

ORDER NUMBER 75

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 RELATIONSHIP DISCLOSURE
INFORMATION PRESCRIBED BY SECTION 14.2(1) OF NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT
OBLIGATIONS (“NI 31-103”) FOR THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA
(“the MFDA”) MEMBER FIRMS

ORDER
(Section 144.(1) of the Act)

Definitions

1. Unless otherwise defined in this order or the context otherwise requires, terms used that are defined in the *Act*, National Instrument 14-101 *Definitions* or NI 31-103, 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. The MFDA has adopted new member rules for relationship disclosure information (the MFDA RDI Rules) finalizing a proposal (the MFDA RDI 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)*.
4. The purpose of the MFDA RDI Rules is to set out detailed requirements to assist registered firms who are MFDA members to comply with the general principle in section 14.2(1) of NI 31-103.
5. Under section 16.14 of NI 31-103, temporary relief from the application of section 14.2(1) of NI 31-103 was available until September 28, 2010 to persons or companies that were registered on the date when NI 31-103 came into effect.
6. On September 28, 2010, the Superintendent of Securities issued Order Number 66, 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, providing further temporary relief from the application of section 14.2(1) of NI 31-103 to MFDA members.

7. The MFDA RDI Rules will be implemented in phases, starting on September 28, 2011 and ending December 3, 2013.
8. Since the MFDA RDI Rules will be fully implemented by December 3, 2013, the cost that MFDA members will incur by having to comply with section 14.2(1) of NI 31-103 in the interim is not justified.

Order

9. It is ordered, pursuant to Section 144.(1) of the *Act*, that Section 14.2(1) of NI 31-103 does not apply to registered firms that are members of the MFDA, provided the MFDA member complies with the MFDA RDI Rules subject to applicable transition periods.
10. This order comes into effect on September 28, 2011 and expires on December 31, 2013

Dated at St. John's, Newfoundland and Labrador this 22nd day of September, 2011.


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