

Canadian Securities Administrators Staff Notice 31-305 Registration Streamlining System

Introduction

Staff of the members of the Canadian Securities Administrators (CSA), except staff of the Commission des valeurs mobilières du Québec (CVMQ), issue this notice to explain the Registration Streamlining System (RSS). The Investment Dealers Association of Canada (IDA) is participating in the RSS and is issuing its own notice to its members. This CSA staff notice refers to the participating members of CSA and the IDA collectively as we.

On October 1, 2002, we will adopt a streamlined process that applies to salespersons registering in more than one jurisdiction. By adopting the RSS, we will simplify the administrative processes for salespersons employed by dealers that belong to the IDA, as well as for salespersons employed by dealers that belong to the Mutual Fund Dealers Association of Canada (MFDA). The MFDA will inform its members about the implementation of RSS.

The RSS will make applying for registration with more than one jurisdiction more efficient by reducing and harmonizing as much as possible the paperwork that salespersons submit.

Overview of the Registration Streamlining System

Currently, except in Nova Scotia, a salesperson who wants to conduct registerable activities in more than one jurisdiction must complete a separate form for each registration.

The RSS changes administrative practices, but not regulatory requirements, by allowing salespersons registered with at least one participating CSA member (either directly or through the IDA) to use copies of a registration form to apply for additional registrations. All existing local requirements remain in effect, and each participating CSA member and each IDA district will continue applying them and assessing each individual's suitability for registration. Salespersons will also have to comply with future requirements of participating CSA members and the IDA.

In the RSS, we refer to the participating CSA member or the IDA district through which a salesperson has been continuously registered for the longest period of time as the initial decision maker. For RSS applications to register in additional jurisdictions, a salesperson copies the registration form filed most recently with that salesperson's initial decision maker.

We use the term subsequent decision maker to refer to a participating CSA member or IDA district to which a salesperson applies using the RSS system after being registered with an initial decision maker.

Use of the RSS to register as a salesperson in more than one jurisdiction is voluntary.

Since none of the participating members of the CSA have delegated registration powers to the MFDA, salespersons of MFDA members should submit their RSS applications to the applicable member of the CSA.

Currently, neither the CVMQ nor the Bourse de Montréal Inc. (BDM) is participating in the RSS, although they may participate in the future. Salespersons employed by mutual fund dealers registered by the Bureau des services financiers (BSF) cannot use the RSS to apply for registration in Québec. For information about how Québec salespersons may access the RSS through another CSA jurisdiction to register in additional CSA jurisdictions outside Québec, please see *Dealers with operations in Québec*.

Accessing the Registration Streamlining System

A salesperson submitting an RSS application to a subsequent decision maker must meet all of the following threshold criteria:

1. The salesperson is registered with the initial decision maker.
2. The dealer the salesperson works for belongs to the IDA or to the MFDA.
3. The dealer the salesperson works for is registered with the initial and subsequent decision makers.

How to apply to subsequent decision makers using the Registration Streamlining System

In most provinces and all territories, salespersons apply directly to one of the participating members of the CSA as the subsequent decision maker. However, investment dealer salespersons apply to the appropriate district of the IDA in Alberta, British Columbia, and Ontario.

- A. The dealer and salesperson send the subsequent decision maker:
1. a joint dealer-salesperson letter signed by both the dealer and salesperson
 2. a photocopy of the salesperson's most recently filed registration form¹ and supporting materials (all of which we refer to as the registration form) that contains all of the information required by the initial decision maker, including the completed form and exhibits (but not including photographs or documents relating to courses and examinations)

¹ Do not submit a copy of a renewal form.

3. the registration fee charged by the subsequent decision maker
- B. The joint dealer-salesperson letter has a section for the dealer and one for the salesperson.
1. The dealer's section sets out:
 - a. an acknowledgement from the dealer that the salesperson is applying to the subsequent decision maker for registration
 - b. who supervises the salesperson's trading activity
 - c. the supervisor's business location
 2. The salesperson's section sets out:
 - a. a representation that the salesperson is registered with the initial decision maker, including the registration category and any terms and conditions of registration
 - b. any changes in the information on the registration form filed on the salesperson's most recent application to the initial decision maker or confirmation that no changes in the information on the registration form have occurred
 - c. the name of the subsequent decision maker to which the salesperson is applying
 - d. the registration category for which the salesperson is applying
 - e. as set out in the section *Submitting to jurisdiction*, the salesperson's agreement to be bound by the courts and tribunals of the province or territory in which the participating CSA member or IDA district that is the subsequent decision maker is located
 - f. the salesperson's address for service in the province or territory in which the subsequent decision maker is located

Each subsequent decision maker will decide whether or not to register the applicant. The subsequent decision maker may require the salesperson or dealer to submit additional information. In addition, the subsequent decision maker may impose on the salesperson conditions of registration that may be the same as or different from conditions imposed by an initial decision maker.

Applying for registration with more than one subsequent decision maker

A salesperson can apply to more than one subsequent decision maker at the same time. A salesperson who wishes to do that should prepare a separate application package for each subsequent decision maker to which the salesperson applies.

Dealers with operations in Québec

Salespersons employed by dealers, including mutual fund dealers, are not eligible to use the RSS in Québec. Instead, when seeking Québec registration, salespersons must continue applying, as the case may be, directly to the CVMQ, the BDM, or the BSF.

If a Québec-based dealer, including a mutual fund dealer, obtains registration in a province or territory outside Québec, that dealer's salespersons may access the RSS outside Québec through that other jurisdiction. Salespersons will need to apply for registration in one province or territory outside Québec and then use that non-Québec initial registration to access the RSS.

Submitting to jurisdiction

If salespersons carry on registerable activities, then they are subject to the legal jurisdiction of the province or territory in which they conduct those registerable activities. Participating members of the CSA will accept the following wording as an individual's submission to (attornment to) jurisdiction:

By submitting this application I irrevocably and unconditionally submit to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of each jurisdiction to which I have submitted this application and any administrative proceedings in that jurisdiction, in any action, investigation or administrative, disciplinary, criminal, quasi-criminal, penal or other proceeding (each, a proceeding) arising out of or relating to or concerning my activities as a registrant under the securities legislation of the jurisdiction, and irrevocably waive any right to raise as a defence in any proceeding any alleged lack of jurisdiction to bring that proceeding.

Personal information

When a salesperson uses the RSS, the initial and subsequent decision makers may collect, use, disclose, and share information, including that salesperson's personal information. To determine whether the salesperson is registered and in good standing, each subsequent decision maker may communicate as necessary with the initial decision maker, other members of the CSA, and other organizations including the IDA or MFDA.

Many jurisdictions have enacted legislation governing information collection, use, disclosure, and sharing. Each jurisdiction has different requirements governing personal information. A salesperson making an RSS application for registration should contact the relevant CSA member for more information about local requirements.

Questions

Please refer questions about the RSS to the contact for the appropriate participating CSA member or the IDA:

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