

NOTICE OF PROPOSED MULTILATERAL INSTRUMENT 33-108

PERMANENT REGISTRATION

Substance and Purpose of Proposed Instrument

The substance and purpose of the proposed Instrument are to introduce a permanent registration system under the *The Securities Act, 1988* (the "Act").

The proposed Instrument is expected to be implemented as a rule, regulation or other appropriate instrument in all of the jurisdictions represented by the Canadian Securities Administrators (the "CSA"), except British Columbia, Alberta, Manitoba and Quebec.

This Instrument is expected to be implemented in British Columbia, Alberta and Manitoba if proposed Multilateral Instrument 31-102 National Registration Database is also implemented in those jurisdictions.

Because this Instrument is not proposed for adoption in all of the jurisdictions of the CSA, it is called a Multilateral Instrument rather than a National Instrument. However, since this Instrument is being adopted in a number of jurisdictions, it is numbered as a national instrument.

Summary of Proposed Instrument

The proposed Instrument creates a permanent registration system to replace the current annual renewal system of registration. It provides that on December 15 of each year every registered firm will be required to deliver to the regulator an annual registration fee for itself and its registered individuals.

If a firm fails to pay its annual registration fee on December 15, the registration of the firm will be suspended on December 31 of the same year. The registration of a firm that has been suspended for this reason will expire on the second anniversary of the suspension unless an application for reinstatement of registration is filed in the interim.

If a registered firm delivers its annual registration fee after December 15 but before the end of the day on December 31 of the same year, the regulator may approve the continuation of the firm's registration.

The proposed Instrument provides that the registration of a registered individual with a sponsoring firm is suspended on the date that the individual ceases to act on behalf of the firm or the registration of the sponsoring firm is suspended, is terminated, or expires. A registration that is suspended for this reason will expire on the second anniversary of the suspension unless an application for reinstatement of registration is filed in the interim.

The proposed Instrument requires that an application for reinstatement of registration shall be made in

the form that is prescribed by the securities regulatory authority for an application for registration. Despite this requirement, until Multilateral Instrument 31-102 National Registration Database is effective, an application for reinstatement of registration filed by a salesperson within six months of the salesperson being suspended shall be made in the form that is prescribed by the regulator.

Authority for Proposed Instrument

The following provisions of the Act provide the Commission with authority to make the proposed Instrument:

- Clause 154(1)(b) of the Act authorizes the Commission to make regulations prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and respecting the suspension, cancellation or reinstatement of registration.
- Clause 154(1)(f) of the Act authorizes the Commission to make regulations prescribing requirements respecting the disclosure or furnishing of information to the Commission by registrants.

Comments

Interested parties are invited to make written submissions with respect to the proposed Instrument. Submissions received by **June 18, 2001** will be considered.

Submissions should be sent to all Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission in duplicate, as indicated below:

Saskatchewan 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

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 the Act requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to:

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(416) 593-8090

Proposed Instrument

The text of the proposed Instrument follows, together with footnotes that are not part of the Instrument but have been included to provide background and explanation.

DATED: March 16, 2001