ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-529

Citation: 2014 ABASC 205                  Date: 20140529

Relief from Certain CRM2 Requirements Prescribed by NI 31-103 for MFDA 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 9.4 [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 the MFDA named in Appendix H, 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]; and

   (b) section 14.2.1 [pre-trade disclosure of charges] (paragraphs (a) and (b) together, the CSA 2014 CRM2 Amendments).

4. 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.

5. The MFDA 2014 CRM2 Amendments are not reflected in Appendix H 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 MFDA Rules affected by the MFDA 2014 CRM2 Amendments:

<table>
<thead>
<tr>
<th>NI 31-103 section</th>
<th>MFDA Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paragraph 14.2(2)(m)</td>
<td>MFDA Rule 2.2.5(h)</td>
</tr>
<tr>
<td>Section 14.2.1</td>
<td>MFDA Rule 2.4.4</td>
</tr>
</tbody>
</table>
7. The MFDA 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 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.

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

This order takes effect on 15 July 2014.

For the Commission:

“original signed by”
William Rice, QC
Chair

“original signed by”
Tom Cotter
Vice-Chair