ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-528

Citation: 2014 ABASC 206
Date: 20140529

Relief from Certain CRM2 Requirements Prescribed by NI 31-103 for IIROC Members

Definitions

1. Terms defined in the Securities Act (Alberta), 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 9.3 [exemptions from certain requirements for IIROC members] of NI 31-103, a registered firm that is a member of IIROC is exempt from certain requirements in NI 31-103 if the registered firm complies with the corresponding IIROC Provisions that are in effect. The term “IIROC Provision” is defined in section 1.1 of NI 31-103 to mean “a by-law, rule, regulation or policy of IIROC named in Appendix G, as amended from time to time”.

3. On 15 July 2014, the following provisions of NI 31-103 will come into effect:

(a) paragraph 14.2(2)(m) [relationship disclosure information];

(b) section 14.2.1 [pre-trade disclosure of charges]; and

(c) paragraphs 14.12(1)(b.1) and (c.1) [content and delivery of trade confirmation]
(paragraphs (a) to (c) collectively, the CSA 2014 CRM2 Amendments).

4. On 15 July 2014, certain IIROC Dealer Member Rules in relation to the implementation of Client Relationship Model – Phase 2 (the IIROC 2014 CRM2 Amendments) will come into effect.

5. The IIROC 2014 CRM2 Amendments are not reflected in Appendix G of NI 31-103.

6. The following table sets out the relevant NI 31-103 sections of the CSA 2014 CRM2 Amendments and the corresponding IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments:

<table>
<thead>
<tr>
<th>NI 31-103 section</th>
<th>IIROC Dealer Member Rule</th>
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</thead>
<tbody>
<tr>
<td>Paragraph 14.2(2)(m)</td>
<td>Dealer Member Rule 3500.5(2)(j)</td>
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<tr>
<td>Section 14.2.1</td>
<td>Dealer Member Rule 29.9</td>
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<tr>
<td>Paragraphs 14.12(1)(b.1) and (c.1)</td>
<td>Dealer Member Rule 200.2(l)(v)</td>
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</table>
7. The IIROC 2014 CRM2 Amendments are materially harmonized with the CSA 2014 CRM2 Amendments.

Decision
8. The following provisions of NI 31-103 do not apply to any registered firm that is a member of IIROC if the registered firm complies with the corresponding IIROC 2014 CRM2 Amendments:

   (a) paragraph 14.2(2)(m);
   (b) section 14.2.1; and
   (c) paragraphs 14.12(1)(b.1) and (c.1).

9. This decision expires on the date on which amendments to Part 9 of NI 31-103 and Appendix G of NI 31-103 come into effect providing an equivalent exemption for IIROC members.

This order takes effect on 15 July 2014.

For the Commission:

“original signed by”                         “original signed by”
William Rice, QC                          Tom Cotter
Chair                                      Vice-Chair