

**CSA Staff Notice 31-339**  
*Omnibus/Blanket Orders Exempting IIROC and MFDA Registrants  
from Certain Provisions of National Instrument 31-103 Registration  
Requirements, Exemptions and Ongoing Registrant Obligations*

**May 29, 2014**

### **Introduction**

All CSA members have issued parallel orders that provide Investment Industry Regulatory Organization of Canada (**IIROC**) member firms with relief from certain provisions of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which form part of the Client Relationship Model Phase 2 (**CRM2**). All CSA members except Québec have issued parallel orders that provide Mutual Fund Dealers Association of Canada (**MFDA**) member firms with relief from certain CRM2 provisions of NI 31-103. Those CRM2 provisions of NI 31-103 do not apply to IIROC and MFDA member firms, provided they comply with the corresponding requirements of IIROC and the MFDA, respectively.

### **Background**

On July 15, 2014, the following provisions of NI 31-103, which form part of CRM2, 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*].

IIROC and the MFDA (together, these self-regulatory organizations are referred to as the **SROs**) have published amendments to their respective member rules that will have materially the same effect as the amendments to NI 31-103 and will also come into effect on July 15, 2014.

### **Relief**

All CSA members have issued parallel orders that provide IIROC member firms with relief from the relevant provisions of NI 31-103, provided they comply with the corresponding requirements of IIROC.

All CSA members except Québec have issued parallel orders that provide MFDA member firms with relief from the relevant provisions of NI 31-103, provided they comply with the corresponding requirements of the MFDA.

The orders will expire on the date on which amendments to Part 9 of NI 31-103 and Appendices G and H of NI 31-103 come into force providing equivalent exemptions for IIROC and MFDA members. We will take the appropriate steps to make the necessary amendments to Part 9 of NI 31-103 in due course.

## Questions

If you have questions regarding this Notice, please refer them to any of the following:

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IN THE MATTER OF THE *SECURITIES ACT*, S.N.B. 2004, c. S-5.5 (the “Act”)

AND

IN THE MATTER OF

***EXEMPTION FROM CERTAIN CLIENT RELATIONSHIP MODEL PHASE 2 REQUIREMENTS FOR  
IIROC MEMBER FIRMS***

**Blanket Order 31-527**

Subsection 208(1) of the Act

**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, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) or National Instrument 14-101 *Definitions* have the same meaning.

**Background**

1. 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”.
2. On 15 July 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**).
3. On 15 July 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.
4. IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments are not reflected in Appendix G of NI 31-103.



5. 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(l)(v)

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

#### Decision

7. 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).
8. This decision comes into effect on 15 July 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 Saint John, New Brunswick, this 29<sup>th</sup> day of May 2014.

**Original version signed by:**

**Kevin Hoyt**  
Director, Securities



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IN THE MATTER OF THE *SECURITIES ACT*, S.N.B. 2004, c. S-5.5 (the “Act”)

AND

IN THE MATTER OF

***EXEMPTION FROM CERTAIN CLIENT RELATIONSHIP MODEL PHASE 2 REQUIREMENTS  
FOR MFDA MEMBER FIRMS***

**Blanket Order 31-528**

Subsection 208(1) of the *Act*

**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, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) or National Instrument 14-101 *Definitions* have the same meaning.

**Background**

1. Under section 9.4 [*exemptions from certain requirements for MFDA members*] of NI 31-103, a registered firm that is a member of MFDA is exempt from certain requirements in NI 31-103 if the registered firm complies with the corresponding MFDA Provisions that are in effect. The term “MFDA Provision” is defined in section 1.1 of NI 31-103 to mean “a by-law, rule, regulation or policy of MFDA named in Appendix H, as amended from time to time”.
2. On 15 July 2014, the following provisions of NI 31-103 will come into effect:
  - (a) paragraph 14.2(2)(m) [*relationship disclosure information*]; and
  - (b) section 14.2.1 [*pre-trade disclosure of charges*] (paragraphs (a) and (b) together, the **CSA 2014 CRM2 Amendments**).
3. On 15 July 2014, certain MFDA Rules in relation to the implementation of Client Relationship Model – Phase 2 (the **MFDA 2014 CRM2 Amendments**) will come into effect.
4. MFDA Rules affected by the MFDA 2014 CRM2 Amendments are not reflected in Appendix H of NI 31-103.



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

NI 31-103 section	MFDA Rule
Paragraph 14.2(2)(m)	MFDA Rule 2.2.5(h)
Section 14.2.1	MFDA Rule 2.4.4

6. The MFDA 2014 CRM2 Amendments are materially harmonized with the CSA 2014 CRM2 Amendments.

**Decision**

7. The following sections of NI 31-103 do not apply to any registered firm that is a member of MFDA if the registered firm complies with the corresponding MFDA 2014 CRM2 Amendments:
- (a) paragraph 14.2(2)(m); and
  - (b) section 14.2.1.
8. This decision comes into effect on 15 July 2014 and expires on the date on which amendments to Part 9 of NI 31-103 and Appendix H of NI 31-103 come into force providing an equivalent exemption for MFDA members.

**Dated** at Saint John, New Brunswick, this 29<sup>th</sup> day of May 2014.

**Original version signed by:**

**Kevin Hoyt**  
**Director, Securities**