

INITIAL REGISTRATION REQUIREMENTS
FOR
INVESTMENT COUNSEL AND PORTFOLIO MANAGER
(Regulation 14)

1. Fees (Regulations - Schedule 1).
 - (a) Fee of \$600.00 for the registration of the corporate applicant, (include with registration package).
 - (b) Fee of \$100.00 for each branch office which is in addition to the business office in Nova Scotia, (include with registration package).
 - (c) Fee of \$300.00 for each partner or officer of the applicant seeking registration, (paid via NRD); and
 - (d) After registration, the same fees are payable each year on December 31st. Late filing of fees, financial information or important amendments may lead to temporary suspension of registration.
 - (e) Fee of \$100.00 for each amendment of registration, payable for each indicated change.

*****NOTE:** Commission staff requires the president of the corporate applicant and the chief compliance officer to seek registration.

Applicable fees are made payable to the **Minister of Finance**, Province of Nova Scotia.

2. Completed Form 3 for the business entity making application (Regulation 45). In conjunction with this form, the corporate applicant must also provide:
 - (a) a separate and complete list of all shareholders together with their share holdings;
 - (b) a list of **all** officers and directors of the firm indicating:
 - 1) each individual's full name;
 - 2) position(s) held within the firm;
 - 3) whether they are to be counseling or non-counseling; and
 - 4) whether they are residents or non-residents of Nova Scotia.
3. If the NRD profile of the individual is not completely up to date, then the following must be included with the registration package;
 - (a) Completed Form 33-109F4 for each person applying for registration as investment counsel or portfolio manager indicating, inter alia, successful completion of the Canadian Securities course, the Canadian Investment Finance course or the Canadian Investment Management course and the first year of the Chartered Financial Analysts course, and experience having been employed for at least five (5) years performing research involving the financial analyses of investments with at least three (3) of those years under the supervision of an advisor having the responsibility for the management or supervision of investment portfolios having an aggregate value of not less than \$1,000,000.00 (Regulations 41(7) and 42(2)).

- (b) Proof of successful completion of the applicable course.
 - (c) A letter giving full details of education and investment experience as required by Subsections 41(7) or 42(2) of the Regulations, respectively.
 - (d) If the exercise of discretion by the director will be required to waive standard proficiency requirements pursuant to Section 43 of the Regulations, a separate submission requesting the relief and demonstrating equivalency should be included.
4. Completed Form 33-109F4 for each director and officer or partner of the applicant firm (whether or not counseling or seeking registration).
 5. With each NRD submission or Form 33-109F4 for each director and officer or partner, an originally signed RCMP check form with Section A completed.
 6. A certificate of good standing under the Nova Scotia **Corporations Registration Act** or the **Partnerships and Business Names Registration Act**, as applicable.
 7. The established fiscal year-end of the applicant.
 8. A signed copy of a letter of direction to the applicant's auditors authorizing them to act at the request of the Nova Scotia Securities Commission (the "Commission") to conduct an audit of the applicant's books, the expenses of which shall be paid by the applicant (Regulation 58(1)).
 9. Audited financial statements prepared in accordance with GAAP reflecting a minimum working capital of five thousand dollars (\$5,000.00) subject to an increase if the applicant is handling clients' funds or securities and a minimum free capital equal to a maximum amount of the deductible under the bond or insurance (see item 12) and \$5,000.00 working capital or an amount determined by the Director of Securities.
 10. If the applicant is handling clients' funds or securities provide more detail on how they are handled. If the applicant is not handling clients' funds or securities describe who will be handling them ie: client, bank, trust company, another individual, etc.
 11. A letter stating whether or not the applicant intends to collect subscriptions or prepayments pending investment. If it does, it is required to place them in a trust account (Regulation 36). Evidence of the establishment of such an account will be required when collection of subscriptions or prepayments is indicated.
 12. (a) If the applicant does not handle clients' funds or securities but intends to collect subscriptions or prepayments, they must obtain a 3-D (dishonesty, disappearance,

- destruction) insurance policy in the amount of \$10,000.00 or an amount equal to the trust account referred to in paragraph 10, whichever is greater.
- (b) If the applicant does handle clients' funds or securities it must obtain insurance coverage in the form of a broker's blanket bond in the minimum amount of \$200,000.00 (Regulation 24(3)).
 - (c) If the applicant will not be handling clients' funds or securities, nor collecting subscription or prepayments, insurance coverage in the amount of \$10,000.00 is required.
13. A certified copy of a resolution of the directors of the applicant stating that full consideration has been given to the amount of bonding or insurance necessary (Regulation 24(4)).
 14. A letter signed by the applicant's chief compliance officer or partner, giving that person's name and title, and acknowledging responsibility for and cognizance of the supervisory procedures and requirements contained in Part II of the Regulations - Registration Requirements.
 15. An affidavit disclosing source of capital. Where ownership is indicated, it is necessary to identify the ultimate individual beneficial owners of shares or of interest in the applicant. Ownership of a right to acquire shares of the applicant exercisable at the discretion of the holder confers beneficial ownership of those securities on both the option holder and the owner of the securities for the purpose of this requirement. (S. 37 of the Act)
 16. A letter stating whether the applicant has a direct or indirect interest in another registrant and if so, the nature of that interest.
 17. A copy of the applicant's supervisory procedures for dealing with clients.
 18. A copy of the policies established for standards or fairness in dealing with clients (Regulation 32(1)).
 19. The location in Nova Scotia where the applicant's books and records are maintained (Regulation 30(5) and (6)).
 20. The applicant must establish a business office in Nova Scotia with a manager of the business office who shall be a permanent resident of Nova Scotia registered and approved by the Director of Securities (Regulation 22(1)). File a letter from the applicant and the business office manager explaining the person's qualifications to act as a manager of proof that the person has completed the Branch Manager's course. A fee of \$300.00 must also accompany the registration.

*****NOTE Exemptions to items 19 and 20 are set out in Regulation 22(3) and (4) and the Nova Scotia Securities Commission's Blanket Order No. 31-504**

These forms must be completed by any firm that will not have a business office in Nova Scotia:

The Applicant must complete the **FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS BY A NON-RESIDENT DEALER for the Firm** and a **FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OR PROCESS BY NON-RESIDENT PARTNERS, OFFICERS OR REPRESENTATIVES OF A NON-RESIDENT DEALER** for each **Investment Counselor or Portfolio Manager** to be registered in Nova Scotia.

Where an application does not comply substantially with these requirements, or with the **Securities Act** and Regulations, the application will be returned without comment and must be re-filed. This will also apply to subsequent amendments to registration