

**ORDER NUMBER 67**

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

**AND**

**RELIEF FROM THE REQUIREMENT UNDER PARAGRAPH 13.2(2)(b) OF NI 31-103  
TO ESTABLISH WHETHER A CLIENT IS AN INSIDER**

**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**

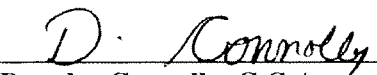
2. Paragraph 13.2(2)(b) of NI 31-103 requires registrants to take reasonable steps to establish whether their clients are insiders of reporting issuers or of any other issuers whose securities are publicly traded.
3. Since it is rare for a trade in securities listed in paragraphs 7.1(2)(b) or 7.1(2)(c) of NI 31-103 to give rise to insider trading concerns, the benefit of requiring compliance with paragraph 13.2(2)(b) of NI 31-103 is not justified by its costs when trading in securities listed in these paragraphs.

**Order**

4. Paragraph 13.2(2)(b) of NI 31-103 does not apply to a registrant in respect of a client so long as the registrant only trades securities for that client that are listed in paragraphs 7.1(2)(b) and 7.1(2)(c) of NI 31-103.
5. Blanket Order Number 63, Exemption From Section 13.2(2)(b) of National Instrument 31-103 Registration Requirements and Exemptions For Mutual Fund Dealers, made on February 26, 2010 is hereby revoked.

This order will come into effect on November 5, 2010.

**Dated** at St. John's, Newfoundland and Labrador this 5th day of November, 2010.

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