

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

AND

IN THE MATTER OF

TRANSITIONAL RELIEF FROM THE REQUIREMENT TO PROVIDE THE RELATIONSHIP DISCLOSURE
INFORMATION PRESCRIBED BY SECTION 14.2(1) OF NI 31-103 FOR IIROC MEMBER FIRMS

AND

Blanket Order 31-513

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. 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.
3. Pursuant to section 16.14 of NI 31-103, section 14.2 of NI 31-103 does not apply until 28 September 2010 to a firm that was registered on 28 September 2009.
4. IIROC is currently finalizing its proposal on relationship disclosure information (IIROC CRM proposal), published on 9 April 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*.
5. 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.
6. It is anticipated that the IIROC CRM proposal will be finalized and come into force within one year, but not by 28 September 2010.
7. 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 28 September 2010 but then potentially having to change that disclosure to comply with the IIROC CRM proposal when it comes into force.

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

- A. Section 14.2(1) of NI 31-103 does not apply to an Affected Firm until the earlier of 28 September 2011 or the date on which the IROC CRM proposal comes into force.
- B. This order comes into effect on 28 September 2010.

DATED at Saint John, New Brunswick this 8th day of September 2010.

"Original signed by"

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

"Original signed by"

Anne W. La Forest, Panel Member