



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

- and -

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

**BLANKET ORDER 31-511**

WHEREAS part of the know your client requirements of subparagraph 13.2(3)(b)(i) of NI 31-103 *Registration Requirements and Exemptions* (NI 31-103), requires a registrant to collect information about the identity of any individual who owns or controls more than 10% of the voting rights attached to the voting securities of a corporation that is a client of the registrant;

AND WHEREAS the costs incurred by mutual fund dealers in order to comply with subparagraph 13.2(3)(b)(i) of NI 31-103 exceed any investor benefit since mutual fund dealers:

- (a) trade primarily in publicly offered mutual funds which have restrictions on investments; and
- (b) are required to collect information about any person who owns or controls 25% or more of the shares of a corporate client under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

AND WHEREAS investment fund managers are not subject to subparagraph 13.2(3)(b)(i);

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. Subparagraph 13.2(3)(b)(i) of NI 31-103 does not apply to a mutual fund dealer in respect of a client that is a corporation subject to the following conditions:
  - (a) the mutual fund dealer is not registered in any other category of registration other than as an investment fund manager; and
  - (b) the mutual fund dealer complies with the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) requiring the identification of any person who owns or controls 25% or more of the shares of a corporate client.

3. This order comes into effect on November 5, 2010.

**DATED** at Yellowknife in the Northwest Territories this 5<sup>th</sup> day of November, 2010.

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