

**IN THE MATTER OF THE SECURITIES ACT, 1990
S.N. 1990, CHAPTER 48 ("the Act")**

and

**IN THE MATTER OF
SUBSECTION 36(7) OF THE ACT**

AND

**SECTION 173 OF THE SECURITIES REGULATIONS, 1991
MADE UNDER THE ACT (the "Regulation")**

**BLANKET RULING
(Subsection 75(1) of the Act and Section 175 of the Regulation)**

UPON the application of certain interest parties to the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the Act for an order pursuant to subsection 75(1) of the Act and section 175 of the Regulation;

AND UPON it appearing to the Director that:

1. subsection 36(7) of the Act makes unavailable to market intermediaries certain exemptions from the requirements of section 26 of the Act including those with respect to trading in mutual fund securities to corporate sponsored plans by financial intermediaries;
2. the application of subsection 36(7) of the Act to financial intermediaries is not practicable at this time;
3. there is no exemption from the requirement to register as an underwriter in respect of trading engaged in by financial intermediaries which are not registered as financial intermediary dealers; and
4. it is desirable to make available certain exemptions from section 54 of the Act;

AND UPON the Director being satisfied that to so rule would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 75(1) of the Act and section 175 of the Regulation that until such time as a further ruling is issued that:

- (a) financial intermediaries are exempt from the requirements of subsection 36(7) and section 26 of the Act with respect to a trade of the type described in paragraph 173(1)(g) of the Regulation or paragraph 54(3)(g) of the Act;

- (b) section 54 of the Act does not apply to a distribution of securities where the trade is of the type referred to in paragraph 173(1)(g) of the Regulation or paragraph 54(3)(g) of the Act; and
- (c) financial intermediaries are exempt from the requirements of paragraph 26(1)(b) of the Act in respect of those trades described in paragraph 173(1)(g) of the Regulation or paragraph 54(3)(g) of the Act.

DATED at St. John's, Newfoundland this 7th day of May, 1992.

GEORGE F. KENNEDY
Director of Securities