
MAY 4, 2010

REPORTING OBLIGATIONS RELATED TO TERRORIST FINANCING FOR REGISTRANTS AND FIRMS RELYING ON REGISTRATION EXEMPTIONS

The Canadian Securities Administrators (CSA) recently published CSA Staff Notice 31-317 *Reporting Obligations Related to Terrorist Financing for Registrants, Exempt International Dealers and Exempt International Advisers* [[available here](#)] regarding monthly reporting obligations and other matters relating to terrorist financing and *United Nations Act* sanctions on certain countries under the Criminal Code of Canada and related regulations. While the Notice confirms the CSA's view that the reporting obligations apply to registrants and entities relying on the international dealer exemption and/or the international adviser exemption in National Instrument 31-103 *Registration Requirements and Exemptions*, we understand that these reporting obligations also apply to firms that rely on other exemptions from registration requirements – for example – the exemption from the exempt market dealer registration requirement that is available in the western provinces and territories. We are seeking clarification from the CSA on this point.

The Notice provides

- information on the new consolidated reporting form to be used for all reports filed with principal regulators on and after May 14, 2010
- information regarding the submission of monthly reports including the acceptability of e-mail submissions of reports
- summary information on the Canadian laws which impose the monthly reporting requirements.

There are two types of reporting to their principal regulator required by dealers and advisers that were previously addressed by several CSA jurisdictions in two separate reporting forms. These forms have been revised into a new single CSA consolidated form that should be used by a firm for reporting by e-mail to the firm's principal regulator starting with the reporting due May 14, 2010.



INVESTMENT MANAGEMENT ALERT

The Notice summarizes the applicable Canadian laws that, among other things, are intended to combat terrorist financing and that permit the listing of persons and entities (“designated persons”) in respect of which dealers and advisers must report dealings. A consolidated list of “designated persons” is available on the OSFI website [<http://www.osfi-bsif.gc.ca>]. We note this list is revised frequently.

These reporting obligations are in addition to the obligations dealers and advisers have under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

For further information about your obligations under the various terrorist financing and money laundering legislation in Canada please contact your usual lawyer in **BLG’s Investment Management Group** or any of:

TORONTO

Prema K.R. Thiele 416-367-6082 pthiele@blgcanada.com	Laurie J. Cook 416-367-6639 lcook@blgcanada.com	Rebecca A. Cowdery 416-367-6340 rcowdery@blgcanada.com	Marsha P. Gerhart 416-367-6042 mgerhart@blgcanada.com
---	--	---	--

VANCOUVER

Jason J. Brooks 604-640-4102 jbrooks@blgcanada.com	H. Scott McEvoy 604-640-4170 smcevoy@blgcanada.com	François Brais 514-954-3143 fbrais@blgcanada.com
---	---	---

MONTREAL

OTTAWA

R. Steve Thomas
613-787-3539
rsthomas@blgcanada.com

CALGARY

Angie Redecopp
403-232-9504
aredecopp@blgcanada.com

BLG’s Investment Management Group leaders are:

John E. Hall	National Leader	416-367-6643	jhall@blgcanada.com
François Brais	Montréal Regional Leader	514-954-3143	fbrais@blgcanada.com
Jeremy S.T. Farr	Ottawa Regional Leader	613-787-3511	jfarr@blgcanada.com
Lynn M. McGrade	Toronto Regional Leader	416-367-6115	lmcgrade@blgcanada.com
Brad J. Pierce	Calgary Regional Leader	403-232-9421	bpierce@blgcanada.com
Jason J. Brooks	Vancouver Regional Leader	604-640-4102	jbrooks@blgcanada.com

INVESTMENT MANAGEMENT ALERT

The **Investment Management Group** at **Borden Ladner Gervais LLP** consists of a team of over 50 lawyers located in offices across Canada who understand the business, regulatory and administrative issues that face participants in the Canadian investment management industry. We have the largest and most experienced investment management practice in Canada, having provided legal services to Canadian and international industry participants for over 50 years. Our clients, both Canadian and international, include open and closed-end investment fund complexes, providers of alternative investment, pooled and private equity products, investment advisers and dealers, financial institutions, service providers, securities regulators, self-regulatory organizations and industry trade associations. Our lawyers have long-standing working relationships with the Canadian securities regulators and other government officials, as well as with The Investment Funds Institute of Canada and key industry leaders.

We publish Investment Management Alerts from time to time on matters of interest to the investment management industry. If you did not receive this Alert directly, please contact us by calling 1-877-BLG-LAW1 or emailing subscriptions@blgcanada.com and we will add you to our mailing list for future Alerts. If you received this Alert in error, or if you do not wish to receive further Alerts, you may also ask to have your contact information removed from our mailing lists. This Investment Management Alert has been sent to you courtesy of Borden Ladner Gervais LLP. We respect your privacy and wish to point out that our privacy policy relative to our publications may be found at <http://www.blgcanada.com/home/website-electronic-privacy>.

© 2010 Borden Ladner Gervais LLP

BORDEN LADNER GERVAIS LLP
INVESTMENT MANAGEMENT ALERT

Borden Ladner Gervais LLP
Lawyers · Patent &
Trade-mark Agents

Calgary

1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta, Canada
T2P 4H2
tel: 403 232-9500
fax: 403 266-1395

Montréal

1000 de La Gauchetière
Street West
Suite 900, Montréal,
Québec, Canada H3B 5H4
tel: 514 879-1212
fax: 514 954-1905

Ottawa

World Exchange Plaza
100 Queen St., Suite 1100
Ottawa, Ontario, Canada
K1P 1J9
tel: 613 237-5160
1-800-661-4237
legal fax: 613 230-8842
IP fax: 613 787-3558

Toronto

Scotia Plaza,
40 King Street West
Toronto, Ontario, Canada
M5H 3Y4
tel: 416 367-6000
fax: 416 367-6749

Vancouver

1200 Waterfront Centre
200 Burrard Street,
P.O. Box 48600
Vancouver, British Columbia,
Canada V7X 1T2
tel: 604 687-5744
fax: 604 687-1415

Waterloo Region

Waterloo City Centre
100 Regina Street South,
Suite 220
Waterloo, Ontario,
Canada N2J 4P9
tel: 519 579-5600
fax: 519 579-2725
IP fax: 519 741-9149

www.blgcanada.com

Borden Ladner Gervais LLP
is an Ontario Limited
Liability Partnership