

Committee Name:

**Senate Committee – Privacy, Electronic Commerce and Financial Institutions
(SC-PECFI)**

Appointments

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Clearinghouse Rules

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Record of Committee Proceedings

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SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3-5-02

BILL NO. _____
OF _____

SUBJECT Canadian securities bill

Senator Jan Epenbach
(NAME)

(Street Address or Route Number)

(City and Zip Code)

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/5/02

BILL NO. SB 475
OF _____

SUBJECT _____

John F. Kunder, Secretary
(NAME)

345 W. Washington Ave
(Street Address or Route Number)

Madison, WI 53703
(City and Zip Code)

Department of Financial Institutions
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

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State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/5/02

BILL NO. SB 475
OF _____

SUBJECT _____

Patricia Struck, Administrator
(NAME)

345 W. Washington Ave
(Street Address or Route Number)

Madison, WI 53703
(City and Zip Code)

Department of Financial Institutions
(Representing) Division of Securities

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

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State Capitol - B35 South
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Madison, WI 53707-7882

JON

SB 475— exemption from securities broker-dealer and securities agent licensing requirements.

The bill adopts recommendation to exempt certain Canadian brokers-dealers from license in Wisconsin if they meet certain criteria:

- 1 They work with someone in Wisconsin temporarily and whom they currently have as a client. Or a person is in Wisconsin whose accounts are in Canada
- 2 The broker-dealer is a registered agent in Canada
- 3 The broker-dealer maintains good standing in Canada
- 4 The broker-dealer discloses to each customer that the broker-dealer and its agents are not licensed in Wisconsin

There is NO FISCAL estimate in on this bill yet FYI

* Not a significant bill - at the request
of Canadian Ambassador



State of Wisconsin
Department of Financial Institutions

Scott McCallum, **Governor**

John F. Kundert, **Secretary**

Testimony of
Patricia D. Struck, Administrator
Division of Securities
Department of Financial Institutions

Senate Committee on Privacy, Electronic Commerce and Financial Institutions
SB 475
March 5, 2002

Thank you, Senator Erpenbach and members of the Privacy, Electronic Commerce and Financial Institutions Committee, for the opportunity to testify this morning in favor of SB 475, giving a licensing exemption to Canadian stockbrokers

- who have no offices in Wisconsin and
- who do business in Wisconsin only with their Canadian customers who either reside temporarily in Wisconsin or have Canadian tax deferred retirement accounts.

Thirty-six states have already provided "cross border trading" authorization in their states for Canadian broker-dealers and agents, in recognition of the increasing globalization of the securities industry and the need for state and federal uniformity. They have used the model by the North American Securities Administrators Association ("NASAA," the organization of all 50 state securities administrators, and the securities administrators of all the Canadian provinces).

The U.S. Securities and Exchange Commission used a similar approach in June 2000 when it adopted under Rule 15(a)(2) of the Securities Exchange Act, a federal cross-border trading exemption for Canadian broker-dealers.

The Wisconsin licensing exemption in SB 475 does not require any filings with DFI's Division of Securities so long as the brokers are licensed in their "home" Canadian jurisdictions. The brokers must also disclose to each customer in Wisconsin that they are not licensed under the Wisconsin Uniform Securities Law.

The bill also creates a securities registration exemption to permit the Canadian brokers to do transactions in various types of securities for the benefit of their customers in this state.

Office of the Secretary

Mail: PO Box 8861 Madison, WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5th Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: www.wdfi.org