

ORDER NUMBER 65

**IN THE MATTER OF THE *SECURITIES ACT* (“the Act”)
R.S.N.L. 1990 CHAPTER S-13, AS AMENDED**

AND

**TRANSITIONAL RELIEF FROM THE REQUIREMENT TO PROVIDE THE RELATIONSHIP
DISCLOSURE INFORMATION PRESCRIBED BY SECTION 14.2(1) OF NI 31-103
FOR INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (“IIROC”)
MEMBER FIRMS**

**ORDER
(Sections 138.19 and 144.(1) of the Act)**

Definitions

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

Background

2. 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.
3. 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 registered firm that was a registrant on September 28, 2009.
4. IIROC is currently finalizing its proposal on relationship disclosure information (“IIROC CRM proposal”), published on April 9, 2009 in Notice 09-0120 *Proposed amendments to the IIROC member rules – Provisions respecting amendments implementation of the Client Relationship Model – Proposed amendments – New Rule XX00 – Relationship disclosure*.
5. The purpose of the IIROC CRM proposal is to set out detailed requirements to assist registered firms who are IIROC members (“Affected Firms”) to comply with the general principle in section 14.2(1) of NI 31-103.
6. It is anticipated that the IIROC CRM proposal will be finalized and come into force within one year, but not by September 28, 2010

7. 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 on September 28, 2010 but then potentially having to change that disclosure to comply with the IIROC CRM proposal when it comes into force.

Order

8. Section 14.2(1) of NI 31-103 does not apply to an Affected Firm until the earlier of September 28, 2011 or the date on which the IIROC CRM proposal comes into force.

This order will come into effect on September 28, 2010.

Dated at St. John's, Newfoundland and Labrador this 28th day of September, 2010.



Douglas Connolly, C.G.A.
Superintendent of Securities