

ORDER NUMBER 95

**IN THE MATTER OF THE *SECURITIES ACT* ("the *Act*")  
R.S.N.L. 1990 CHAPTER S-13, AS AMENDED**

**AND**

**EXEMPTION FROM THE DEALER REGISTRATION REQUIREMENT AND THE ADVISER  
REGISTRATION REQUIREMENT IN RESPECT OF TRADES AND ADVICE FOR U.S. RESIDENT  
CLIENTS**

**ORDER  
(Sections 144.(1) of the *Act*)**

**Definitions**

1. Unless otherwise defined in this order or the context otherwise requires, terms used in this order that are defined in NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* or National Instrument 14-101 *Definitions* have the same meaning.

**Background**

2. Certain broker-dealers registered under U.S. federal securities law (U.S. broker-dealer firms) may have offices or employees in Newfoundland and Labrador.
3. Certain advisers registered or exempt from registration under U.S. federal securities law (U.S. adviser firms) may have offices or employees in Newfoundland and Labrador.
4. Those U.S. broker-dealer firms and U.S. adviser firms trade for and advise U.S. resident clients and may be subsidiaries of, affiliated to, or have arrangements with registered firms in Newfoundland and Labrador.
5. Employees in Newfoundland and Labrador of
  - i. those U.S. broker-dealer firms who trade for U.S. resident clients must be registered to trade for U.S. resident clients under U.S. federal securities law;
  - ii. those U.S. adviser firms who advise U.S. resident clients must be registered or exempt from registration to advise U.S. resident clients under U.S. federal securities law (registered representatives).

6. If those U.S. broker-dealer firms and U.S. adviser firms and their registered representatives trade for and advise U.S. resident clients and are not registered in Newfoundland and Labrador, they are in default of the dealer registration requirement or the adviser registration requirement, because carrying out those activities in Newfoundland and Labrador requires registration.
7. Those U.S. broker-dealer firms and U.S. adviser firms and their registered representatives are subject to U.S. federal securities law in respect of trades for and advice to U.S. resident clients.

**Order**

8. Considering that it would not be prejudicial to the public interest to do so and pursuant to section 144.(1) of the *Act*, the Superintendent orders that:
  - i. a U.S. broker-dealer firm and its representatives are exempt from the dealer registration requirement in respect of trades for U.S. resident clients; and
  - ii a U.S. adviser firm and its representatives are exempt from the adviser registration requirement in respect of advice to U.S. resident clients

if they comply with all of the following conditions:

- (a) The U.S. broker-dealer firm or U.S. adviser firm files with the regulator a current information report in the form prescribed in Appendix A before relying on this order, and files an updated information report within 10 days of a change to a previously filed information report;
- (b) The U.S. broker-dealer firm or U.S. adviser firm does not trade securities for or advise clients resident in Newfoundland and Labrador, and their registered representatives only trade securities for or advise clients resident in Newfoundland and Labrador if they are registered in the appropriate category;
- (c) The U.S. broker-dealer firm or U.S. adviser firm files with the regulator all information and records about its trading and advising activities as the regulator requires from time to time;
- (d) The U.S. broker-dealer firm and its representatives or the U.S. adviser firm and its representatives are not in default of securities law in any jurisdiction or foreign jurisdiction;
- (e) The U.S. broker-dealer firm and its representatives are registered under U.S. federal securities law; and
- (f) The U.S. adviser firm and its representatives are registered or exempt from registration under U.S. federal securities law.

9. This order comes into effect on March 26, 2015.

**Dated** at St. John's, Newfoundland and Labrador this 5<sup>th</sup> day of January 2016.

  
**John O'Brien, FCPA, FCA, CISA**  
Superintendent of Securities

**Appendix A to Order Number 95**

**Information report under Order Number 95**

***Exemption from the dealer registration requirement and the adviser registration requirement in respect of trades and advice for U.S. resident clients***

**Complete the applicable sections.**

Indicate the jurisdiction(s) in which the firm has employees who trade for or advise U.S. resident clients.

AB	BC	MB	NB	NL	NS	NT	NU	ON	PE	QC	SK	YT
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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[Name of firm]

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[Street address]

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[Telephone number]

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[Name of registered firm in Canada with which you are affiliated, have a business arrangement, or share employees or offices]

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[Name of individual responsible for ensuring conditions to use this exemption are met]

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[Telephone number for responsible individual]

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[E-mail address for responsible individual]

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[Names of employees trading or advising on securities for U.S. resident clients. Use separate sheet if necessary]

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[Date]