

1.1.3 **CSA Staff Notice 31-335 – Extension of Interim Relief for Members of the Investment Industry Regulatory Organization of Canada from the Requirement in section 14.2(1) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations in Respect of the Provision of Relationship Disclosure Information to Existing Clients**



**Canadian Securities
Administrators**

**Autorités canadiennes
en valeurs mobilières**

CSA Staff Notice 31-335
***Extension of Interim Relief for Members of the
Investment Industry Regulatory Organization of Canada from
the Requirement in section 14.2(1) of National Instrument 31-103
Registration Requirements, Exemptions and Ongoing Registrant
Obligations in Respect of the Provision of Relationship
Disclosure Information to Existing Clients***

October 3, 2013

Introduction

All Canadian Securities Administrators (**CSA**) members have issued parallel orders that provide a limited extension of previously issued interim relief from the requirement to provide relationship disclosure information (**RDI**) prescribed by section 14.2(1) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* for firms that are members of the Investment Industry Regulatory Organization of Canada (**IIROC**). The relief has been extended to March 26, 2014 in respect of the provision of RDI to existing clients only (i.e. clients that were clients of the firm before March 26, 2013).

Relief

Section 14.2(1) of NI 31-103 sets out the principle that 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.

As announced in CSA Staff Notice 31-329 issued on September 28, 2011, all CSA members issued parallel orders that exempted firms that are members of IIROC from the application of the requirement of section 14.2(1) of NI 31-103, provided that after the IIROC RDI rules are approved, the IIROC member complies with them, subject to applicable transition periods. The orders were set to expire on December 31, 2013, by which time the IIROC RDI rules were expected to be fully implemented.

On March 26, 2012, IIROC announced in IIROC Notice 12-0107 *Client Relationship Model – Implementation* the implementation of, among other things, new IIROC Dealer Member Rule 3500 – *Relationship disclosure* (the **IIROC RDI Rule**). The IIROC RDI Rule sets 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.

The implementation schedule for the IIROC RDI Rule provided that the provision of RDI to: (i) new clients be given a one year transition period, with an effective implementation date of March 26, 2013, and (ii) existing clients be given a two year transition period, with an implementation date of March 26, 2014.

Since the IIROC RDI Rule will not come into effect until March 26, 2014 in respect of the provision of RDI to existing clients, all CSA members have issued parallel orders that exempt registered firms that are members of IIROC from the application of the requirements of section 14.2(1) of NI 31-103 in respect of the provision of RDI to their clients that were clients of the firm before March 26, 2013. The orders will come into effect on December 31, 2013 and will expire on March 26, 2014, by which time the IIROC RDI Rule will be fully implemented.

We are publishing the orders with this Notice. The orders are also available on websites of CSA members, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.msc.gov.mb.ca
www.gov.ns.ca/nssc
www.nbsc-cvmb.ca
www.osc.gov.on.ca
www.sfsc.gov.sk.ca

Questions

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