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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Requirements for Registrants in Nova Scotia Engaging or Intending to Engage in a Business or Employment Activity Outside That of the Sponsoring Firm

Nova Scotia Securities Commission (“NSSC”) Staff have issued Notice No. 34-701 “*Certain Duties of Registrants Engaging or Intending to Engage in a Business or Employment Activity Outside That of the Sponsoring Firm*” (“Notice”) setting forth answers to questions that are frequently asked by individual registrants who engage or are considering engaging in an employment or business activity outside that permitted by their registration.

The purpose of the Notice is assist individual registrants and those responsible for discharging the regulatory duties of sponsoring firms to better understand what is required of them in relation to certain activities outside their principal business, pursuant to the requirements of the *Securities Act* (Nova Scotia) and the General Securities Rules made under the Act.

The Notice indicates that as part of The Canadian Securities Administrators’ Registration Reform Project, a proposal for a national registration rule will likely be released by the end of 2006. When implemented, this rule will eliminate or reduce the need for local rules and establish a more harmonized approach for avoiding client confusion, conflicts of interest and any detrimental impact on proficiency where an individual registrant is dually employed or engages in outside business activities. As such, NSSC Staff intend to keep this Notice under review to determine whether it is still required in whole or in part.

For further information, please refer to the Notice at <http://www.gov.ns.ca/nssc/> or contact the NSSC directly.