

THE SECURITIES ACT)	Order No. 6400
)	
Section 20(1) and National Instrument 31-103)	September 23, 2011
<i>Registration Requirements and Exemptions</i>)	

**Transitional relief from the requirement to provide the
relationship disclosure information prescribed by section 14.2(1)
of NI 31-103 for IIROC member firms**

BLANKET ORDER 31-514

Interpretation

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

WHEREAS

1. Under section 14.2(1) [*relationship disclosure information*] of NI 31-103, a registered firm must deliver to a client all information that a reasonable investor would consider important about the client's relationship with the registrant.
2. The Investment Industry Regulatory Organization of Canada (IIROC) is currently finalizing its proposal on relationship disclosure information (the IIROC RDI proposal), most recently published on January 7, 2011 in IIROC Notice 11-0005 *Proposed amendments to the IIROC member rules - Provisions respecting amendments implementation of the Client Relationship Model - Proposed amendments - New Rule XX00 - Relationship disclosure*.
3. The purpose of the IIROC RDI proposal is to set out detailed requirements to assist registered firms who are IIROC members to comply with the general principle in section 14.2(1) of NI 31-103.
4. Under section 16.14 of NI 31-103, temporary relief from the application of section 14.2(1) of NI 31-103 was available until September 28, 2010 to persons or companies that were registered on the date when NI 31-103 came into effect.
5. On September 10, 2010, The Manitoba Securities Commission issued Blanket Order 31-514, granting further temporary relief from the application of section 14.2(1) of NI 31-103 until September 28, 2011 to IIROC members.
6. The temporary relief was provided in anticipation of the finalization of the IIROC RDI proposal. It is now anticipated that the IIROC RDI proposal will be finalized and new IIROC member rules reflecting the IIROC RDI proposal (the IIROC RDI rules) will be approved before the end of 2011 with provisions for their implementation in phases over a two-year transition period.



THE MANITOBA
SECURITIES
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7. If a registered firm that is a member of IIROC is required to comply with section 14.2(1) of NI 31-103 on September 28, 2011, it will be required to prepare detailed relationship disclosure information and may incur significant costs changing its relationship disclosure communications when the IIROC RDI rules are implemented.
8. Since the IIROC RDI rules are likely to come into force before the end of 2011, and be implemented in phases during a two-year transition period, the cost that IIROC members will incur by having to comply with section 14.2(1) of NI 31-103 on September 28, 2011 in the interim is not justified.

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, registered firms that are members of IIROC are exempt from section 14.2(1) of NI 31-103 provided after the IIROC RDI rules are approved and the IIROC member complies with the IIROC RDI rules subject to applicable transition periods.
2. **THAT** this order comes into effect on September 28, 2011 and expires on December 31, 2013.

BY ORDER OF THE COMMISSION



Deputy Director