

**Ontario Securities Commission**

**Rule 33-506**

**Unofficial consolidation current to 2018-06-12.**

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**Any forms referenced in this document are available separately on the Ontario Securities Commission website.**

**OSC RULE 33-506**

***(COMMODITY FUTURES ACT) REGISTRATION INFORMATION***

**Contents**

**Part 1 Definitions and Interpretation**

Definitions  
Interpretation

**Part 2 Application for Registration and Review of Permitted Individuals**

Dealer and Adviser Registration  
Individual Applicants  
Reinstatement  
Permitted Individuals  
*Securities Act* Registrants

**Part 3 Changes to Registered Firm Information**

Changes to Form 33-506F6 Information  
Changes to Business Locations  
Changes to Other Registration Information

**Part 4 Changes to Registered Individual and Permitted Individual Information**

Changes to Form 33-506F4 Information  
Termination of Employment, etc.

**Part 5 Due Diligence and Record-Keeping**

Sponsoring Firm Obligations

**Part 6 [Lapsed]**

**Part 7 Exemption**

Exemption

**Part 8 Effective Date**

Effective Date

**PART 1**  
**DEFINITIONS AND INTERPRETATION**

**Definitions**

**1.1** In this Rule

"business location" means a location where the firm carries out an activity that requires registration, and includes a residence if regular and ongoing activity that requires registration is carried out from the residence or if records relating to an activity that requires registration are kept at the residence;

"cessation date" means the last day on which an individual had authority to act as a registered individual on behalf of their sponsoring firm or was a permitted individual of their sponsoring firm, because of the end of, or a change in, the individual's employment, partnership, or agency relationship with the firm;

"designated rating organization" has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*;

"DRO affiliate" has the same meaning as in National Instrument 25-101 *Designated Rating Organizations*;

"firm" means a person or company that is registered, or is seeking registration, as a dealer, adviser or investment fund manager;

"Form 33-506F1" means Form 33-506F1 *Notice of Termination of Registered Individuals and Permitted Individuals*;

"Form 33-506F2" means Form 33-506F2 *Change or Surrender of Individual Categories*;

"Form 33-506F3" means Form 33-506F3 *Business Locations other than Head Office*;

"Form 33-506F4" means Form 33-506F4 *Registration of Individuals and Review of Permitted Individuals*;

"Form 33-506F5" means Form 33-506F5 *Change of Registration Information*;

"Form 33-506F6" means Form 33-506F6 *Firm Registration*;

"Form 33-506F7" means Form 33-506F7 *Reinstatement of Registered Individuals and Permitted Individuals*;

"former sponsoring firm" means the registered firm for which an individual most recently acted as a registered individual or permitted individual;

"NRD submission number" means the unique number generated by NRD to identify each NRD submission;

"permitted individual" means

- (a) a director, chief executive officer, chief financial officer, or chief operating officer of a firm, or a functional equivalent of any of those positions;
- (b) an individual who has beneficial ownership of, or direct or indirect control or direction over, 10 percent or more of the voting securities of a firm; or
- (c) a trustee, executor, administrator, or other personal or legal representative, that has direct or indirect control or direction over 10 percent or more of the voting securities of a firm;

"registered firm" means a person or company that is registered as a dealer or adviser;

"registered individual" means an individual who is registered to trade or advise on behalf of a registered firm;

"sponsoring firm" means,

- (a) for a registered individual, the registered firm on whose behalf the individual trades or advises,
- (b) for an individual applying for registration, the firm on whose behalf the individual proposes to trade or advise,
- (c) for a permitted individual of a registered firm, the registered firm, or
- (d) for a permitted individual of a firm that is applying for registration, the applicant firm.

"successor credit rating organization" has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*;

## Interpretation

**1.2** Terms defined in Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* and used in this Rule have the respective meanings ascribed to those terms in Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*.

## PART 2 APPLICATION FOR REGISTRATION AND REVIEW OF PERMITTED INDIVIDUALS

### Dealer and Adviser Registration

**2.1** Except as provided in subsection 2.5(1), an applicant for registration as a dealer or adviser must submit to the Director,

- (a) in paper format, a completed Form 33-506F6, excluding questions 1.4(a), 2.6 and 6.2; and
- (b) in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*, a completed Form 33-506F3 for each business location of the applicant, other than the applicant's head office.

### Individual Applicants

**2.2 (1)** An individual who applies for registration under securities legislation must make the application by submitting to the regulator in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* a completed Form 33-506F4.

**(2)** Despite subsection (1), a permitted individual of a registered firm who applies to become a registered individual with the firm must make the application by submitting to the regulator in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* a completed Form 33-506F2.

### Reinstatement

**2.3 (1)** An individual who applies for reinstatement of registration must submit a completed Form 33-506F4 to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*, unless the individual submits a completed Form 33-506F7 in accordance with subsection (2).

**(2)** An individual who applies for reinstatement of registration must submit a completed Form 33-506F7 to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*, if all of the following apply:

- (a) the Form 33-506F7 is submitted in on or before the 90th day after the cessation date;
- (b) the individual's employment, partnership or agency relationship with the former sponsoring firm did not end because the individual was asked by the firm to resign, resigned voluntarily, or was dismissed, following an allegation against the individual of any of the following:
  - (i) criminal activity;
  - (ii) a breach of securities legislation;
  - (iii) a breach of a rule of an SRO;
- (c) after the cessation date there have been no changes to the information previously submitted in respect of any of the following items of the individual's Form 33-506F4:
  - (i) item 13 [*Regulatory disclosure*] (other than Item 13.3(a));
  - (ii) item 14 [*Criminal disclosure*];
  - (iii) item 15 [*Civil disclosure*];
  - (iv) item 16 [*Financial disclosure*];
- (d) the individual is seeking reinstatement with a sponsoring firm in one or more of the same categories of registration in which the individual was registered on the cessation date;
- (e) the new sponsoring firm is registered in the same category of registration in which the individual's former sponsoring firm was registered.

## **Permitted Individuals**

**2.4 (1)** Subject to subsection (2), a permitted individual must submit to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* a completed Form 33-506F4 within the later of

- (a) 10 days after becoming a permitted individual; and
- (b) the date the sponsoring firm applies for registration.

**(2)** An individual who has ceased to be a permitted individual of a former sponsoring firm may submit to the Director a completed Form 33-506F7 if all of the following apply:

- (a) the Form 33-506F7 is submitted in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*
  - (i) no more than 10 days after becoming a permitted individual of the new sponsoring firm, and
  - (ii) no more than 90 days after the cessation date;
- (b) the individual holds the same permitted individual status that they held with the former sponsoring firm;
- (c) the conditions described in paragraphs (b) and (c) of subsection 2.3(2) apply.

## **Securities Act Registrants**

**2.5 (1)** If an applicant for registration under section 2.1 is registered under the *Securities Act*, the applicant is not required to submit a completed Form 33-506F3 under subsection 2.1(b) for any business location of the applicant that is recorded on NRD.

**(2)** Despite subsection 2.2(1), if an individual applies to become a registered individual and is recorded on NRD with his or her sponsoring firm as registered under the *Securities Act*, the individual must make the application by submitting to the Director, in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*, a completed Form 33-506F2.

### **PART 3 CHANGES TO REGISTERED FIRM INFORMATION**

#### **Changes to Form 33-506F6 Information**

**3.1 (1)** Subject to subsection (3), a registered firm must notify the regulator of a change to any information previously submitted in Form 33-506F6 or under this subsection, as follows:

- (a) for a change previously submitted in relation to part 3 of the Form 33-506F6, within 30 days of the change;
- (b) for a change previously submitted in relation to any other part of the Form 33-506F6, within 10 days of the change.

**(2)** A notice of change referred to in subsection (1) must be made by submitting a completed Form 33-506F5.

**(3)** A notice of change is not required under subsection (1) if the change relates to any of the following:

- (a) a business location other than the head office of the firm if the firm submits a completed Form 33-506F3 under section 3.2;
- (b) a termination, or a change, of a registered firm's employment, partnership or agency relationship with an officer, partner or director of the registered firm if the firm submits a completed Form 33-506F1 under subsection 4.3(1);
- (c) the addition of an officer, partner, or director to the registered firm if that individual
  - (i) submits a completed Form 33-506F4 under subsection 2.2(1) or 2.5(1), or
  - (ii) submits a completed Form 33-506F7 under sections 2.3 or 2.5(2);
- (d) The information in the supporting documents referred to in any of the following items of Form 33-506F6:
  - (i) item 3.3 [*Business documents*];
  - (ii) item 5.1 [*Calculation of excess working capital*];
  - (iii) item 5.7 [*Directors' resolution approving insurance*];
  - (iv) item 5.13 [*Audited financial statements*];
  - (v) item 5.14 [*Letter of direction to auditors*].

## Changes to Business Locations

**3.2 (1)** A registered firm must notify the Director of the opening of a business location, other than a new head office, by submitting in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* a completed Form 33-506F3 within 10 days of the opening of the business location.

**(2)** A registered firm must notify the Director of a change to any information previously submitted in Form 33-506F3 by submitting in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* a completed Form 33-506F3 within 10 days of the change.

## Changes to Other Registration Information

**3.3** A registered firm must notify the regulator of a change in its auditor or financial year-end within 7 days of the change.

## PART 4

### CHANGES TO REGISTERED INDIVIDUAL AND PERMITTED INDIVIDUAL INFORMATION

#### Changes to Form 33-506F4 Information

**4.1 (1)** Subject to subsections (2) and (3), a registered individual or permitted individual must notify the regulator of a change to any information previously submitted in Form 33-506F4, in Form 33-506F7, or under this subsection, within 10 days of the change.

**(2)** Despite subsection (1), a registered individual or permitted individual must notify the regulator of a change to information previously submitted in Items 4, 8 and 11 of Form 33-506F4, or under this subsection, within 30 days of the change.

**(3)** Despite subsection (1), a registered individual or permitted individual is not required to notify the regulator of a change to information previously submitted in Item 3 [*personal information*] of Form 33-506F4.

**(4)** A notice of change under subsection (1) or (2) must be made by submitting a completed Form 33-506F5 to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)*.

**(5)** Despite subsection (4), a notice of change referred to in this section must be made by submitting a completed Form 33-506F2 to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* if the change relates to

- (a) an individual's status as a permitted individual of the sponsoring firm,
- (b) the removal or the addition of a category of registration,
- (c) the surrender of registration in one or more non-principal jurisdictions, or
- (d) any information on Schedule C of Form 33-506F4.

**4.2** [Repealed]

#### Termination of Employment, etc.

**4.3 (1)** A registered firm must notify the Director of the end of, or a change in, a sponsored individual's employment, partnership, or agency relationship with a firm if the individual ceases to have authority to act on behalf of the firm as a registered individual or permitted individual by

submitting a Form 33-506F1 to the Director in accordance with Ontario Securities Commission Rule 31-509 *National Registration Database (Commodity Futures Act)* with

- (a) items 1 through 4 completed, and
  - (b) item 5 completed unless the reason for termination under item 4 was death of the individual.
- (2)** A registered firm must submit to the Director the information required under
- (a) paragraph (1)(a), within 10 days of the cessation date, and
  - (b) paragraph (1)(b), within 30 days of the cessation date.
- (3)** A registered firm must, within 10 days of a request from an individual for whom the registered firm was the former sponsoring firm, provide to the individual a copy of the Form 33-506F1 that the registered firm submitted under subsection (1) in respect of that individual.
- (4)** If a registered firm completed and submitted the information in item 5 of a Form 33-506F1 in respect of an individual who made a request under subsection (3) and that information was not included in the initial copy provided to the individual, the registered firm must provide to that individual a further copy of the completed Form 33-506F1, including the information in item 5, within the later of
- (a) 10 days after the request by the individual under subsection (3), and
  - (b) 10 days after the submission pursuant to paragraph (2)(b).

## **PART 5 DUE DILIGENCE AND RECORD-KEEPING**

### **Sponsoring Firm Obligations**

**5.1 (1)** A sponsoring firm must make reasonable efforts to ensure the truth and completeness of information that is submitted in accordance with this Instrument for any individual.

**(2)** A sponsoring firm must obtain from each individual who is registered to act on behalf of the firm, or who is a permitted individual of the firm, a copy of the Form 33-506F1 most recently submitted by the individual's former sponsoring firm in respect of that individual, if any, within 60 days of the firm becoming the individual's sponsoring firm.

**(3)** A sponsoring firm must retain all documents used by the firm to satisfy its obligation under subsection (1) as follows:

- (a) in the case of a registered individual, for no less than 7 years after the individual ceases to be registered to act on behalf of the firm;
- (b) in the case of an individual who applied for registration but whose registration was refused by the regulator, for no less than 7 years after the individual applied for registration; or
- (c) in the case of a permitted individual, for no less than 7 years after the individual ceases to be a permitted individual with the firm.

**(4)** Without limiting the generality of subsection (3), if a registered individual, an individual applying for registration, or a permitted individual appoints an agent for service, the sponsoring firm must keep the original Appointment of Agent for Service executed by the individual for the period of time set out in paragraph (3)(b).

**(5)** A sponsoring firm that retains a document under subsection (3) or (4) in respect of an NRD submission must record the NRD submission number on the first page of the document.

**PART 6  
[LAPSED]**

**PART 7  
EXEMPTION**

**Exemption**

**7.1** The Director may grant an exemption from this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

**PART 8  
EFFECTIVE DATE**

**8.1** [Lapsed]

**Effective Date**

**8.2** This Rule comes into force when National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* comes into force.