

ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-522

Citation: Transitional Relief from the Requirement to Provide Relationship Disclosure Information Prescribed by Section 14.2(1) of NI 31-103 for IIROC Member Firms, Re, 2011 ABASC 495

Date: 20110920

Definitions

1. Terms defined in the *Securities Act*, R.S.A. 2000, c. S-4, National Instrument 14-101 *Definitions*, or National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) have the same meaning in this Blanket Order.

Background

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. The Investment Industry Regulatory Organization of Canada (**IIROC**) is currently finalizing its proposal on relationship disclosure information (**IIROC RDI Proposal**), most recently published on 7 January 2011 in IIROC Notice 11-0005 *Proposals to implement the core principles of the Client Relationship Model - Proposed amendments - New Rule XX00 - Relationship disclosure*.
4. The purpose of the IIROC RDI Proposal is to set out detailed requirements to assist registered firms who are IIROC members to comply with the general principle in section 14.2(1) of NI 31-103.
5. Under section 16.14 of NI 31-103, temporary relief from the application of section 14.2(1) of NI 31-103 was available until 28 September 2010 to persons or companies that were registered on the date when NI 31-103 came into effect.
6. On 8 September 2010, the Alberta Securities Commission issued Blanket Order 31-514 providing further temporary relief from the application of section 14.2(1) of NI 31-103 until 28 September 2011 to IIROC members.
7. The temporary relief was provided in anticipation of the finalization of the IIROC RDI Proposal. It is now anticipated that the IIROC RDI Proposal will be finalized and new IIROC member rules reflecting the IIROC RDI Proposal (**IIROC RDI Rules**) will be approved before the end of 2011 with provisions for their implementation in phases over a two-year transition period.
8. If a registered firm that is a member of IIROC is required to comply with section 14.2(1) of NI 31-103 on 28 September 2011, it will be required to prepare detailed relationship disclosure information and may incur significant costs changing its relationship

disclosure communications when the IIROC RDI Rules are implemented.

9. Since the IIROC RDI Rules are likely to come into force before the end of 2011, and be implemented in phases during a two-year transition period, the cost that IIROC members will incur by having to comply with section 14.2(1) of NI 31-103 in the interim is not justified.

Order

10. Section 14.2(1) of NI 31-103 does not apply to registered firms that are members of IIROC, provided that after the IIROC RDI Rules are approved, the IIROC member complies with the IIROC RDI Rules subject to applicable transition periods.

This order takes effect on 28 September 2011 and ceases to have effect on 31 December 2013.

For the Commission:

“original signed by”

Glenda Campbell, QC
Vice-Chair

“original signed by”

Stephen Murison
Vice-Chair