

Kansas Administrative Regulations

Department of Insurance Assistant Commissioner, Securities Division

Article 5.—Exemptions

81-5-19. Cross-border trading exemption.

(a) Exemption from broker-dealer registration. Each broker-dealer that is a resident of Canada and has no place of business in Kansas shall be exempt from registration under K.S.A. 17-12a401, and amendments thereto, if the broker-dealer meets each of the following conditions:

(1) It is registered with or is a member of a self-regulatory organization, stock exchange, or the *bureau des services financiers* in Canada.

(2) It maintains in good standing its provincial or territorial registration and its registration with or membership in a self-regulatory organization, stock exchange, or the *bureau des services financiers* in Canada.

(3) It effects or attempts to effect transactions in securities only with or for the following individuals:

(A) An individual who is a permanent resident of Canada and who is temporarily resident in or visiting Kansas, with whom the broker-dealer had a bona fide customer relationship before the individual entered the state; or

(B) an individual who is present in this state and whose transactions are in a Canadian self-directed tax advantaged retirement account of which the individual is the holder or contributor.

(b) Exemption from agent registration. Each agent who represents a Canadian broker-dealer meeting the conditions specified in subsection (a) shall be exempt from the registration requirements of K.S.A. 17-12a402, and amendments thereto, if the agent maintains in good standing the agent's provincial or territorial registration and the agent effects or attempts to effect transactions in Kansas only as permitted for a broker-dealer under subsection (a).

(c) Transactional exemption from securities registration. Each offer or sale of a security effected by a Canadian broker-dealer or agent who is exempt from registration under subsection (a) or (b) shall be exempt from the requirements of K.S.A. 17-12a301 through 17-12a306 and 17-12a504, and amendments thereto.

(Authorized by K.S.A. 2005 Supp. 17-12a605(a); implementing K.S.A. 2005 Supp. 17-12a203 and 17-12a401(d); effective Jan. 19, 2007.)

***** Authenticated Kansas Administrative Regulation *****