

ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-523

Citation: Transitional Relief from the Requirement to Provide Relationship Disclosure Information Prescribed by Section 14.2(1) of NI 31-103 for MFDA Member Firms, Re, 2011 ABASC 496

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 Mutual Fund Dealers Association of Canada (**MFDA**) has adopted new member rules for relationship disclosure information (**MFDA RDI Rules**) finalizing a proposal (**MFDA RDI Proposal**) published on 26 July 2010 in MFDA Bulletin 0444-P - *Proposed amendments to MFDA Rule 2.2 (Client accounts), Policy No. 2 Minimum Standards for account supervision, Rule 2.8 (Client communications) and Rules 5.3 (Client reporting)*.
4. The purpose of the MFDA RDI rules is to set out detailed requirements to assist registered firms who are MFDA 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 31-515 providing further temporary relief from the application of section 14.2(1) of NI 31-103 to MFDA members.
7. The MFDA RDI Rules will be implemented in phases, starting on 28 September 2011 and ending 3 December 2013.
8. Since the MFDA RDI Rules will be fully implemented by 3 December 2013, the cost that MFDA members will incur by having to comply with section 14.2(1) of NI 31-103 in the interim is not justified.

Order

9. Section 14.2(1) of NI 31-103 does not apply to registered firms that are members of the MFDA, provided the MFDA member complies with the MFDA 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