

AN ACT

ENTITLED, An Act to exempt from registration certain Canadian broker-dealers and the securities offered by them.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 47-31A-401(c) be amended by adding thereto a NEW SUBSECTION to read as follows:

- (5) A broker-dealer who is a resident of Canada, has no office or other physical presence in this state, and complies with the following conditions:
  - (a) Is a member of a self-regulatory organization or stock exchange in Canada;
  - (b) Maintains a provincial or territorial registration and a membership in a self-regulatory organization or stock exchange in good standing;
  - (c) Is not in violation of § 47-31A-101; and
  - (d) Only effects or attempts to effect transactions in securities:
    - (i) With or for a person from Canada who is temporarily present in this state, with whom the Canadian broker-dealer had a bona fide business-client relationship before the person entered this state; or
    - (ii) With or for a person from Canada who is present in this state, whose transactions are in a self-directed tax-advantaged retirement plan in Canada of which the person is the holder or contributor.

Section 2. That § 47-31A-402(b) be amended by adding thereto a NEW SUBSECTION to read as follows:

- (16) An offer or sale of a security effected by a person excluded from the definition of broker-dealer under § 47-31A-401(c)(5).

Section 3. That § 47-31A-201(g) be repealed.

Section 4. That § 47-31A-201(h) be repealed.

An Act to exempt from registration certain Canadian broker-dealers and the securities offered by them.

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I certify that the attached Act originated in the

SENATE as Bill No. 40

\_\_\_\_\_  
Secretary of the Senate

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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 40  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State