

IN THE MATTER OF
THE SECURITIES LEGISLATION OF SASKATCHEWAN, MANITOBA, ONTARIO, NEW
BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, THE
NORTHWEST TERRITORIES, THE YUKON TERRITORY AND NUNAVUT

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE INVESTMENT DEALERS ASSOCIATION OF CANADA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Saskatchewan, Manitoba, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, the Yukon Territory, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application from the Investment Dealers Association of Canada (the "IDA") on behalf of its intermediary members (collectively, the "Members" and individually, a "Member") for a decision under National Instrument 54-101 Communication with Beneficial Owners of Securities of Reporting Issuers (the "Instrument") that the following requirements contained in the Instrument shall not apply to the Members subject to certain conditions:

(a) the requirement in paragraph 3.3(b)(ii) of the Instrument that an intermediary, in the absence of new instructions, shall treat a client who was deemed to be a non-objecting beneficial owner ("Deemed NOBO") under former National Policy No. 41 ("NP 41") as a non-objecting beneficial owner (NOBO) under the Instrument only until December 31, 2003 ("the December Time Limit"); and

(b) the requirement in subsection 3.3(c) of the Instrument for intermediaries to obtain new instructions ("New Instructions") before January 1, 2004 (the "Deadline") from such Deemed NOBOs;

hereinafter referred to as the "Proposed Relief");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or Quebec Commission Notice 14-101;

AND WHEREAS the IDA has represented to the Decision Makers that:

1. NP 41, which preceded the Instrument, provided that a client of an intermediary who failed to respond to an intermediary's notice and provide specific instructions to the intermediary, as to whether it wished to have its personal information disclosed to a reporting issuer and certain others and as to whether it wished to receive securityholder materials, would be deemed under NP 41:

(a) to be a Deemed NOBO, thereby enabling the intermediary to disclose to the issuer and certain others the personal information (name, address and shareholdings) of the client; and

(b) to have given instructions that it does not want to receive proxy-related materials pertaining to annual meetings of securityholders or audited financial statements;

2. The Instrument requires that, prior to the Deadline, each intermediary must obtain New Instructions from its Deemed NOBOs on the matters to which a client response form pertains (including as to whether the client wishes to be a NOBO or an objecting beneficial owner and whether or not it wishes to receive proxy-related materials sent in connection with a security holder meeting at which only routine business is to be conducted); and

3. The CSA have published for comment on October 3, 2003 a notice and accompanying proposed amendments to the Instrument (the "Proposed Amendments") which would include, among other items, amendments embodying the Proposed Relief.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Instrument that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Instrument is that:

(a) the December Time Limit in paragraph 3(b)(ii) of the Instrument; and

(b) the requirement under subsection 3.3(c) of the Instrument for intermediaries to obtain New Instructions before the Deadline from Deemed NOBOs;

shall not apply to the Members provided that the Decision will cease to be effective upon the date on which section 3.3 of the Instrument is amended.

DATED on this day of 19th November, 2003.

"Iva Vranic"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Ontario principal – application by Investment Dealers Association on behalf of its intermediary members for relief from (i) the requirement in paragraph 3.3(b)(ii) of National Instrument 54-101 that an intermediary, in the absence of new instructions, shall treat a client who was deemed to be a non-objecting beneficial owner under former National Policy 41 as a non-objecting beneficial owner under the Instrument only until December 31, 2003; and (ii) the requirement in subsection 3.3(c) of the Instrument to obtain new instructions from deemed non-objecting beneficial owners before January 1, 2004, subject to certain conditions.

Ontario Rules

National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer.