

THE SECURITIES ACT)	Order No. 6194
)	
Section 20(1) and National Instrument 31-103)	September 10, 2010
<i>Registration Requirements and Exemptions</i>)	

**Transitional relief from the requirement to provide the
relationship disclosure information prescribed by section 14.2 of
NI 31-103 for MFDA member firms and for mutual fund dealers in
Québec**

BLANKET ORDER 31-515

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

Background

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. Pursuant to section 16.14 of NI 31-103, section 14.2 of NI 31-103 does not apply until September 28, 2010 to a firm that was registered on September 28, 2009.
3. The MFDA is currently finalizing its proposal on relationship disclosure information ("MFDA CRM proposal"), published on July 26, 2010 in MFDA Bulletin 0444-P - *Proposed amendments to MFDA Rule 2.2 (Client accounts), Policy No. 2 Minimum Standards for account supervision, Rule 2.8 (Client communications) and Rules 5.3 (Client reporting)*.
4. The purpose of the MFDA CRM proposal is to set out detailed requirements to assist registered firms who are MFDA members ("Affected Firms") to comply with the general principle in section 14.2(1) of NI 31-103.
5. It is anticipated that the MFDA CRM proposal will be finalized and come into force within one year, but not by September 28, 2010.
6. Absent relief, Affected Firms could incur unwarranted costs in first developing detailed relationship disclosure information to comply with section 14.2(1) of NI 31-103 but then potentially having to change that disclosure to comply with the MFDA CRM proposal when it comes into force.

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, an Affected Firm, notwithstanding its registration in other categories of registration, is exempt from section 14.2 of NI 31-103 until the earliest of September 28, 2011 or the date on which the MFDA CRM proposal comes into force.
2. **THAT** this order will come into effect on September 28, 2010.

BY ORDER OF THE COMMISSION

Deputy Director