

Draft Regulations

M.O., 2019-05

Order number V-1.1-2019-05 of the Minister of Finance dated 21 May 2019

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations

WHEREAS subparagraphs 11, 26 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the Bulletin de l'Autorité des marchés financiers, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was made by ministerial order 2009-04 dated September 9, 2009 (2009, *G.O.* 2, 3309A);

WHEREAS there is cause to amend this regulation;

WHEREAS the draft Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was published in the Bulletin de l'Autorité des marchés financiers, vol. 15, no. 42 of October 25, 2018;

Whereas the Autorité des marchés financiers made, on April 29, 2019, by the decision no. 2019-PDG-0031, Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

WHEREAS there is cause to approve this regulation without amendment;

Consequently, the Minister of Finance approves without amendment the Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations appended hereto.

May 21, 2019

ERIC GIRARD,
Minister of Finance

Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing registrant Obligations

Securities Act
(chapter V-1.1, s. 331.1, par. (11), (26) and (34))

1. Section 14.6.1 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10) is amended by replacing paragraphs (1) and (2) with the following:

“(1) In this section

“cleared specified derivative”, “clearing corporation option”, “futures exchange”, “option on futures”, “specified derivative” and “standardized future” have the same meaning as in section 1.1 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39);

“regulated clearing agency” has the same meaning as in subsection 1.1 of Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives (chapter I-14.01, r. 0.01).

“(2) Subsection 14.5.2(2) does not apply to a registered firm in respect of cash or securities of a client or investment fund deposited with a member of a regulated clearing agency or a dealer as margin for transactions outside of Canada involving clearing corporation options, options on futures, standardized futures or cleared specified derivatives if

(a) the member or dealer is a member of a regulated clearing agency, futures exchange or stock exchange, and, as a result in any case, is subject to a regulatory audit,

(b) the member or dealer has a net worth, determined from its most recent audited financial statements, in excess of \$50 million, and

(c) a reasonable person would conclude that using the member or dealer is more beneficial to the client or investment fund than using a Canadian custodian.”.

2. (1) This Regulation comes into force on June 12, 2019.

(2) In Saskatchewan, despite subsection (1), if this Regulation is filed with the Registrar of Regulations after June 12, 2019, this Regulation comes into force on the day on which it is filed with the Registrar of Regulations.

103942