



## STAFF NOTICE 33-710 BRANCH MANAGERS

This Staff Notice sets out the application of the branch manager requirement in section 36 of *The Securities Regulations* (the “Regulations”). It is consistent with the branch manager requirements of the Investment Dealers Association and the Mutual Fund Dealers Association.

### The branch manager requirement

The branch manager requirement is found in section 36 which provides:

- 36(1) Every investment dealer, scholarship plan dealer and mutual fund dealer shall designate a branch manager in Saskatchewan who shall be in charge of each branch office of that dealer in Saskatchewan.
- (2) A designation made pursuant to subsection (1) if not effective until it is approved by the Commission.

### Application of branch manager requirement

The branch manager requirement applies to investment dealers, scholarship plan dealers and mutual fund dealers. It does not apply to advisers. It also does not apply to non-resident dealers who do not have a place of business in Saskatchewan. General Ruling/Order 35-901 *Non-Resident Registrants* exempts non-resident investment dealers and mutual fund dealers from the branch office requirement on certain conditions.

### Branch office

Staff interprets “branch office” as meaning any place in Saskatchewan from which a dealer does business. This includes a salesperson’s home office. Subsection 36(2) provides that the Commission must approve the designation of each branch office. The Commission has delegated this function to the Director.

### Branch manager qualifications

Section 37 of the Regulations provides that branch managers must have completed a branch managers course and have at least two years experience in the securities industry<sup>1</sup>. Because anyone acting as branch manager is directly or indirectly trading in securities, a branch manager must be registered under *The Securities Act, 1988*.

Staff believe that to “be in charge of each branch office” as required in section 36 of the Regulations, a branch manager should be normally present in a branch. The Director is likely to approve a branch office supervised by someone who is not normally present in a branch on the following conditions:

- there are no more than 3 salespersons working in that branch; and
- the branch is supervised by a branch manager located in another office (a “non-

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<sup>1</sup> This does not apply to scholarship plan dealers branch managers.

resident branch manager”) that the Director has approved.

The Director will consider the following factors when approving a non-resident branch manager:

- **Supervision plan** - the manner in which the non-resident branch manager will supervise the branch. The dealer should submit a supervision plan when seeking approval.
- **Number of branches** - the number of branches and the number of salespersons that the non-resident branch manager is supervising.
- **Proximity** - the proximity of the non-resident branch manager to the branches that he or she is supervising. The non-resident branch manager should be reasonably proximate to the branch. What is reasonable depends on population density in the geographic area where the branch is located. In rural areas where population is sparse, the non-resident branch manager can be farther away from the branch. In urban areas, a non-resident branch manager should be closer to the branch offices.

The Director may approve a non-resident branch manager who resides in either Manitoba or Alberta, provided that the branch manager is registered in Saskatchewan, and is reasonably proximate to the branches in Saskatchewan that they are supervising.

In centers where there are several branch offices, the Director will expect a non-resident branch manager to be in the same urban center. For example, a dealer may have several branches in Swift Current. Those branch offices should be supervised by a branch manager who resides in Swift Current, not in Regina or Saskatoon.

Dated October 15, 2004

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