



IN THE MATTER OF THE *SECURITIES ACT*,  
S.N.W.T. 2008, c. 10, AS AMENDED

- and -

**Exemption for Mutual Fund Dealers from paragraph 13.2(2)(b) of  
National Instrument 31-103 *Registration Requirements and Exemptions***

**BLANKET ORDER 31-507**

WHEREAS paragraph 13.2(2)(b) of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) provides that a registrant must take reasonable steps to establish whether a client is an insider of a reporting issuer or any other issuer whose securities are publicly traded;

AND WHEREAS the purpose of this requirement is to guard against abusive insider trading by, for example, allowing dealers to notify a client of the client's obligation to file an insider trade report;

AND WHEREAS if a registrant limits its trading with clients to certain securities, only in very rare circumstances will a trade require the filing of an insider trade report;

AND WHEREAS compliance with paragraph 13.2(2)(b) of NI 31-103 presents significant costs to mutual fund dealers that are not justified when trading with a client is limited to certain securities;

AND WHEREAS the Superintendent has determined that it would not be prejudicial to the public interest to make this Order;

**IT IS ORDERED THAT:**

1. Unless the context otherwise requires, terms defined in the *Securities Act*, NI 31-103 or National Instrument 14-101 *Definitions* have the same meaning in this Order.
2. A person registered in the category of a mutual fund dealer as defined in NI 31-103 in the Northwest Territories is exempt from paragraph 13.2(2)(b) of NI 31-103 so long as such person is not registered in any other categories specified in section 7.1 of NI 31-103.

**DATED** at Yellowknife in the Northwest Territories this 26<sup>th</sup> day of February, 2010.

*Gary MacDougall*  
Gary I. MacDougall,  
Superintendent of Securities