



The Securities Act)	Order No. 6076
)	
Section 20(1) and National Instrument 31-103)	February 26, 2010
<i>Registration Requirements and Exemptions</i>)	

**National Instrument 31-103 *Registration Requirements and Exemptions*
Exemption from paragraph 13.2(2)(b) for mutual fund dealers**

BLANKET ORDER 31-511

Interpretation

Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in NI 31-103 or National Instrument 14-101 *Definitions* have the same meaning.

WHEREAS

1. Paragraph 13.2(2)(b) of NI 31-103 provides that a registrant must take reasonable steps to establish whether a client is an insider of a reporting issuer or any other issuer whose securities are publicly traded.
2. The purpose of this requirement is to ensure compliance with insider trading rules by requiring dealers to notify a client of the client's obligation to file an insider trade report.
3. If a registrant limits its trading with clients to certain securities, only in very rare circumstances will a trade require the filing of an insider trade report.
4. Compliance with paragraph 13.2(2)(b) of NI 31-103 presents significant costs to mutual fund dealers that are not justified when trading with a client is limited to certain securities.

The Commission is of the opinion that it would not be prejudicial to the public interest to make the order requested.

IT IS ORDERED:

1. THAT under s. 20(1) of *The Securities Act*, R.S.M. 1988, s. 50, A person or company registered in the category of a mutual fund dealer as defined in NI 31-103 registered in Manitoba is exempt from paragraph 13.2(2)(b) of NI 31-103 if such person or company is not registered in any other categories specified in section 7.1 of NI 31-103.

2. This order will come into effect on February 26, 2010.

BY ORDER OF THE COMMISSION

"Chris Besko"

Deputy Director