



Saskatchewan  
Financial Services  
Commission  
Securities Division

## GENERAL ORDER 31-918

### **Transitional Relief from the Requirement to Provide Relationship Disclosure Information Prescribed by Section 14.2(1) of NI 31-103 for IIROC Member Firms**

IN THE MATTER OF *THE SECURITIES ACT, 1988*,

#### **ORDER**

WHEREAS the Saskatchewan Financial Services Commission (the "Commission") has assigned to the Director of the Securities Division the power to make exemption orders under provisions of *The Securities Act, 1988* (the "Act") including orders of general application;

AND WHEREAS the staff of the Commission have applied to the Director for an Order pursuant to section 83 of the Act exempting certain persons and companies from the requirement in subsection 14.2(1) of NI 31-103;

AND WHEREAS in this decision terms defined in *The Securities Act, 1988*, 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 general order;

AND WHEREAS it has been represented to the Director that:

1. Under section 14.2(1) 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.
2. The Investment Industry Regulatory Organization of Canada (IIROC) is currently finalizing its proposal on relationship disclosure information (the IIROC RDI Proposal), most recently published on January 7, 2011 in IIROC Notice 11-0005 *Proposals to implement the core principles of the Client Relationship Model - Proposed amendments - New Rule XX00 - Relationship disclosure*.
3. 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.
4. 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 September 28, 2010 to persons or companies that were registered on the date when NI 31-103 came into effect.
5. On September 28, 2010, the Director issued General Order 31-911 *Transitional relief from the requirement to provide the relationship disclosure information prescribed by section 14.2(1) of NI 31-103 for IIROC member firms*, providing further temporary relief from the application of section 14.2(1) of NI 31-103 until September 28, 2011 to IIROC members.

6. 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 (the IIROC RDI Rules) will be approved before the end of 2011 with provisions for their implementation in phases over a two-year transition period.
7. If a registered firm that is a member of IIROC is required to comply with section 14.2(1) of NI 31-103 on September 28, 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.
8. 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 on September 28, 2011 in the interim is not justified.

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to section 83 of the Act that 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.

AND IT IS FURTHER ORDERED that this order comes into effect on September 28, 2011 and expires on December 31, 2013.

"Barbara Shourounis"

Barbara Shourounis  
Director