



THE SECURITIES ACT)	Order No. 6220
)	
Section 20(1) and National Instrument 31-103)	November 5, 2010
<i>Registration Requirements and Exemptions</i>)	

**Relief from the requirement under subparagraph
13.2(3)(b)(i) for mutual fund dealers
Blanket Order No. 31-513**

WHEREAS:

Interpretation

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

Background

1. As part of the know your client requirements, subparagraph 13.2(3)(b)(i) of NI 31-103 requires a registrant to collect information about the identity of any individual who owns or controls more than 10% of the voting rights attached to the voting securities of a corporation that is a client of the registrant.
2. The costs incurred by mutual fund dealers in order to comply with subparagraph 13.2(3)(b)(i) of NI 31-103 exceed any investor benefit since mutual fund dealers:
 - (i) trade primarily in publicly offered mutual funds which have restrictions on investments; and
 - (ii) are required to collect information about any person who owns or controls 25% or more of the shares of a corporate client under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.
3. As investment fund managers are not subject to subparagraph 13.2(3)(b)(i), it is appropriate for this relief to apply to mutual fund dealers that are also registered as investment fund managers.

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, c. S50, a mutual fund dealer is exempt from subparagraph 13.2(3)(b)(i) of NI 31-103 in respect of a client that is a corporation subject to the following conditions:

- (a) the mutual fund dealer is not registered in any other category of registration other than investment fund manager; and
- (b) the mutual fund dealer complies with the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* requiring the identification of any person who owns or controls 25% or more of the shares of a corporate client.

2. This order comes into effect on November 5, 2010.

BY ORDER OF THE COMMISSION

"Chris Besko"
Deputy Director



THE SECURITIES ACT) Order No. 6219
)
Section 20(1) and National Instrument 31-103)
Registration Requirements and Exemptions) November 5, 2010

**Relief from the requirement under
paragraph 13.2(2)(b) of NI 31-103 to establish whether a client is an insider
Blanket Order No. 31-511**

WHEREAS

Interpretation

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

Background

1. Paragraph 13.2(2)(b) of NI 31-103 requires registrants to take reasonable steps to establish whether their clients are insiders of reporting issuers or of any other issuers whose securities are publicly traded.
2. Since it is rare for a trade in securities listed in paragraphs 7.1(2)(b) or 7.1(2)(c) of NI 31-103 to give rise to insider trading concerns, the benefit of requiring compliance with paragraph 13.2(2)(b) of NI 31-103 is not justified by its costs when trading in securities listed in these paragraphs.

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, c. S50, a registrant is exempt from paragraph 13.2(2)(b) of NI 31-103 in respect of a client so long as the registrant only trades securities for that client that are listed in paragraphs 7.1(2)(b) and 7.1(2)(c) of NI 31-103.
2. Order Number 6076 made on February 26, 2010 is hereby revoked.
3. This order comes into effect on November 5, 2010.

BY ORDER OF THE COMMISSION

Chris Besko
Deputy Director