

APPENDIX A

Comment Table National Instrument 31-101 *National Registration System*

Commentors

Canadian Bankers Association
Mutual Fund Dealers Association of Canada
Royal Bank of Canada
Edward Jones
National Bank of Canada
Investment Funds Institute of Canada
Wayne A. Robinson
Fidelity Investments Canada Limited
Investment Dealers Association of Canada

	Category	Comment	Response
1.	31-101 Definitions	Guidance was requested as to the definition of “unrestricted adviser” for the purposes of determining eligibility to use NRS, as many advisers have registrations that are subject to both general and specific terms and conditions. Clarification is requested as to the difference between “terms and conditions” and “restrictions”.	The term “unrestricted adviser” is used in a general fashion to identify the various categories of adviser registrations that can be sought under NRS (as listed in Appendix A to NI 31-101). The fact that a filer has certain terms and conditions attached to its registration will not prevent the filer from using NRS. This is clarified in the interpretation section of NP 31-201.
2.	31-101 Application of the NRS	Guidance was requested as to the situation of firms with more than one category of registration, one of which is not governed by NRS. Would these firms be excluded from NRS or would they be subject to NRS only insofar as their unrestricted practice registration is concerned?	Such firms would be able to use NRS only with regard to the category that is eligible under NRS and would have to apply locally, as they currently must do, when applying in a category that is not eligible under NRS. The CSA is of the view that no other registration category was common enough between the jurisdictions to be included in NRS. A principal regulator in one jurisdiction would not be qualified to register a registrant in a category that does not exist in its jurisdiction.

	Category	Comment	Response
3.	31-101 Eligibility	It was questioned why non-resident individuals are not able to use NRS, and the CSA is encouraged to consider permitting non-resident individuals to use NRS in connection with individual registrations associated with NRS eligible registrant firms.	Certain members of the CSA currently have certain residency requirements in connection with registration as an adviser or as a dealer. As this is a requirement that cannot be exempted on a general basis, NRS has to be limited to Canadian residents. Further, as certain regulators who register non-resident individuals impose specific terms and conditions, the NRS registration procedure for non-residents would have been too complex.
4.	31-101 Applicable Requirements	Because both firm and individual registrants will be tied to their “home jurisdiction”, firms operating in multiple provinces will need to be aware of differences in rules of each jurisdiction plus IDA and other applicable SROs. Moreover, the proposed policy does not address jurisdictional variations. The CSA is urged to harmonize registration requirements.	<p>The CSA’s goal with regard to NRS is not to harmonize legislation, but rather to quickly implement a centralized registration process (i.e. an industry participant dealing with only one regulator). Harmonization will be achieved through other efforts.</p> <p>The CSA is of the view that it is important to implement NRS even if harmonization is not yet reached, as NRS has benefits of its own.</p> <p>As it is important to link the filer with the jurisdiction in which it is anticipated that most of its business will be conducted, it is inevitable that firms operating in multiple provinces and who have a centralized registration office will need to be aware of the specific fit and proper requirements for individuals in each jurisdiction.</p>
5.	31-101 Temporary Exemption	It was submitted that there should be a possibility of having the six month delay, to comply with a new principal regulator’s requirements, extended in certain situations and addressed in NI 31-101 so that a formal exemption request would not be required. It may be difficult for the filer to meet all necessary proficiency requirements within the prescribed six month period.	The CSA realizes that in certain situations where there is a change of principal regulator, the requirements of the new principal regulator may not be satisfied within a six-month period. Members of the CSA will be open to the possibility of extending this temporary exemption to allow for the registrant to satisfy the new principal regulator’s fit and proper requirements on a case-by-case basis. To grant this relief, regulators could take into consideration the period of time during which the registrant has been registered. However, the CSA is of the view that a lengthier general temporary exemption could increase the risk of jurisdiction-shopping.