

## RULE 18

### REGISTERED REPRESENTATIVES AND INVESTMENT REPRESENTATIVES

18.1. Repealed.

- 18.2.(a) No person may act and no Dealer Member may permit any person to act as a Registered Representative or Investment Representative on behalf of the Dealer Member unless:
- (i) The Dealer Member is registered or licensed to trade, as the case may be, in securities or futures contracts under the statutes relating to the sale of securities or futures contracts in all jurisdictions in which customers of the Dealer Member reside or is exempt from the registration or licensing requirements under those statutes;
  - (ii) The person is registered or licensed to trade, as the case may be, in securities or futures contracts under the statutes relating to the sale of securities or futures contracts in all jurisdictions in which customers of the person reside or is exempt from the registration or licensing requirements under those statutes ; and
  - (iii) The Corporation has approved the person as a Registered Representative or Investment Representative under this Rule.
- (b) A Dealer Member must notify the Corporation of the types of businesses which a Registered Representative or Investment Representative will conduct, as follows:
- (i) **Customer Type:** the types of customers the Registered Representative or Investment Representative will deal with, either:
    - A. retail business – taking orders from or giving advice to all types of customers regarding trades in securities, or
    - B. institutional business – restricted to taking orders from or giving advice to Institutional Customers
  - (ii) **Product(s):** the types of financial instruments in which the Registered Representative or Investment Representative will deal, being:
    - A. restricted to mutual funds, Government or Government-guaranteed debt instruments and deposit instruments issued by a federally-regulated bank, trust company, credit union or caisse populaire, excluding those on which all or part of the interest or return is indexed to the performance of another financial instrument or index
    - B. general securities business, including equities, fixed income and other investment products other than options or futures
    - C. options business
    - D. futures contracts and futures contracts options
  - (iii) **Portfolio Management:** whether the Registered Representative will engage in discretionary portfolio management under the provisions of Rule 1300.
- (c) A person may not conduct on behalf of a Dealer Member and a Dealer Member may not permit a person to conduct on its behalf a type of business described in (b) unless the Dealer Member has notified the Corporation:
- (i) that the person will conduct the type of business; and

- (ii) that the [person](#) has successfully completed the proficiencies required to conduct the type of business as specified in Rule 2900, Part I within the proficiency time limits specified in Rule 2900, Part II.

For the purposes of this subsection (c), an application to the Corporation for initial approval is notice that the [person](#) will conduct the types of business identified in the application.

- 18.3.(a) An applicant for approval as a [Registered Representative](#) or [Investment Representative](#) must complete or obtain an exemption from the applicable proficiency requirements in Rule 2900, Part I, section A.3(a) before the Corporation will grant approval.
  - (b) A Dealer Member must take reasonable steps to ensure that all of its Registered Representatives and Investment Representatives are proficient and understand the products they trade in or advise on to a sufficient degree to meet the requirements of the [Rules](#) of the Corporation. At a minimum, the Dealer Member must ensure that all Registered Representatives and Investment Representatives meet the applicable proficiency requirements of Rule 2900.
- 18.4. The approval of a [Registered Representative](#) is suspended automatically if the [person](#) fails to satisfy the requirement in paragraph A.3(b) of Part I of Rule 2900 until the [person](#) has satisfied the requirement.
- 18.5. Repealed.
- 18.6.(a) A Dealer Member must closely supervise a [Registered Representative](#) or [Investment Representative](#) who conducts retail business in accordance with the “Registered / [Investment Representative](#) Monthly Supervision Report” as specified by the Corporation for a period of six months after the Corporation is notified that the [person](#) will deal with retail customers. The Dealer Member must keep this report for inspection by the Corporation.
  - (b) Subsection (a) does not apply if:
    - (i) the [Registered Representative](#) was previously approved for six months or more to advise on trades for retail customers for a securities firm which is a member of a [self-regulatory organization](#) or a recognized foreign [self-regulatory organization](#); or
    - (ii) the [Investment Representative](#) was previously approved for six months or more to advise on trades or to trade for retail customers for a securities firm which is a member of a [Self-Regulatory Organization](#) or a recognized foreign [self-regulatory organization](#).
- 18.7.(a) A [Registered Representative](#) or [Investment Representative](#) qualified to conduct mutual funds business only must:
- (i) within 270 days of initial approval, complete the proficiency requirements in Rule 2900, Part I, sections A.3(a)(i)(A) and (B); and
  - (ii) within 18 months of initial approval, complete the training programme required under Rule 2900, Part I, section A.3(a)(i)(C).
- (b) A Dealer Member must notify the Corporation:
    - (i) when a [Registered Representative](#) or [Investment Representative](#) restricted to mutual funds business only has completed the requirements in each of subsections (a)(i) and a(ii); and

- (ii) within 18 months of initial approval, that the [Registered Representative](#) or [Investment Representative](#) will conduct either retail or institutional business without restriction to mutual funds.
- (c) Subsections (a) and (b) do not apply to a [Registered Representative](#) or [Investment Representative](#) who was restricted to mutual funds only on the date on which this section becomes effective and who is registered only in Provinces in which a restriction on an [Investment Representative](#) or [Registered Representative](#) with a Dealer Member to mutual funds business only complies with the securities legislation, rules and policies of the Province.
- (d) The approval of a [Registered Representative](#) or [Investment Representative](#) is suspended automatically if the [person](#) fails to satisfy the requirement in paragraph (a) until the [person](#) has satisfied the requirements and notified the Corporation.

18.8. Repealed.

18.9. Repealed.

18.10. Repealed.

18.11.(a) A [Registered Representative](#) or [Investment Representative](#) of a Dealer Member is subject to the jurisdiction of the Corporation, must comply with the [Rules](#) and Rulings of the Corporation as the same are from time to time amended or supplemented.

- (b) If the approval of a [Registered Representative](#) or [Investment Representative](#) is revoked, the [Registered Representative](#) or [Investment Representative](#) must immediately cease acting as a [Registered Representative](#) or [Investment Representative](#) of his or her Dealer Member.

18.12. Repealed.

18.13. Repealed.

18.14.

- (1) A [Registered Representative](#) or [Investment Representative](#) may have, and continue in, any business activity outside of the Dealer Member, including another gainful occupation if:
  - (a) The [securities commission](#) in the jurisdiction in which the [Registered Representative](#) or [Investment Representative](#) acts or proposes to act as a [Registered Representative](#) or [Investment Representative](#), or the securities legislation or policies administered by such [securities commission](#), does not prohibit him or her from devoting less than his or her full time to the securities business of the Dealer Member employing him or her;
  - (b) The Dealer Member establishes and maintains procedures acceptable to the Corporation to ensure continuous service to clients and to address potential conflicts of interest;
  - (c) The [Registered Representative](#) or [Investment Representative](#) informs the Dealer Member of the outside business activity and obtains the Dealer Member's approval to engage in such outside business activity prior to engaging in such outside business activity;

- (d) The Dealer Member notifies the Corporation of the outside business activity within the time period and manner required by the applicable National Instrument or Regulation; and
  - (e) The outside business activity is not:
    - (i) One which would bring the securities industry into disrepute; or
    - (ii) With another dealer that is a member of a recognized [self regulatory organization](#) unless:
      - (1) Such dealer is a [related company](#) of the Dealer Member employing the [Registered Representative](#) or [Investment Representative](#) and the Dealer Member and [related company](#) provide cross-guarantees pursuant to Rule 6.6, and
      - (2) Such outside business activity is not contrary to the provisions of the applicable securities legislation or any policy made pursuant thereto.
- 18.15. No [Registered Representative](#) or [Investment Representative](#) may accept or permit any associate to accept, directly or indirectly, any remuneration, gratuity, benefit or any other consideration from any [person](#) other than the Dealer Member or its affiliates or related companies, for the [securities-related activities](#) he or she conducts on behalf of the Dealer Member or its affiliates or its related companies.
- 18.16. No Dealer Member shall permit a [Registered Representative](#) or [Investment Representative](#) to use a designation when dealing with the public that wrongly indicates that he or she conducts or has been approved by the Corporation to conduct a type of business or fulfils or has been approved by the Corporation to fulfil a role.
- 18.17. Repealed.
- 18.18. Each Dealer Member is liable for and must pay to the Corporation fees in the amounts prescribed from time to time by the [Board](#) for the failure of the Dealer Member to file within ten business days of the end of each month a report with respect to the conditions imposed under Rule 20 on the approval or continued approval of a [Registered Representative](#), or [Investment Representative](#) of the Dealer Member pursuant to Rule 20.