

ORDER NUMBER 92

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

AND

EXEMPTION OF INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA ("IIROC")  
REGISTRANTS FROM CERTAIN PROVISION OF  
NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING  
REGISTRANT OBLIGATIONS* ("NI 31-103")

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

**Definitions**

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

**Background**

2. Under section 9.3 [*exemptions from certain requirements for IIROC members*] of NI 31-103, a registered firm that is a member of IIROC is exempt from certain requirements in NI 31-103 if the registered firm complies with the corresponding IIROC Provisions that are in effect. The term "IIROC Provision" is defined in section 1.1 of NI 31-103 to mean "a by-law, rule, regulation or policy of IIROC named in Appendix G, as amended from time to time".
3. On July 15, 2014, the following provisions of NI 31-103 will come into effect:
  - (a) paragraph 14.2(2)(m) [*relationship disclosure information*];
  - (b) section 14.2.1 [*pre-trade disclosure of charges*]; and
  - (c) paragraphs 14.12(1)(b.1) and (c.1) [*content and delivery of trade confirmation*] (paragraphs (a) to (c) collectively, the "CSA 2014 CRM2 Amendments").
4. On July 15, 2014, certain Dealer Member Rules in relation to the implementation of Client Relationship Model – Phase 2 (the "IIROC 2014 CRM2 Amendments") will come into effect.
5. IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments are not reflected in Appendix G of NI 31-103.

6. The following table sets out the relevant NI 31-103 sections of the CSA 2014 CRM2 Amendments and the corresponding IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments:

NI 31-103 section	IIROC Dealer Member Rule
Paragraph 14.2(2)(m)	Dealer Member Rule 3500.5(2)(j)
Section 14.2.1	Dealer Member Rule 29.9
Paragraphs 14.12(1)(b.1) and (c.1)	Dealer Member Rule 200.2(1)(v)

7. The IIROC 2014 CRM2 Amendments are materially harmonized with the CSA 2014 CRM2 Amendments.

### **Order**

8. Considering that it would not be prejudicial to the public interest to do so and pursuant to section 144.(1) of the *Act*, the Superintendent orders that the following sections of NI 31-103 do not apply to any registered firm that is a member of IIROC if the registered firm complies with the corresponding IIROC 2014 CRM2 Amendments:
- (a) paragraph 14.2(2)(m);
  - (b) section 14.2.1; and
  - (c) paragraphs 14.12(1)(b.1) and (c.1).
9. This order comes into effect on July 15, 2014 and expires on the date on which amendments to Part 9 of NI 31-103 and Appendix G of NI 31-103 come into force providing an equivalent exemption for IIROC members.

**Dated** at St. John's, Newfoundland and Labrador this 5<sup>th</sup> day of January 2016.

  
**John O'Brien, FCPA, FCA, CISA**  
Superintendent of Securities