

July 30, 2010

In addition to questions answered during the ASC's National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) webinar, we have provided answers to some of the frequently asked questions submitted by webinar participants on June 30, 2010.

Does an individual have to be registered with a firm in order to sell securities?

Every dealing representative must be registered with a firm.

Can an individual be registered with two or more firms at one time?

An individual registered as a dealing, advising or associate advising representative of a registered firm must not be registered as a dealing, advising or associate advising representative of another registered firm.

What is the ASC's position with respect to mortgage investment corporations (MICs)?

The ASC is currently working with the Canadian Securities Administrators to review the requirement for MICs to register as investment fund managers and/or advisers. It is contemplated that a blanket order will be issued extending the transition period for the investment fund manager registration requirement from September 28, 2010 to December 31, 2010 and providing relief from the adviser registration requirement until December 31, 2010. It is not contemplated that the blanket order will provide MICs with relief from the dealer registration requirement.

Can the Ultimate Designated Person (UDP) also be the Chief Compliance Officer (CCO)?

The UDP and the CCO can be the same person if they meet the requirements for both registration categories. It remains the ASC's preference that firms separate these functions, but we recognize that it may not be practical for some registered firms to do so.

If an individual is regularly receiving commissions for referring clients to issuers, is the individual exempt from registration or will the business trigger apply?

An individual who is regularly receiving commissions from issuers for referring clients may be caught by a number of the factors that are outlined in the description of the "business trigger" in section 1.3 of Companion Policy 31-103CP. Therefore, the individual may be required to register as a dealer subject to relying on an available exemption in Part 8 of NI 31-103 or Blanket Order 31-505.

Can you clarify whether exempt market dealers can sell prospectus-qualified securities?

Pursuant to section 7.1(2)(d) of NI 31-103, an exempt market dealer can trade a prospectus qualified-security only in circumstances where an exemption from the prospectus requirement is being relied upon.