

**For Immediate Release
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Canadian securities regulators to introduce temporary exemptions to facilitate implementation of the OEO trailer ban

TORONTO – Since the Canadian Securities Administrators (CSA) adopted [final rules](#) that implement a ban on the payment of trailing commissions by fund organizations to dealers who do not make a suitability determination, such as order-execution-only (OEO) dealers (the “OEO Trailer Ban”), the CSA has consulted with industry stakeholders to ensure investment fund managers and OEO dealers can implement an investor-centric transition away from mutual fund series with trailing commissions.

The CSA announces today [temporary exemptions](#) published by the Ontario Securities Commission (OSC) aimed at facilitating the OEO Trailer Ban in Ontario. Other CSA jurisdictions anticipate publishing exemptions in the form of local blanket orders shortly.

OEO dealers and fund organizations will be exempted from the OEO trailer ban to facilitate dealer rebates of trailing commissions to clients holding mutual funds in OEO dealer accounts and process client transfers. Under the terms and conditions of the temporary exemptions:

- Dealer rebates will be provided to clients where switches to an equivalent or a substantially similar series or class of mutual fund securities of the same fund are not available and where a management fee rebate of the trailing commission is also not available;
- OEO dealers and fund organizations will also be exempted from the OEO Trailer Ban for a period of up to 45 days upon the acceptance of client-initiated transfers of mutual funds on or after June 1, 2022, to facilitate the processing of such transfers; and
- Affected clients of OEO dealers will receive communications about how their holdings will be impacted. The local blanket orders outline these client communication plans.

In Ontario, the temporary exemptions will be implemented through a local [blanket order](#). The order comes into force on June 1, 2022, the effective date of the OEO Trailer Ban, and expires on November 30, 2023. While all jurisdictions will have the same effective date of June 1, 2022, some jurisdictions will not set an expiry date on their local blanket order at this time and instead revoke their blanket order at a future date.

Market participants will be able to view these orders, once approved, on the relevant CSA jurisdictions’ websites and are encouraged to contact their local regulator with any questions.

Investors should contact their OEO dealer with any questions or to request more information.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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For investor inquiries, please [contact your local securities regulator](#).