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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**