



Washington State Department of **Financial Institutions**

Canadian Broker-Dealers and Representatives Exemption

NOTE: Certain Canadian BDs are exempt from registering in Washington. WAC 460-20B-035 adopts the exemption. To qualify, the Canadian BD must not have a location in the US.

To exercise the exemption, the Canadian BD must:

1. File a copy of the BDs current application for registration (as required by the jurisdiction/province in which the BD has its home office) and
2. File proof of membership in a self-regulatory organization (including the Mutual Fund Dealers' Association) or stock exchange in Canada (and maintain such membership)
3. File a Consent to Service of Process (U-2 or U-2A) and
4. Disclose to clients in WA that the Canadian BD is not subject to WA's full regulatory requirements.

A Canadian BD covered by the exemption may deal with Canadian clients under the following conditions:

1. Transactions with Canadians clients (who were clients before coming to WA) if the client is only temporarily present in WA or
2. Transactions with Canadian clients in a self-directed tax advantaged retirement plan in Canada, no matter how long the client is in WA or
3. Transactions exempted by RCW 21.20.320(8).

Broker/Dealer representatives for Canadian Broker/Dealers under this exemption do not have to be registered in Washington.