

IN THE MATTER OF THE SECURITIES ACT S.N.B. C. S-5.5 (the *Act*)

AND

IN THE MATTER OF

RELIEF FROM THE REQUIREMENT UNDER PARAGRAPH 13.2(2)(B) OF NI 31-103
TO ESTABLISH WHETHER A CLIENT IS AN INSIDER

AND

THE REVOCATION OF BLANKET ORDER 31-509
*IN THE MATTER OF IN THE MATTER OF EXEMPTION FROM PARAGRAPH 13.2(2)(B) OF
NATIONAL INSTRUMENT 31-103 FOR MUTUAL FUND DEALERS (BO 31-509)*

Blanket Order 31-512

Section 208

WHEREAS:

1. 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.
2. Paragraph 13.2(2)(b) of NI 31-103 requires that registrants must take reasonable steps to establish whether their clients are insiders of reporting issuers or of any other issuers whose securities are publicly traded.
3. Since it is rare for a trade in securities listed in paragraphs 7.1(2)(b) or 7.1(2)(c) of NI 31-103 to give rise to insider trading concerns, the benefit of requiring compliance with paragraph 13.2(2)(b) of NI 31-103 is not justified by its costs when trading in securities listed in these paragraphs.

IT IS ORDERED pursuant to section 208 of the *Act* that:

- A. Paragraph 13.2(2)(b) of NI 31-103 does not apply to a registrant in respect of an client so long as the client only trades securities for that client that are listed in paragraphs 7.1(2)(b) and 7.1(2)(c) of NI 31-103.
- B. BO 31-509 made effective 26 February 2010 is revoked.
- C. This order comes into effect on 5 November 2010.

DATED at Saint John, New Brunswick this 3rd day of November 2010.

"Original signed by"

David G. Barry, Q.C., Panel Member

"Original signed by"

Anne W. La Forest, Panel Member