



BC Notice 2014/10

**Notice of clearing agency and compensation for loss related amendments to the
Securities Act and *Securities Regulation* and required form for applying for
compensation**

On May 23, 2014, amendments to the *Securities Act* and *Securities Regulation*, B.C. Reg. 196/97 came into effect. Each of the orders in council bringing these amendments into force is attached. Following is a link to the *Finance Statutes Amendment Act*, 2011 S.B.C. 2011, c. 29, which sets out the amendments.

http://www.leg.bc.ca/39th4th/1st_read/gov17-1.htm

Clearing agencies

Clearing agencies perform an important function in the securities markets and decisions they make affect BC dealers and investors. The Act amendments:

- require clearing agencies to obtain the approval of the Commission before operating in British Columbia (section 25 of the Act)
- make related consequential amendments empowering the Commission to make any decision about how a clearing agency carries on business (section 27 of the Act)

Claims for compensation

The amendments to section 15.1 of the Act and the addition of section 183(5.1) to the Act enable investors to file a claim for compensation with the Commission, rather than the Supreme Court of British Columbia, for payment from any funds the Commission collects from the person who acted illegally. These Act amendments will make it simpler, less costly and more timely for investors who suffer a loss to make a claim for compensation.

The related amendments to Part 3 of the Regulation establish who is eligible to make a claim, the process the person must follow to make the claim, and the process the Commission must follow to adjudicate the claim.

Applying for a compensation payment – required form

Where the regulations provide that a record must be in the required form, under section 182(1) of the Act the Executive Director may specify the form.

Section 7.3 of the Regulation requires that an application for a payment under section 15.1 of the Act be in the required form. Effective August 12, 2014, under section 182(1) of the Act, the Executive Director specifies that the attached Form 12-901F *Claim Application Form* is the required form for a person to apply for a payment under s. 15.1 of the Act.

The Executive Director has also updated BC Policy 13-601 *Required Forms* and its related index of forms to include this new form.

August 12, 2014

Brenda M. Leong
Chair

Paul C. Bourque, Q.C.
Executive Director