



Securities Act
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LOCAL RULE 31-501

Registration

PART 1 DEFINITIONS AND INTERPRETATION

1. In this Rule,

“Canadian Investor Protection Fund” means the Canadian Investor Protection Fund incorporated under the *Canada Corporations Act*.

PART 2 APPLICATION FOR REGISTRATION

2. *Repealed*

PART 3 EXPIRING REGISTRATIONS

3. *Repealed*

PART 4 BONDING AND INSURANCE

4. (1) Except where the Superintendent is satisfied that reduced or no coverage would not be prejudicial to the public interest, every dealer, other than a mutual fund dealer, and every adviser who holds client funds or securities shall maintain bonding or insurance, on terms acceptable to the Superintendent, in an amount not less than \$200,000, or such larger amount as is stated to be sufficient in a resolution referred to in paragraph (4)(b).

(2) Except where the Superintendent is satisfied that reduced or no coverage would not be prejudicial to the public interest, every mutual fund dealer shall maintain bonding or insurance, on terms acceptable to the Superintendent,

(a) for individuals who are employees or registered to act on behalf of the mutual fund dealer, in an amount not less than \$50,000 for each individual, or such greater amount as is stated to be sufficient in a resolution referred to in paragraph (4)(b);

(b) for itself, in an amount to be determined by the Superintendent.

(3) Except where the Superintendent is satisfied that reduced or no coverage would not be prejudicial to the public interest, every adviser who does not hold client funds or securities shall maintain bonding or insurance, on terms acceptable to the Superintendent, in an amount not less than \$10,000, or such greater amount as is stated to be sufficient in a resolution referred to in paragraph (4)(b).

(4) Every person applying for registration or for renewal of a registration that will expire shall deliver to the Superintendent, with the application, a certified copy of a resolution of its directors stating that full consideration has been given to the amount of bonding or insurance necessary to cover insurable risks in the business of the applicant and that either

(a) the minimum amount of coverage required by subsections (1) to (3) is sufficient; or

(b) the minimum amount of coverage required by subsections (1) to (3) is not sufficient but that a stated amount of coverage would be sufficient.

(5) Where a dealer or adviser is not a participant in the Canadian Investor Protection Fund or other contingency fund approved by the Superintendent, the Superintendent may, in addition to the bonding or insurance required by subsections (1) to (3), require the dealer or adviser to provide a surety bond in an amount not less than \$100,000, or such greater amount as the Superintendent considers to be sufficient, and in a form satisfactory to the Superintendent.

(6) No registration or renewal of a registration shall be granted where the Superintendent is of the opinion that

(a) the minimum amount of bonding or insurance required by subsections (1) to (3) is not sufficient; or

(b) if a larger amount is stated in a resolution under paragraph (4)(b), the amount stated in the resolution is not sufficient.

(7) The Superintendent may exempt an applicant who is a member of a self-regulatory body or securities exchange from compliance with subsection (4) if the Superintendent is satisfied that the applicant is subject to requirements imposed by one of those organizations that provide protection for clients that is at least equal to the protection required by subsection (4).

(8) This section applies only to a person who is registered as a dealer or adviser on or before September 28, 2009.

PART 5 NOTICE TO SUPERINTENDENT

5. Every registrant shall without delay notify the Superintendent in writing of any change in, or claim made under, the provisions of any bond or insurance policy maintained pursuant to section 4.

PART 6 ANNUAL FEE

6. *Repealed*

PART 7 EFFECTIVE DATE

7. *Repealed*

SCHEDULE

Repealed