



REQUEST FOR COMMENTS

Notice and Request for Comment – Publishing for comments proposed amendments to New Brunswick Securities Commission Local Rule 91-501 *Derivatives* (LR 91-501).

Introduction

On 29 March 2010, the New Brunswick Securities Commission (Commission) approved publication in order to obtain comments on proposed amendments to LR 91-501.

Summary of Proposed Amendments

LR 91-501 came into force on 28 September 2009. On the same date, the New Brunswick *Securities Act (Act)* was also amended to clarify the Commission's regulatory authority and provide a legislative framework for regulating Derivatives in New Brunswick. LR 91-501 requires registration or the use of an investment dealer/portfolio manager in order to trade in derivatives.

Subsequent to the adoption of LR 91-501, the Commission received inquiries from industry in regards to the interpretation of subsection 3(2) of the rule. This subsection provides a registration exemption for trades when each party to the trade is a qualified party acting as principal.

In order to increase clarity in LR 91-501, the Commission proposes to amend the wording in subsection 3(2). Amendments will emphasize that the registration exemption only applies in the case where both parties to a transaction are qualified parties acting as principal.

Request for Comment

The Commission welcomes your comments on the proposed amendments to LR 91-501.

How to Obtain a Copy and Provide your Comments

The text of the relevant materials follows this notice.

A paper copy of the relevant materials may be obtained by writing, telephoning or e-mailing the Commission. Comments are to be provided, in writing, by no later than 7 June 2010 to:

Secretary
New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, N.B. E2L 2J2
Telephone: 506-658-3060
Toll Free: 866-933-2222 (within NB only)
Fax: 506-658-3059

E-mail: information@nbsc-cvmnb.ca

A summary of the written comments received during the comment period may be published.

Questions

If you have any questions, please refer them to:

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Amendments to

Local Rule 91-501 *Derivatives*

- 1** *This Instrument amends Local Rule 91-501 Derivatives.*
- 2** *Subsection 3(2) is amended by striking out "if the derivative is bought or sold by" and substituting "where each party to the trade is".*
- 3** *This Instrument comes into force on ■ 2010.*