opinion that a template/guidelines would also assist in ensuring the relative consistency of due diligence practices from dealer to dealer.</p>	<p>Firms are expected to make reasonable efforts to verify that the information provided by their registered individuals and non-registered individuals.</p> <p>In general, reasonable due diligence procedures are based on industry standards and practices that develop and change as the industry continues to evolve. Staff is reluctant to provide a checklist of fixed practices that will become dated as more reasonable procedures are developed as a result of this continuing evolution. For these reasons it is best that industry be permitted to continually develop the due diligence procedures necessary to fulfil their obligations. Similar circumstances exist in connection with a registrant's due diligence obligations when signing a prospectus certificate.</p> <p>It is unnecessary to provide firms with statutory authority to demand information because an individual can either disseminate or authorize the dissemination of his own personal information. If the individual is unwilling to provide such information to a firm then this should be considered by the firm when deciding the appropriateness of hiring the individual.</p> <p>Firms are expected pay the costs of all due diligence procedures that it undertakes in order to fulfil its duties; however firms and individuals may arrange between themselves as to which party is responsible for such costs. Registration staff will continue to undertake criminal record checks.</p>

	Category	Comment	Response
		Are the firms expected to pay to for the costs of conducting criminal records and credit checks as part of the new due diligence requirements?	
7.	33-109 Due Diligence	A dealer should not be required to keep its due diligence materials at the office where the registrant is working. Most firms will want to consolidate their registrant/employment files at a central location where their human resources functions are located. The physical location of registrant records should make little difference so long as such records can be produced in a timely manner upon request. Firms should thus be given the ability to maintain these records wherever it makes the most business sense to do so, on condition that the documents are readily accessible and available for review within a specified time frame.	Staff agrees with this comment. The provision indicating where a firm must keep its due diligence records has been deleted from the instrument.
8.	33-109 Due Diligence	The regulators should continue to undertake the due diligence inquires when determining an individual's fitness for registration. They are the ones who make the determination and are the ones in the best position to make the inquiries (i.e. complying with privacy legislation). Requiring industry to do these checks will add a dealer's cost of doing business while saving the regulators time and money. Will such savings be passed onto industry?	<p>The regulators do not undertake due diligence procedures in respect of individual applications for registration. However, regulators will continue to review an individual's application for registration. Firms are in the best position to undertake due diligence and evaluate individuals since they are closer to them.</p> <p>An individual can freely give out his or her personal information. Therefore, the individual should be able to provide the firms with the information and confirmations required. If an individual is unwilling to do so, then that should go to his or her suitability to be hired by the firm.</p> <p>It is not anticipated that the regulators will save any costs by having firms conduct due diligence reviews of their individual registrants. Firms should already have systems in place to screen individuals before hiring them as registrants. Therefore, no disbursements of savings are presently anticipated since no savings due to Part 6 are expected.</p>

	Category	Comment	Response
9.	31-109	The requirements of Part 8.7 and 8.8 and those of Sections 8.5 and 8.7 of MI 33-109 are duplicative in many respects. Parts 8.7 and 8.8 require a separate filing of a completed Form 33-109F4 within 15 business days after the later of the filing firm's NRD access date and the date the individual submitted the 33-109F5. Please consider not requiring a Form 33-109F5 if a Form 33-109F4 is filed within 5 business days of an event that triggers a filing requirement under MI 33-109.	Staff require that a Form 33-109F5 be filed in order to easily identify the new information that is being submitted.
10.	33-109	It is unclear what information firms are going to have to submit by hardcopy in addition to what is required to be filed electronically through the NRD. We propose that items to be submitted in hardcopy and/or electronically be set out in one document (i.e. in a list/table/chart) that indicates in what formats each item is to be submitted	This comment has been passed on to the NRD Operational Committee for consideration.
11.	33-109	Please clarify who will have access to each of Forms 33-109F1-F5. Current industry practice is for some of these forms to be completed by the applicant. Other forms are completed by the Branch Manager or the Registration Department. We suggest that access to Forms that contain confidential/sensitive information, such as Form 33-109F1 be limited to specifically named parties	In addition to the IDA and the provincial securities regulators, all AFRs of a firm will have access to the NRD filings of the firm. The firm can restrict access to its NRD filings by restricting who it appoints as its AFRs. At present, firms cannot restrict an AFR's access to only particular NRD filings of the firm.
12.	33-109F1	Consider defining "for cause". For example, a registrant/applicant/non-registrant who is terminated on account of poor sales performance should not be consider as being terminated for cause. It is understood that this phrase may need to be broad, but some guidance would be of great assistance. The terminated registrant/applicant/non-registrant in the example who wishes to transfer to another firm should not have his/her transfer held up as a result of further unnecessary screening.	It is difficult to define "for cause" in the Instrument, because the term will have different meanings under different employment contracts. Such things as under-performance, personality conflicts and attendance are relevant depending on the reasons for them. Therefore, the term is left undefined to have its common law and statutory definition under other applicable legislation applied.

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13.	33-109F1	Please clarify who the intended authorized signature on specific forms such as the 33-109F1 is.	The authorized signatory is a person whom the firm has authorized to sign on the firm's behalf.
14.	33-109F2	Consider providing an explanation of the differences between a registrant/applicant/non-registrant removing an individual category and a registrant/applicant/non-registrant surrendering an individual category	Non-registrants are recorded in NRD, but they are not registered as such. Therefore, a person can have her non-registration designation removed from her NRD record, but she cannot surrender it because there is no registration licence to surrender. The forms have not been amended.
15.	33-109F4 Item 02	It is suggested to place the word "Current" before "Residential" on the line that requests the current residential information in Item 2	Staff agrees that the recommended change would add clarity and has made the change.
16.	33-109F4 Item 02	<p>The request for a 10-year history of residential addresses seems irrelevant and should not be required information in the F4s.</p> <p>A blanket request for all employment information in a 10-year period is over-broad. There is no purpose to collecting employment history information that is not related to employment in the financial services industry (i.e. it is not relevant to employment in the mutual funds industry to know that an applicant worked at a fast food establishment 5 years ago).</p> <p>Schedule F of Form 33-109F4 asks for considerable detail for the person's current and past employer. What is the relevance of collecting this information?</p>	<p>Registration staff is of the view that a 10-year history of residential addresses and employment information is a relatively simple and concise way for staff to get a sense of a person's history and experience.</p> <p>Registration staff finds that this information is helpful in making an assessment of an individual's suitability. This information also provides a cross-check against other background information provided on the F4.</p>
17.	33-109F4 Item 05	This item does not contain a box for application to self-regulatory organizations as appears on the current form. Please indicate how approval from the SRO is to be documented, particularly in the event that dual approval is required in a given jurisdiction	Whether an application is routed to a self-regulatory organization will depend on the registration category the applicant has selected. In those jurisdictions where the IDA has been granted the authority to register individuals (Ontario, B.C., and Alberta), NRD will automatically route applications to the IDA. In those jurisdictions where this authority has not been delegated, the regulator will send the application to the IDA through NRD. Once the IDA has made a determination regarding the application it is sent back

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			to the regulator for the regulator's assessment. Once the IDA and the regulator have made their determinations, notification will be provided to the applicant's sponsoring firm.
18.	33-109F4 Item 06	The final form of Schedule "C" (categories of registration) is not provided. We recommend that the categories of registration be harmonized across the provinces in support of the NRD.	The CSA is currently pursuing initiatives to harmonize registration categories.
19.	33-109F4 Item 07	It appears as if the form only has room for one address and the name of only one agent of service in Item 7. If this is the case, consider the fact that an individual may have more than one agent of service if he is registered in more than one jurisdiction.	Form 33-109F4 is intended to provide room for more than one address for service and agent for service. Form 33-109F4 has been amended to clarify this.
20.	33-109F4 Item 08(1)	Please clarify the statement, "if you are a non-registered individual, you are not required to complete this Item." found in Item 8(1). It probably should read, "if you are a non-registered individual, you may not be required to complete this Item."	"Non-registered individual" is a term defined in MI 33-109. Some non-registered individuals are required to meet proficiency requirements under the rules of the IDA and will be required to notify the IDA of having met these requirements through NRD. The instruction has been changed to read: "Check here if you are not required under securities legislation or the rules of a self-regulatory organization to satisfy any course or examination requirements."
21.	33-109F4 Item 08(2)	Given the language of Item 8(2) and given that there has been a determination to add a field for student numbers issued by the Trust Company Institute or for other institutions only in a later release of NRD, please indicate how such information will be captured upon NRD's launch.	Individuals submitting the Form 33-109F4 will only be required to provide the student numbers received from the institutions listed on Form 33-109F4.
22.	33-109F4 Item 08(2)	Please explain why it is felt to be necessary for the applicant to provide student numbers from the CSI, CAIFA etc. If the regulators intend to validate proficiency using student numbers, then the responsibility for doing so should be removed from the dealer's set of responsibilities. If not, then this information need not be provided.	The regulators intend to use student numbers to audit proficiency, but not to check proficiency in every instance. The regulators are of the view that providing student numbers should not be onerous since they appear on the individual's transcript.

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23.	33-109F4 Item 10, 11, schedules F, G, H, I, K, L	In regard to the terms “full disclosure”, “relevant details”, “full details”, consider using plain language and providing comprehensive definitions, instructions or explanation so that any individual who is required to complete this form (including the firm’s compliance and legal departments) may understand what is required of him or her.	A number of these questions have been amended to specify the information sought. In respect of the other circumstances referred to by the commentator, the filing individual at her option may provide further information if, for example, the individual is of the view that doing so will expedite her application. The form has been amended to clarify this.
24.	33-109F4 Item 11	In Item 11, consider removing the last line requesting the applicant/registrant/non-registrant to “check here if all disclosure required by this section has been made in response to Item 10.” It would seem that there would not be any instances where this option could be used. How can one provide disclosure relating to previous employment in the current employment section if they are newly employed and/or now seeking registration?	This check box may be relevant if the sponsoring firm has employed the applicant for the last 10 years in a capacity that did not require the submission of an F4. In such a case the individual’s last 10 years of employment would appear under Item 10 – Current Employment. Admittedly the circumstances in which this checkbox will be used may be rare, but in an on-line environment it is necessary to provide an applicant with the ability to indicate that Item 11 is ‘not applicable’ and why.
25.	33-109F4 Item 11 Schedule G	Form 33-109F4 requests, as does the current Form 4, employment history for the past 10 years. As all industry employment should already be on the system, please explain what the relevance of collecting this information is.	An individual’s employment history should only require inputting once. If an individual is required to submit a new F4, NRD will bring forward the individual’s history so that the individual will only have to confirm the accuracy of the information rather than re-input the information.
26.	33-109F4 Item 12(a)	There are many participants in the Canadian financial industry and many different standards of conduct. With regard to Item 12(a) it has been suggested that the Item is intended to refer only to regulatory standards of conduct. The language should be amended to reflect this.	Item 12(a) refers to industry standards of conduct to which the applicant may have been subject (for example, the IFIC Code of Practice).
27.	33-109F4 Item 13(3)	In Item 13(3) consider removing the comma after the phrase “of that firm”. Most firms have been subject to a cease trade order. Some firms have been subject of a cease trade order of their own voting securities.	The commentator is referring to the following clause: “when you were a partner, director, officer or holder of voting securities carrying more than 10 percent of the votes carried by all outstanding voting securities of the firm, ...” Staff is of the view that the commas around this clause are important to clarify that only words within the clause restrict the meaning of the words “any firm”.

	Category	Comment	Response
28.	33-109F4 Item 14	<p>The wording of the question on criminal disclosure is inappropriate. As the question currently reads, an applicant has to disclose "...if he/she has been charged with an offence or found guilty of an offence that was committed in Canada or had it been committed in Canada, would constitute an offence under the laws of Canada".</p> <p>This question seems to require the applicant to draw a legal conclusion about the similarity between offences in other jurisdictions and the laws of Canada. It would be more appropriate to ask if the applicant has been convicted of an offence under the laws of Canada or of any other state, country or territory.</p>	<p>Staff has simplified the question as it relates to foreign criminal disclosure. Applicants will be required to disclose whether or not they have been charged with or have been found guilty of an offence in a foreign jurisdiction.</p>
29.	33-109F4 Item 14(a) & (b)	<p>Although the current Form 4 does not exclude minor traffic violations and parking tickets from those offences that need to be reported, it has been the practice of Staff of the securities regulators and SROs not include an investigation into these matters as part of the assessment of eligibility for registration or continued registration. Consider specifying the types of charges and offences that applicants must disclose, and those that they do not need to disclose in Items 14(a) and (b).</p>	<p>Given the great number of offences, staff is of the view that it would not be practical to provide an exhaustive list of circumstances in which being charged with an offence may not speak to an individual's suitability. However, staff does agree with the commentators that the current draft of F4 should attempt to explicitly eliminate filings which would be relatively common yet not likely to affect the assessment of an individual's suitability. To that end, speeding and parking violations have been explicitly excluded from the disclosure required under Item 14 of Form 33-109F4.</p>
30.	33-109F4 Item 14(c)	<p>Consider redrafting Item 14 (c) by removing the words "are or". It should be the responsibility of the firm, not the applicant, to disclose whether such charges occurred prior to the applicant's association with the firm. It is suggested that the question be drafted as follows:</p> <p>"Have charges been laid, alleging an offence that was committed in Canada, or had it been committed in Canada, constitutes or would constitute an offence under the laws of Canada, against any firm, in which you were at the time of such event, a partner, director, officer or holder of</p>	<p>Staff agrees with the commentator that individuals should not be required to notify the regulator of information that a registered firm is required to provide. Several questions have been redrafted to provide for this. It should be noted however that under this and other F4 questions, individuals are still required to provide information in respect of firms that are not registered firms.</p>

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		voting securities carrying more than 10 percent of the votes carried by all outstanding voting securities?"	
31.	33-109F4 Item 15(b)	It is suggested that Item 15(b) be reworded. The current wording suggests that a civil proceeding involving the firm occurred, and asks whether the individual was an officer, partner, director or shareholder at the time the events occurred that led to the civil proceeding. The item should first inquire if any civil proceedings actually occurred other than any of those mentioned in section 15(a).	Staff is of the view that the wording of this question is correct. The clause "at the time the events that led to the civil proceeding occurred" could either go where it is currently placed or at the end of the question. Staff is of the view that the question is easier to understand as it is currently drafted.
32.	33-109F4 Item 16(2)	Consider providing a threshold or types of financial obligations necessary for disclosure under Item 16(2). In its current form this Item would require an individual to disclose the failure to meet insignificant financial obligations.	Staff agrees with the commentators. F4 has been amended to provide that an individual is not required to disclose the failure to meet a financial obligation that is less than \$500.
33.	33-109F4 Item 16(4)	Form 33-109F4 requires detailed information on all garnishments and/or directions to pay – please clarify (by explicit inclusion/exclusion) as to whether or not the information sought in this item includes child support and alimony payments.	A direction from a federal, provincial, territorial or state authority ordering payment of child support or alimony would require disclosure under this item.
34.	33-109F4 Agent for Service Submission to Jurisdiction	The Agent for Service and Submission to Jurisdiction provisions require one to file a notice appointing a new agent for service of process at least 30 days prior to termination for any reason of the appointment of the Agent for Service. The Appointment also requires that a notice be filed amending the name or address of the Agent for Service at least 30 days before any change in the name or address of the Agent for Service. This may not be practical, and may not be possible.	The Appointment of Agent for Service has been removed from Form 33-109F4. If an individual appoints an agent for service, the agent and the agent's address will be required under Item 7 of Form 33-109F4 but the Appointment itself will be a separate document retained by the firm pursuant to subsection 6.1(3) of MI 33-109. The Appointment may impose notice requirements.
35.	33-109F4 Certification	Consider replacing the current wording in the certification section with the following: "The undersigned applicant has discussed the questions in this application with an officer or branch manager of this firm, and the applicant has affirmed that he or she fully understands the questions. The undersigned authorized officer	This suggestion will not be adopted. It is an offence for an individual to submit an application that is inaccurate. Given this, it is staff's view that requiring individuals to also merely affirm their understanding of the Form 33-109F4 to a partner or officer would not add to the quality of the submission. Staff would gain greater comfort knowing

	Category	Comment	Response
		<p>certifies on behalf of the sponsoring firm that the applicant will be engaged as registered or approved."</p> <p>Or</p> <p>"The applicant was provided with an opportunity to discuss the questions in this application with an officer or branch manager of this firm. The undersigned authorized officer or partner further certifies on behalf of the sponsoring firm that the applicant will be engaged by the sponsoring firm as registered or approved."</p> <p>This change is suggested as it is unclear how an officer or branch manager can ascertain whether an applicant truly understands the questions on the Form 33-109F4. What steps will an officer or branch manager need to take to be satisfied that an applicant understands the questions? It is suggested that it should only be necessary for an officer or branch manager to simply inquire of the applicant if she understands the questions, to attempt to explain each question not understood by the applicant, and to certify that this inquiry, and if necessary, explanation, has taken place.</p>	<p>that the firm has made reasonable efforts to determine whether an individual understands Form 33-109F4. Staff does not feel that it is possible or necessary to prescribe a checklist for firm's to follow to meet this requirement. Staff is of the view that meeting this requirement necessitates an exercise of judgment that should be within the abilities of an individual reviewing the submission on behalf of a firm.</p>
36.	33-109F4 Certification	<p>Consider changing the wording of the Certification of Officer or Partner box to allow the officer to delegate the responsibility to the AFR for submitting the application online ensuring internal procedures are documented. Wording should be changed to "Certification of Officer Partner or AFR". Add the words "Internal procedures have been documented ensuring that Officer or Partner have reviewed the application with the applicant prior to submission and hereby authorize the AFR to submit this application."</p>	<p>Given that under MI 33-109 and CP 33-109 firms are to take reasonable steps to ensure that submissions are accurate, staff is of the view that this change to the certification is not necessary.</p>

	Category	Comment	Response
37.	33-109F4 Certification	The sworn oath by the applicant as to the truth of their F4 information is being replaced with the AFR's confirmation. The firm's AFR cannot be made accountable for the truthfulness of the applicant's statement.	The individual applicant is responsible for the truthfulness of his or her own submission. The AFR is not expected to investigate whether the information provided to the AFR is accurate. It is an offence for an individual to submit an application that is inaccurate whether the individual makes the submission through an agent (e.g., an AFR) or directly.
38.	33-109F4 Certification	Dealers will have to implement their own affidavit or certification process for the applicant to sign prior to the AFR submitting the application to the regulators. How is this an economic benefit to the dealer?	Individuals are not required to sign a paper form before submitting the form in NRD format. It is an offence for an individual to submit an application that is inaccurate whether or not the individual has signed a certification.
39.	33-109F4 Certification	Please clarify how the Certification of Officer or Partner would be completed. Right now the AFR inputs the information, but the officer ticks off the box certifying that everything is true.	If the application is submitted in paper an authorized partner or officer of the firm must sign the certification section, as is the case in the current paper filing system. If the application is submitted in NRD format there will be no partner or officer certification (this checkbox has been removed from the form). Because firms will be able to monitor NRD submissions through AFRs the regulators are of the view that further evidence of a firm's review (e.g., a certification) is unnecessary.
40.	33-109F4 SRO Certification	Form 33-109F4's "sign off" refers to "we" instead of the applicant directly. Please indicate whether it is the firm or applicant that is being referred to.	The individual is being referred to. The SRO certification section has been amended to clarify this.
41.	33-109F4 SRO Certification	The provision in the Certification and Agreement of Applicant and Sponsoring Firm restricts the applicant from gaining employment with another dealer. This ban is too restrictive and onerous and should be removed.	Staff agrees with the commentator and has clarified the form.
42.	33-109F4 Schedules	Please clarify whether all schedules can be filed electronically or whether a hard copy needs to be forwarded.	All schedules are filed electronically through NRD.
43.	33-109F4 Schedule F	Consider defining 'major portion of your time'. This phrase is too broad and can be interpreted differently.	Staff agrees with the commentators. Individuals will be required to provide disclosure under this question if they are working less than 30 hours per week with their sponsoring firm.

	Category	Comment	Response
44.	33-109F4 Schedule F	It appears that Schedule F only provides room for information about one current employer. If this is the case, consider the fact that many individuals may have more than one current employer.	NRD permits applicants to complete as many current employer schedules as are necessary.
45.	33-109F4 Schedule F	May this form also be used for "specialized" registrations such as portfolio managers? If so, please indicate this explicitly.	The form provides the following direction, which staff believes is sufficiently explicit: "If you are seeking a type of registration for which specified experience is required, provide details of that experience below (for example, level of responsibility, value of accounts under direct supervision, and research experience)"
46.	33-109F4 Schedule G	It appears that Schedule G only provides room for information about one previous employer. If this is the case, consider the fact that an individual may have more than one previous employer.	NRD permits an applicant to complete as many previous employer schedules as are necessary.
47.	33-109F4 Schedule H	With regard to Schedule H (1)(a), (b), (2)(a) and (3)(a) please replace the words "the period of registration or licensing" with "the dates between which you held the registration or license" or "the length of time you held the registration or license".	In each schedule that requested "the period", staff has amended the wording to specify that "the dates" are required.
48.	33-109F4 Schedule L	Schedule "L" requires individuals to state the source of funds they propose to invest in the firm (if applicable). Please clarify what the purpose of this item is as we are of the opinion that this requirement is unnecessary and propose that it be deleted.	Staff has amended this requirement to specify the following disclosure requirement: "If another party has provided you with funds to invest in the firm, identify the party and state the relationship between you and that party." Registration staff is of the view that this information may identify possible conflicts of interest.
49.	33-109F4 Clarification	We would like clarification on who is required to submit Form 33-109F4 on behalf of a firm. For large firms, it would not be feasible to have a senior person submit all forms without the ability to delegate this function.	AFRs submit information (including Form 33-109F4) to the regulators on behalf of individuals and firms. Each firm must have one Chief AFR. A firm's Chief AFR can set up an unlimited number of basic AFRs. The Filer Manual provides a more detailed description of the role of the AFRs.
50.	33-109F5	Please explain the purpose of the blank line following the second bullet "Form 33-109F4".	This was a word processing error and has been corrected by deleting the blank line.

	Category	Comment	Response
51.	33-109F5 Certification	Is it intended for the registrant/applicant/non-registrant will complete and sign this form? If so, clearly this individual should certify the facts, not the signing officer for the firm filer. How can the signing officer attest to the truth of the facts?	The form 33-109F5 will be used for notification of changes to both firm and individual information. The 33-109F5 certifications have been amended such that firms and individuals only certify the facts that pertain to them.

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