

**Blanket Order No. 31-517**

**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 MFDA 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 Mutual Fund Dealers Association of Canada (MFDA) is currently finalizing its proposal on relationship disclosure information (MFDA CRM 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 Rule 5.3 (Client Reporting)*.
4. The purpose of the MFDA CRM proposal is to set out detailed requirements to assist registered firms who are MFDA members (Affected Firms) to comply with the general principle in section 14.2(1) of NI 31-103.
5. It is anticipated that the MFDA 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 but then

potentially having to change that disclosure to comply with the MFDA CRM proposal when it comes into force.

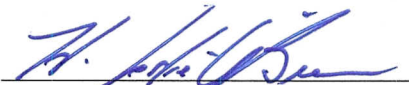
7. The Commission is of the opinion that to do so is not prejudicial to the public interest.

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, notwithstanding its registration in other categories of registration, until the earlier of September 28, 2011, or the date on which the MFDA 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