

ORDER NUMBER 66

**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 MUTUAL FUND DEALERS ASSOCIATION OF CANADA (“MFDA”) 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. 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)*.
5. 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.
6. It is anticipated that the MFDA 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 but then potentially having to change that disclosure to comply with the MFDA CRM proposal when it comes into force.

Order

9. Section 14.2(1) of NI 31-103 does not apply to an Affected Firm, notwithstanding its registration in other categories of registration , until the earlier of September 28, 2011 or the date on which the MFDA 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