

Blanket Order No. 31-516

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

-and-

**In the Matter of Transitional Relief from the Requirement to
Provide the Relationship Disclosure Information Prescribed by
Section 14.2(1) of National Instrument 31-103 *Registration Requirements
and Exemptions* for IIROC Member Firms**

**Order
(Section 151A)**

Interpretation

Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) or National Instrument 14-101 *Definitions* have the same meaning.

Background

1. 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.
2. Pursuant to section 16.14 of NI 31-103, section 14.2 of NI 31-103 does not apply until September 28, 2010, to a firm that was registered on September 28, 2009.
3. The Investment Industry Regulatory Organization of Canada (IIROC) is currently finalizing its proposal on relationship disclosure information (IIROC CRM proposal), published on April 9, 2009, in Notice 09-0120 *Proposed amendments to the IIROC member rules – Provisions respecting amendments implementation of the Client Relationship Model – Proposed amendments – New Rule XX00 – Relationship disclosure*.
4. The purpose of the IIROC CRM proposal is to set out detailed requirements to assist registered firms who are IIROC members (Affected Firms) to comply with the general principle in section 14.2(1) of NI 31-103.
5. It is anticipated that the IIROC CRM proposal will be finalized and come into force within one year, but not by September 28, 2010.
6. Absent relief, Affected Firms could incur unwarranted costs in first developing detailed relationship disclosure information to comply with section 14.2(1) of NI 31-103 on

September 28, 2010, but then potentially having to change that disclosure to comply with the IIROC CRM proposal when it comes into force.

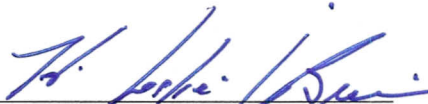
7. The Commission is of the opinion that to do so is not prejudicial to the public interest.

IT IS ORDERED pursuant to subsection 151A(1) of the Act that Section 14.2(1) of NI 31-103 does not apply to an Affected Firm until the earlier of September 28, 2011, or the date on which the IIROC CRM proposal comes into force.

This order comes into effect on September 28, 2010.

Dated at Halifax, Nova Scotia, this 10th day of September, 2010.

Nova Scotia Securities Commission



H. Leslie O'Brien, QC, Chairman