

ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-515

Citation: Transitional Relief from the Requirement to Provide the Relationship Disclosure Information Prescribed by Section 14.2(1) of NI 31-103 for MFDA Member Firms, Re, 2010 ABASC 433 **Date: 20100908**

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 and Exemptions* (**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. 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. The MFDA is currently finalizing its proposal on relationship disclosure information (**MFDA CRM 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)*.
5. The purpose of the MFDA CRM Proposal is to set out detailed requirements to assist registered firms that are MFDA members (**Affected Firms**) to comply with the general principle in section 14.2(1) of NI 31-103.
6. It is anticipated that the MFDA 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 MFDA CRM Proposal when it comes into force.

Order

8. Section 14.2(1) of NI 31-103 does not apply to an Affected Firm, notwithstanding its registration in other categories of registration, until the earlier of 28 September 2011 and the date on which the MFDA CRM Proposal comes into force.

This order takes effect on 28 September 2010.

For the Commission:

“original signed by”

Glenda Campbell, QC
Vice-Chair

“original signed by”

Stephen Murison
Vice-Chair