South Carolina Code of Regulations 13-402. Exemptions for Certain Canadian Broker-Dealers.

A. A broker-dealer that is registered in Canada and that does not have a place of business in this State shall be exempt from the registration requirements of Section 35-1-401 of the South Carolina Uniform Securities Act of 2005 so long is it complies with the following conditions:

(1) It only effects or attempts to effect transactions in securities with or for, or by:

(a) an individual from Canada who is temporarily present in this State and with whom the broker-dealer had a bona fide customer relationship before the individual entered the United States; or

(b) an individual from Canada who is present in this State and whose transactions are in a self-directed tax advantaged retirement plan of which the individual is the holder or contributor.

(c) 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; and,

(2) Files a notice in the form of his current application required by the jurisdiction in which his head office is located and a consent to service of process;

(3) Is a member of a self-regulatory organization or stock exchange in Canada;

(4) Maintains his provincial or territorial registration and his membership in a self - regulatory organization or stock exchange in good standing;

(5) Discloses to his clients in this state that he is not subject to the full regulatory requirements of the South Carolina Uniform Securities Act of 2005; and,

(6) Is not in violation of Section 35-1-501 or other anti-fraud provisions of the South Carolina Uniform Securities Act of 2005 and the rules and regulations promulgated thereunder.

B. An offer or sale of a security effected by a person exempt from registration pursuant to Section A of this Rule shall be deemed to be an exempt transaction not requiring registration pursuant to the South Carolina Uniform Securities Act of 2005.