

CSA Staff Notice 11-328

*Notice of Local Amendments in Alberta and the Adoption of
Multilateral Amendments in Yukon*

March 12, 2015

From time to time, a local jurisdiction may amend a national or multilateral instrument to reflect changes that affect activity only in that particular local jurisdiction. The CSA recognize that such local amendments may nonetheless be of interest or importance beyond the local jurisdiction and CSA staff are issuing this Notice to identify the sections of certain national instruments affected by local amendments in Alberta and the adoption of multilateral amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) in Yukon. For public convenience, CSA members in other jurisdictions will update the text of the applicable consolidated instruments on their websites to reflect these local amendments.

Local Amendments – Alberta

On October 31, 2014, the *Securities Amendment Act, 2014* amended the *Securities Act* (Alberta) (the **Act**) to create a framework for derivatives regulation. Among other things, the Act has been amended to add a definition of derivative and to replace throughout the Act, where necessary, the terms “exchange contract” and “futures contract” with the term “derivative”. As a result, in Alberta, several national instruments were amended to make conforming changes regarding this terminology.

On January 11, 2015, the Alberta Securities Commission, along with the other members of the CSA, implemented amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*; however, the amendments in Alberta vary from the other CSA jurisdictions in Sections 8.20 and 8.20.1.

Annex A to this Notice sets out the Alberta local amendments.

Adoption of Multilateral Amendments – Yukon

On December 31, 2014, the Office of the Yukon Superintendent of Securities implemented amendments to NI 58-101 *Disclosure of Corporate Governance Practices* in coordination with Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec and Saskatchewan. The Office of the Yukon Superintendent of Securities reached the decision to adopt the amendments subsequent to the publication of Multilateral CSA Notice of Amendments to NI 58-101 dated October 15, 2014.

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Annex A
Local Amendments – Alberta

1. ***Section 1.4(1) of National Instrument 21-101 Marketplace Operation is amended by deleting “Alberta and”.***

2. ***Section 1.2 of National Instrument 23-102 Use of Client Brokerage Commissions is amended***
 - (a) in paragraph (a) by deleting “Alberta,” and deleting “and” at the end of the paragraph,***

 - (b) by adding “, and” at the end of paragraph (b), and***

 - (c) by adding the following paragraph:***
 - (c) in Alberta, “security” includes a derivative..***

3. ***National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended***
 - (a) in Section 1.2 by deleting “Alberta,”***

 - (b) in Section 1.2 by renumbering it as subsection 1.2(1) and by adding the following subsection:***
 - (2) In Alberta, a reference to “securities” in this Instrument includes “derivatives”, unless the context otherwise requires.,***

 - (c) in Section 8.2 by deleting “Alberta,”***

 - (d) in Section 8.2 by renumbering it as subsection 8.2(1) and by adding the following subsection:***
 - (2) Despite section 1.2, in Alberta a reference to “securities” in this Division excludes derivatives which are traded on an exchange pursuant to standardized terms determined by the exchange and cleared by a clearing agency.,***

 - (e) in Section 8.20 by***
 - i. replacing subsection (1) with the following:***
 - (1) In British Columbia, New Brunswick and Saskatchewan, the dealer registration requirement does not apply to a person or company in respect of a trade in an exchange contract by the person or company if one of the following applies:***

- (a) the trade is made through a registered dealer, if the dealer is registered in a category that permits the trade unless, in furtherance of the trade, the person or company seeking the exemption solicits or contacts directly any purchaser or prospective purchaser in relation to the trade;
- (b) the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade., **and**

ii. replacing subsection (1.1) with the following:

- (1.1) In Alberta, the dealer registration requirement does not apply to a person or company in respect of a trade in a derivative on an exchange pursuant to standardized terms determined by the exchange and cleared by a clearing agency:
 - (a) the trade is made through a registered dealer, if the dealer is registered in a category that permits the trade unless, in furtherance of the trade, the person or company seeking the exemption solicits or contacts directly any purchaser or prospective purchaser in relation to the trade;
 - (b) the trade is made to a registered dealer who is purchasing as principal, if the dealer is registered in a category that permits the trade., **and**

iii. repealing subsections (2) and (3).

(f) in Part 8 by adding the following section:

8.20.1 Exchange contract trades through or to a registered dealer - Alberta, British Columbia, New Brunswick and Saskatchewan

- (1) In British Columbia, New Brunswick and Saskatchewan, the dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities related to exchange contracts that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement.
- (1.1) In Alberta, the dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities related to a trade in a derivative on an exchange pursuant to standardized terms determined by the exchange and cleared by a clearing agency that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement..

(g) in Section 8.26(1) by deleting “Alberta,”

(h) in Section 8.26 by adding the following subsection:

- (1.1) Despite section 1.2, in Alberta a reference to “securities” in this section excludes derivatives which are traded on an exchange pursuant to standardized terms determined by the exchange and cleared by a clearing agency..

4. National Instrument 55-104 Insider Reporting Requirements and Exemptions is amended

(a) in Section 1.1(1) in the definition of “derivative”

- i. in paragraph (a) by adding “Alberta,” before “New Brunswick”, and**
- ii. in paragraph (b) by adding “Alberta” before “New Brunswick”,**

(b) in Section 1.1(1) in the definition of “exchange contract”

- i. in paragraph (a) by deleting “Alberta,”, and**
- ii. in paragraph (b) by deleting “Alberta,”.**

The amendments noted in items 1, 2, 3(a) – (d), (g) and (h) and 4 became effective on October 31, 2014 and the amendments noted in items 3(e) and (f) became effective on January 11, 2015.