

**MEMO# 6187**

September 1, 1994

## **ONTARIO APPROVES REGISTRATION OF NON-RESIDENT U.S. ADVISERS**

September 1, 1994 TO: BOARD OF GOVERNORS NO. 91-94 INTERNATIONAL MEMBERS NO. 8-94 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 35-94 INVESTMENT ADVISER MEMBERS NO. 40-94 RE: ONTARIO APPROVES REGISTRATION OF NON-RESIDENT U.S. ADVISERS \_\_\_\_\_

We are pleased to inform you that earlier this week the Ontario Securities Commission (OSC) issued the attached press release announcing a revised policy that would permit U.S. investment advisers to register in Ontario without establishing residency in Canada. In June 1993, the Institute had asked the OSC to make this change on the grounds that residency was not required by Canadian law and that the OSC could permit such registration consistent with investor protection. (See Institute Memorandum to International Committee No. 14-93, dated June 21, 1993 and Institute Memorandum to the Board of Governors No. 6-94, International Members No. 1-94 and Investment Adviser Members No. 2-94, dated January 11, 1994.) The press release states that advisers who are not resident in Canada will be permitted to register based on full compliance with the requirements ordinarily applicable to advisers and certain additional conditions relating to consent to jurisdiction, appointment of an agent for service, disclosure, and custody of client assets. The change in policy will permit U.S. advisers to advise Canadian mutual funds and non-fund clients on a non-resident basis. U.S. firms will not be permitted to distribute securities in Ontario as an underwriter or dealer on a non-resident basis. We will keep you informed of developments.

Catherine L. Heron Vice President & Senior Counsel Attachment