

Blanket Order No. 31-514

**In the Matter of the Securities Act, R.S.N.S. 1989,
Chapter 418, as amended**

-and-

**In the Matter of Temporary Relief for Mortgage Investment
Entities from the Requirement to Register as Investment Fund
Managers and Advisers under National Instrument 31-103
*Registration Requirements and Exemptions***

**Order
(Section 151A)**

Definitions

1. Terms defined in the *Securities Act*, R.S.N.S. 1989, Chapter 418, as amended (the Act), National Instrument 14-101 *Definitions* or National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) have the same meaning in this Blanket Order.
2. "mortgage investment entity" means a person or company whose purpose is to invest substantially all of its assets in debts owing to it that are secured by mortgages, hypothecs or in any other manner on real property, and whose other assets are limited to:
 - (a) deposits standing to its credit in the records of:
 - (i) a bank or other corporation whose deposits are insured by the Canada Deposit Insurance Corporation or the Régie de l'assurance-dépôts du Québec; or
 - (ii) a credit union;
 - (b) cash;
 - (c) securities listed in subsection 8.21(2) of NI 31-103; and
 - (d) instruments held to hedge specific risks relating to the debts owing to it that are secured by mortgages, hypothecs or in any other manner on real property.

Background

3. A mortgage investment entity or a person or company providing services relating to the business, operations or affairs of a mortgage investment entity may be required to register as an investment fund manager, adviser or exempt market dealer and comply with all requirements applicable to such categories pursuant to the requirements of NI 31-103.
4. Each of the members of the Canadian Securities Administrators has agreed to review the applicability of the requirement for entities referred to in paragraph 3 to register as investment fund managers or advisers.

5. The Commission is of the opinion that to do so is not prejudicial to the public interest.

IT IS ORDERED pursuant to subsection 151A(1) of the Act that:

- (a) the adviser registration requirement does not apply to a person or company so long as the person or company:
 - (i) does not act as an adviser other than in respect of the securities issued by or owned by a mortgage investment entity; and
 - (ii) does not carry out activities that would require registration under securities legislation for a person or company that is not a mortgage investment entity; and
- (b) the investment fund manager registration requirement does not apply to a person or company so long as the person or company:
 - (i) does not act as an investment fund manager other than in respect of the business, operations or affairs of a mortgage investment entity; and
 - (ii) does not carry out activities that would require registration under securities legislation for a person or company that is not a mortgage investment entity.

This order takes effect on August 20, 2010, and ceases to have effect on December 31, 2010.

Dated at Halifax, Nova Scotia, this 19th day of August, 2010.

Nova Scotia Securities Commission



H. Leslie O'Brien, QC, Chairman