



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

*Temporary Exemptions from the OEO Trailer Ban to Facilitate Dealer Rebates of Trailing Commissions and Client Transfers*

**BLANKET ORDER 2022/01**

(Section 16)

**WHEREAS** under section 16 of the *Securities Act*, if the Superintendent considers that it would not be prejudicial to the public interest to do so, the Superintendent may, on application by an interested person or company or on its own initiative, make an order exempting a person, security, trade, distribution or transaction from all or any requirements of Northwest Territories securities laws on such terms or conditions as may be set out in the order.

**AND WHEREAS** the Canadian Securities Administrators acting on the recommendation of the Ontario Securities Commission staff has agreed to grant a blanket exemption order with respect to certain OEO Trailers and the Superintendent is satisfied that, subject to the conditions set out in this Order, it is appropriate to provide exemptions from certain requirements.

**IT IS ORDERED THAT:**

**DEFINITIONS**

1. Terms defined in the *Securities Act* (the **Act**), Multilateral Instrument 11-102 *Passport System (MI 11-102)*, National Instrument 14-101 *Definitions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, National Instrument 81-102 *Investment Funds (NI 81-102)* and National Instrument 81-105 *Mutual Fund Sales Practices (NI 81-105)* have the same meaning in this Blanket Order.
2. In this Blanket Order,  
  
“**Client**” means a client of an OEO dealer (as defined below);

**“Dealer Rebate”** means a rebate to a Client by an OEO dealer, equal to the amount of the trailer paid by the investment fund manager (as defined below) to the OEO dealer in respect of the Client's trailer (as defined below) paying mutual fund security (as defined below), for as long as the Client holds the trailer paying mutual fund security in the OEO dealer account;

**“Like-to-Like Switch”** means a switch, initiated by an investment fund manager or an OEO dealer, of a mutual fund security held in an OEO dealer account from a trailer paying class or series to a non-trailer paying class or series of the same mutual fund, where the only difference is a lower management fee for the non-trailer paying class or series, and where there are no tax consequences for effecting such switch;

**“Like-to-Similar Switch”** means a switch, initiated by an investment fund manager or an OEO dealer, of a mutual fund security held in an OEO dealer account from a trailer paying class or series to a non-trailer paying class or series of the same mutual fund, where the only differences are a lower management fee for the non-trailer paying class or series, and a difference in distribution policy and/or currency, and where there are no tax consequences for effecting such switch;

**“Management Fee Rebate”** means a rebate to a Client by an investment fund manager, equal to the amount of the trailer that would otherwise be paid by the investment fund manager to the OEO dealer in respect of the Client's trailer paying mutual fund security, for as long as the Client holds the trailer paying mutual fund security in the OEO dealer account;

**“trailer”** means trailing commission.

## **BACKGROUND**

### ***OEO Trailer Ban***

3. Effective June 1, 2022 (the **Effective Date**), pursuant to NI 81-105, members of the organization of a mutual fund (**investment fund managers** or **IFMs**) will be prohibited from knowingly paying trailers to participating dealers that are not required to make a suitability determination such as investment dealers offering order execution only accounts (**OEO dealers**) in connection with a Client's purchase and ongoing ownership of a prospectus-qualified mutual fund security (**mutual fund security**); OEO dealers will also be prohibited from soliciting or accepting the payment of trailers from IFMs (together, the **OEO Trailer Ban**).

### ***Current Mutual Fund Holdings with Trailers in OEO Dealer Accounts***

4. Prior to the Effective Date, there will be mutual fund securities held in OEO dealer accounts for which trailers are paid (**Current Holdings**). To comply with the OEO Trailer Ban as of the Effective Date, IFMs and OEO dealers have determined the approach set out in paragraphs 5 to 15 will be used to process Current Holdings.
5. IFMs and OEO dealers have processed, or will process Current Holdings as follows:
  - (a) certain IFMs have effected, or will effect, Like-to-Like Switches or, where no Like-to-Like Switch is available, have effected, or will effect Like-to-Similar Switches, without instruction from the Client or the OEO dealer,
  - (b) certain OEO dealers have effected, or will effect, certain Like-to-Like Switches or, where no Like-to-Like Switch is available, have effected, or will effect certain Like-to-Similar Switches, without instruction from the Client,
  - (c) certain Clients may continue to hold trailer paying mutual fund securities in an OEO dealer account on and after the Effective Date, and the relevant IFM may provide a Management Fee Rebate, and
  - (d) where a Like-to-Like Switch or a Like-to-Similar Switch is not available or not effected by the Effective Date, and a Management Fee Rebate is not used, a Client may continue to hold the trailer paying mutual fund securities in an OEO dealer account on and after the Effective Date, and the OEO dealer will provide a Dealer Rebate
6. Where a Like-to-Like Switch or a Like-to-Similar Switch is effected,
  - (a) certain IFMs may change the trading instructions for any IFM-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, without instruction from the Client or the OEO dealer,
  - (b) certain OEO dealers may change the trading instructions for any dealer-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, without instruction from the Client,
  - (c) certain IFMs may seek Client instruction to change the trading instructions for any IFM-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, and
  - (d) certain OEO dealers may seek Client instruction to change the trading instructions for any dealer-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch.

7. Where Client instruction is sought further to paragraphs 6(c) and (d), and no Client instruction is received prior to the Effective Date, the systematic plans will terminate as of the Effective Date.
8. For Client-initiated transfers of trailer paying mutual fund securities to OEO dealer accounts made shortly before the Effective Date where a Like-to-Like Switch or a Like-to-Similar Switch might be available but it is not operationally reasonable to effect a switch (**Pending Switches**), Clients may be provided with a Management Fee Rebate from the IFM, if it can be used, failing which, the OEO dealer will provide a Dealer Rebate until the FundServ Date (as defined below) or such earlier date on which Like-to-Like Switches and Like-to-Similar Switches can be effected manually by the OEO dealer.
9. IFMs will waive any redemption fees for Current Holdings purchased under the deferred sales charge option (**DSC redemption fees**) that are triggered by the Like-to-Like Switches or the Like-to-Similar Switches.
10. If a Client closed his/her account prior to the payment of a Dealer Rebate in connection with Current Holdings and the OEO dealer cannot locate the Client, then the OEO dealer will donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable laws.
11. For Current Holdings, OEO dealers and IFMs will not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates or Dealer Rebates initiated by an OEO dealer or an IFM, as applicable.
12. As long as Dealer Rebates are permitted or any Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates remain in effect for Current Holdings, no Client will be redeemed by an IFM or OEO dealer from a mutual fund nor be subject to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
13. Except as set out in paragraph 14, a Like-to-Like Switch and a Like-to-Similar Switch will be reflected in the Client's next account statement and the Client will receive a trade confirmation promptly following any Like-to-Like Switch or Like-to-Similar Switch.
14. Where it is not operationally reasonable to provide the trade confirmation as set out in paragraph 13, the OEO dealer will appear before IIROC's Board of Directors at its next

board meeting to explain the circumstances, and will reflect any Like-to-Like Switch or Like-to-Similar Switch in the Client's next account statement and, as soon as practicable and no later than 30 days following any Like-to-Like Switch or Like-to-Similar Switch, the OEO dealer will deliver a personalized communication to the Client with key information that would be provided in a trade confirmation, including the date, the quantity and description of the mutual fund securities switched and the net asset value of the mutual fund securities switched.

15. OEO dealers will provide Clients with Current Holdings with the following written information, either before or as soon as practicable after the implementation of the scenarios described in paragraph 5:
- (a) the scenarios described in paragraph 5 and an explanation of how the actions may impact the Client;
  - (b) an explanation that the actions described in (a) above are due to the OEO Trailer Ban, which takes effect on the Effective Date;
  - (c) a brief explanation that the OEO Trailer Ban means that trailer paying mutual fund securities should no longer be held in OEO dealer accounts;
  - (d) where no Like-to-Like Switch or Like-to-Similar Switch is effected and no Management Fee Rebate is used, an explanation that the OEO dealer will provide a Dealer Rebate;
  - (e) an explanation that a Like-to-Like to Switch and a Like-to-Similar Switch will be reflected in the Client's next account statement and that
    - (i) the Client will receive a trade confirmation promptly following any Like-to-Like Switch or Like-to-Similar Switch, or
    - (ii) as soon as practicable and no later than 30 days following any Like-to-Like Switch or Like-to-Similar Switch, the OEO dealer will deliver a personalized communication to the Client with key information that would be provided in a trade confirmation, including the date, the quantity and description of the mutual fund securities switched and the net asset value of the mutual fund securities switched;
  - (f) an explanation that the trade confirmation or post-switch communication referred to in (e), and/or account statement and/or transaction history will help the Client to determine what class or series of the non-trailer paying mutual fund is held by the Client after the Like-to-Like Switch or Like-to-Similar Switch;

- (g) how to obtain further information about their mutual fund securities, including how to obtain a copy of the fund facts document (**Fund Facts**) for the relevant class or series held by the Client after a Like-to-Like Switch or a Like-to-Similar Switch, and that the Fund Facts will not be delivered unless requested;
- (h) a statement about the Dealer Rebate, how the Dealer Rebate is calculated, the frequency of payment of the Dealer Rebate, and that the Client's account statement will identify any Dealer Rebate payment the Client may receive; and
- (i) OEO dealer contact information for the Client to obtain further information.

*Transfers of Mutual Fund Holdings with Trailers to OEO Dealer Accounts*

- 16. On or after the Effective Date, there will be Client-initiated transfers of trailer paying mutual fund securities to OEO dealers (**Client Transfers**). To comply with the OEO Trailer Ban, IFMs and OEO dealers have determined the approach set out in paragraphs 18 to 27 will be used to process Client Transfers.
- 17. Fundserv is the industry network for trading and settlement of mutual funds. It is expected that Fundserv will update its standards to enable IFMs to provide the fund code destination, which will allow OEO dealers to effect the Like-to-Like Switches and Like-to-Similar Switches of Client Transfers by June 30, 2023 (**Fundserv Date**).
- 18. OEO dealers will process Client Transfers made on or after the Effective Date and prior to the Fundserv Date as follows:
  - (a) if the OEO dealer cannot manually effect Like-to-Like Switches and Like-to-Similar Switches,
    - (i) where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate to the Client, and
    - (ii) where a Management Fee Rebate is not used, the OEO dealer will provide a Dealer Rebate to the Client; and
  - (b) if the OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches,
    - (i) an IFM will identify whether a Like-to-Like Switch is available, or if no Like-to-Like Switch is available, whether a Like-to-Similar Switch is available, or whether a Management Fee Rebate can be used,

- (ii) where a Like-to-Like Switch or a Like-to-Similar Switch is identified by an IFM, the OEO dealer will effect the Like-to-Like Switch or Like-to-Similar Switch, as applicable,
  - (iii) where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate, and
  - (iv) where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities may remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate.
- 19. For all Client Transfers made on or after the Effective Date and prior to the Fundserv Date, as well as for all Pending Switches, OEO Dealers will effect Like-to-Like Switches and Like-to-Similar Switches, where identified by the IFM, within 45 days after the Fundserv Date or after such earlier date on which OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches.
- 20. IFMs and OEO dealers will process Client Transfers made on or after the Fundserv Date as follows:
  - (a) an IFM will identify whether a Like-to-Like Switch is available, or if no Like-to-Like Switch is available, whether a Like-to-Similar Switch is available, or whether a Management Fee Rebate can be used;
  - (b) where a Like-to-Like Switch or a Like-to-Similar Switch is identified by an IFM, the OEO dealer will effect the Like-to-Like Switch or Like-to-Similar Switch, as applicable;
  - (c) where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate; and
  - (d) where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities may remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate.
- 21. On or after the Effective Date, to implement Client Transfers, which transfers are largely a manual process, OEO dealers and IFMs will require a period of up to 45 days (the **Grace Period**), during which the OEO Trailer Ban does not apply, in order for the OEO dealer to determine whether the IFM has identified that a Like-to-Like Switch or a Like-to-Similar Switch is available or a Management Fee Rebate can be used. During the Grace Period, if

no Management Fee Rebate is used, then the OEO dealer will implement any Like-to-Like Switch or Like-to-Similar Switch identified by the IFM, after the Fundserv Date, or after such earlier date on which Like-to-Like Switches and Like-to-Similar Switches can be effected manually by the OEO dealer, or failing which, provide a Dealer Rebate.

22. During the Grace Period, a Like-to-Like Switch or a Like-to-Similar Switch will generally be effected by OEO dealers within 15 days of the date of the Client Transfer, following which, within the remaining 30 days of the Grace Period, the OEO dealer will assess whether the Like-to-Like Switch and Like-to-Similar Switch has been properly processed, failing which the OEO dealer will take action to ensure the relevant switch is properly processed.
23. Any trailers paid by IFMs in respect of the Client Transfers and accepted by OEO dealers during the Grace Period will be rebated to the Client by way of a Dealer Rebate.
24. If a Client closed his/her account prior to the payment of a Dealer Rebate in connection with a Client Transfer and the OEO dealer cannot locate the Client, then the OEO dealer will donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable laws.
25. For Client Transfers, OEO dealers and IFMs will not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates or Dealer Rebates initiated by an OEO dealer or an IFM, as applicable.
26. As long as Dealer Rebates are permitted or any Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates remain in effect for Client Transfers, no Client will be redeemed by an IFM or OEO dealer from a mutual fund nor be subject to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
27. On and after the Effective Date, Clients making Client Transfers will be provided with the following communications from OEO dealers:
  - (a) as part of the Client onboarding process for new accounts and/or on the form for Client Transfers, written notice of
    - (i) the scenarios described in paragraphs 18 or 20, as applicable, and an explanation of how the proposed actions may impact the Client,
    - (ii) an explanation that the proposed actions described in (a)(i) above are due to the OEO Trailer Ban, which took effect on the Effective Date,
    - (iii) a brief explanation that the OEO Trailer Ban means that trailer paying mutual fund securities should not be transferred to OEO dealer accounts,



- (iv) where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where such a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate,
- 28. Considering that it would not be prejudicial to the public interest, the Superintendent orders that IFMs and OEO dealers are exempt from the OEO Trailer Ban,
  - (a) subject to the terms and conditions in paragraphs 29 to 32 and 38 to 41 of this Blanket Order, for the purpose of facilitating a Dealer Rebate for Current Holdings and for Pending Switches where Like-to-Like Switches and Like-to-Similar Switches are not effected and Management Fee Rebates are not used, and
  - (b) subject to the terms and conditions in paragraphs 33 to 41 of this Blanket Order, for Client Transfers on or after the Effective Date, where Like-to-Like Switches and Like-to-Similar Switches are not effected and Management Fee Rebates are not used,
    - (i) for the purpose of facilitating a Dealer Rebate, or
    - (ii) for a Grace Period during which a Dealer Rebate is provided.

## **TERMS AND CONDITIONS**

### ***Current Holdings***

- 29. No IFM or OEO dealer may rely on this Blanket Order to facilitate Dealer Rebates for Current Holdings unless a Like-to-Like Switch or a Like-to-Similar Switch is not available or not effected by the Effective Date, and a Management Fee Rebate is also not used, and no IFM or OEO dealer may rely on this order to facilitate Dealer Rebates for Pending Switches, unless it is not operationally reasonable to effect a Like-to-Like Switch, a Like-to-Similar Switch, or a Management Fee Rebate, even if available.
- 30. Any IFM or OEO dealer relying on this Blanket Order to facilitate Dealer Rebates for Current Holdings and Pending Switches must not redeem a Client or subject a Client to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
- 31. Any OEO dealer relying on this Blanket Order for the purpose of facilitating Dealer Rebates for Current Holdings and Pending Switches must

- (a) not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Dealer Rebates initiated by an OEO dealer, as applicable,
- (b) no later than the Effective Date, provide notification through a completed survey, to be hosted on Fundserv, advising that the OEO dealer has the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,
- (c) pay a Dealer Rebate to its impacted Clients equal to the amount of the trailer received from the IFM on at least a quarterly basis, and any OEO dealer who does not have the operational or technological capacity to process Dealer Rebates prior to the Effective Date must implement such process within 4 months from the Effective Date and, in such case, must retroactively pay Dealer Rebates, within 7 months from the Effective Date,
- (d) prior to facilitating each Dealer Rebate for Current Holdings, confirm that no Like-to-Like Switch or Like-to-Similar Switch is available, and that a Management Fee Rebate is also not used,
- (e) prior to facilitating each Dealer Rebate for Pending Switches, confirm that it is not operationally reasonable to effect a Like-to-Like Switch or Like-to-Similar Switch or a Management Fee Rebate, even if available,
- (f) if the OEO dealer is unable to locate a Client for whom the Dealer Rebate is intended to be paid because the Client has closed his/her account with the OEO dealer prior to payment of the Dealer Rebate, donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable law,
- (g) where (f) above applies, keep a record of the amount and dates of donations to a registered charity in respect of such Current Holdings and Pending Switches, and, the name and charity registration number of each registered charity that received such donations,
- (h) keep a record of the actions taken relating to each Current Holding and Pending Switch, and
- (i) provide a statistical summary of the following items in Excel, and in the form set out in Annex A to the Director of the Investment Funds and Structured Products Branch of the Ontario Securities Commission (the **Branch Director**) by email at [IFSPDirector@osc.gov.on.ca](mailto:IFSPDirector@osc.gov.on.ca) (the **Email**) by August 1, 2022:
  - (i) the number of Client accounts with Current Holdings where a Like-to-Like Switch or a Like-to-Similar Switch was effected;

- (ii) the aggregate amount of Current Holdings in Client accounts where a Like-to-Like Switch or a Like-to-Similar Switch was effected;
- (iii) the number of Client accounts with Current Holdings and Pending Switches where a Dealer Rebate was provided;
- (iv) the aggregate amount of Current Holdings and Pending Switches in Client accounts where a Dealer Rebate was provided; and
- (v) the aggregate amount of Dealer Rebates provided for Current Holdings and Pending Switches.

32. Any IFM relying on this Blanket Order for the purpose of paying trailers to OEO dealers for Dealer Rebates for Current Holdings and Pending Switches must
- (a) not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates initiated by an IFM, as applicable,
  - (b) waive any DSC redemption fees for Current Holdings that are triggered by the Like-to-Like Switches or the Like-to-Similar Switches,
  - (c) confirm through Fundserv that the OEO dealers have sent a notification through Fundserv, as described in paragraph 31(b) or, where such notification is not available for a particular OEO dealer, confirm with that OEO dealer that it has the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,
  - (d) keep a record of each OEO dealer for which Dealer Rebates are expected to be paid,
  - (e) keep a record of the actions taken relating to Current Holdings and Pending Switches, and
  - (f) provide a statistical summary of the following items in Excel, and in the form set out in Annex B to the Branch Director via the Email by August 1, 2022:
    - (i) the number of Client accounts with Current Holdings where a Like-to-Like Switch was effected;
    - (ii) the aggregate amount of Current Holdings in Client accounts where a Like-to-Like Switch was effected;

- (iii) the number of Client accounts with Current Holdings where a DSC redemption fee was waived in connection with a Like-to-Like Switch;
- (iv) the aggregate amount of DSC redemption fees waived in connection with a Like-to-Like Switch;
- (v) the number of Client accounts with Current Holdings where a Like-to-Similar Switch was effected;
- (vi) the aggregate amount of Current Holdings in Client accounts where a Like-to-Similar Switch was effected;
- (vii) the number of Client accounts with Current Holdings where a DSC redemption fee was waived in connection with a Like-to-Similar Switch;
- (viii) the aggregate amount of DSC redemption fees waived in connection with a Like-to-Similar Switch;
- (ix) the number of Client accounts with Current Holdings and Pending Switches where a Management Fee Rebate was provided;
- (x) the aggregate amount of Current Holdings and Pending Switches in Client accounts where a Management Fee Rebate was provided; and
- (xi) the aggregate amount of Management Fee Rebates provided to Client accounts with Current Holdings and Pending Switches.

*Client Transfers*

- 33. No IFM or OEO dealer may rely on this Blanket Order to facilitate Dealer Rebates for Client Transfers unless a Like-to-Like Switch or a Like-to-Similar Switch is not available, and a Management Fee Rebate is also not used.
- 34. Any IFM or OEO dealer relying on this Blanket Order to facilitate Dealer Rebates for Client Transfers must not redeem a Client or subject a Client to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order to comply with the OEO Trailer Ban.
- 35. Any OEO dealer relying on this Blanket Order for the purpose of facilitating Dealer Rebates for Client Transfers must

- (a) not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Dealer Rebates initiated by an OEO dealer, as applicable,
- (b) no later than the Effective Date, provide notification through a completed survey, to be hosted on Fundserv, advising that the OEO dealer has the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,
- (c) pay a Dealer Rebate to its impacted Clients equal to the amount of the trailer received from the IFM on at least a quarterly basis and any OEO dealer who does not have the operational or technological capacity to process Dealer Rebates prior to the Effective Date must implement such process within 4 months from the Effective Date and, in such case, must retroactively pay Dealer Rebates, within 7 months of the Effective Date,
- (d) if the OEO dealer cannot manually effect Like-to-Like Switches and Like-to-Similar Switches, prior to facilitating each Dealer Rebate for Client Transfers on or after the Effective Date and before the Fundserv Date, confirm no Management Fee Rebate is used,
- (e) if the OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches, prior to facilitating each Dealer Rebate for Client Transfers on or after the Effective Date and before the Fundserv Date, confirm no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used,
- (f) prior to facilitating each Dealer Rebate for Client Transfers on or after the Fundserv Date, confirm no Like-to-Like Switch or Like-to-Similar Switch is available, and no Management Fee Rebate is used,
- (g) where Like-to-Like Switches or Like-to-Similar Switches are available, for all Client Transfers made on or after the Effective Date and prior to the Fundserv Date, and for Pending Switches, effect Like-to-Like Switches and Like-to-Similar Switches based on the fund code destination provided by the IFM in Fundserv within 45 days after the Fundserv Date,
- (h) where Like-to-Like Switches or Like-to-Similar Switches are available, for all Client Transfers made on or after the Fundserv Date, effect Like-to-Like Switches and Like-to-Similar Switches based on the fund code destination provided by the IFM in Fundserv within 45 days after the Client Transfer,
- (i) if the OEO dealer is unable to locate a Client for whom the Dealer Rebate is intended to be paid because the Client has closed his/her account with the OEO dealer prior to payment of the Dealer Rebate, donate such Dealer Rebate to a

registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable law,

- (j) where (i) above applies, keep a record of the amount and dates of donations to a registered charity in respect of such Client Transfers, and, the name and charity registration number of each registered charity that received such donations,
- (k) keep a record of the Dealer Rebates provided for Client Transfers, and
- (l) provide a statistical summary of the following items for the period from June 1, 2022 to June 30, 2023 in Excel, and in the form set out in Annex C to the Branch Director via the Email by August 31, 2023:
  - (i) the number of Client accounts with Client Transfers where a Dealer Rebate was provided;
  - (ii) the aggregate amount of Client Transfers where a Dealer Rebate was provided; and
  - (iii) the aggregate amount of Dealer Rebates provided for Client Transfers.

36. Any IFM relying on this Blanket Order for the purpose of paying trailers to OEO dealers for Dealer Rebates for Client Transfers must

- (a) not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates initiated by an IFM, as applicable,
- (b) confirm through Fundserv that the OEO dealers have sent a notification through Fundserv, as described in paragraph 35(b),
- (c) keep a record of each OEO dealer for which Dealer Rebates are expected to be paid,
- (d) keep a record of the actions taken relating to Client Transfers, and
- (e) provide a statistical summary of the following items for the period from June 1, 2022 to June 30, 2023 in Excel, and in the form set out in Annex D to the Branch Director via the Email by August 31, 2023:
  - (i) the number of Client accounts with Client Transfers where a Management Fee Rebate was provided;

- (ii) the aggregate amount of Client Transfers where a Management Fee Rebate was provided; and
  - (iii) the aggregate amount of Management Fee Rebates provided for Client Transfers.
- 37. Any OEO dealer relying on this Blanket Order for the purpose of processing Client Transfers during the Grace Period must
  - (a) rebate to the Client, by way of Dealer Rebate, any trailers paid by IFMs in respect of the Client Transfers and accepted by OEO dealers during the Grace Period, and
  - (b) keep a record of the actions taken relating to Client Transfers.

### *Records*

- 38. Any IFM or OEO dealer relying on an exemption in this Blanket Order must, upon request, provide any record required by the terms and conditions of the relevant exemption to the Branch Director via the Email.

### *Client Communications*

- 39. Any OEO dealer relying on an exemption in this Blanket Order must provide Clients with the communications described in paragraphs 15 and 27, as applicable.
- 40. Any IFM or OEO dealer relying on an exemption in this Blanket Order must have appropriate resources in place to address Clients' questions with respect to the implementation of the OEO Trailer Ban, including Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates and Dealer Rebates for Current Holdings and Client Transfers.

### *Notices*

- 41. Any IFM and any OEO dealer relying on this Blanket Order must, as soon as reasonably practicable and prior to relying on this order for the first time, notify the Branch Director via the Email stating their intention to rely on this order.
- 42. Reference made in a notice pursuant to paragraph 41 of this Blanket Order to an equivalent exemption granted by a securities regulatory authority or regulator in another jurisdiction of Canada that is the principal regulator of the IFM of the OEO dealer, as defined in MI 11-102, will be deemed to constitute a reference to the relevant exemption in this order.

**EFFECTIVE DATE AND TERM**

43. This Blanket Order comes into effect on June 1, 2022.

DATED at the City of Yellowknife in the Northwest Territories, this 25<sup>th</sup> day of March, 2022.

*Matthew Yap*

Matthew F. Yap, CD, LL.M.  
Superintendent of Securities



**ANNEX A**

Name of OEO Dealer	Like-to-Like Switches and Like-to-Similar Switches		Dealer Rebates		
	Number of Client Accounts with Current Holdings	Amount of Current Holdings (\$)	Number of Client Accounts with Current Holdings and Pending Switches	Amount of Current Holdings and Pending Switches (\$)	Amount of Dealer Rebates (\$)

## ANNEX B

Name of IFM	Like-to-Like Switches				Like-to-Similar Switches				Management Fee Rebates		
	Number of Client Accounts with Current Holdings	Amount of Current Holdings (\$)	Number of Client Accounts with DSC Redemption Fee Waived	Amount of DSC Redemption Fee Waived (\$)	Number of Client Accounts with Current Holdings	Amount of Current Holdings (\$)	Number of Client Accounts with DSC Redemption Fee Waived	Amount of DSC Redemption Fee Waived (\$)	Number of Client Accounts with Current Holdings and Pending Switches	Amount of Current Holdings and Pending Switches (\$)	Amount of Management Fee Rebate (\$)

**ANNEX C**

Name of OEO Dealer	Dealer Rebates		
	Number of Client Accounts from Client Transfers	Amount of Client Transfers (\$)	Amount of Dealer Rebates (\$)

**ANNEX D**

Name of IFM	Management Fee Rebates		
	Number of Client Accounts from Client Transfers	Amount of Client Transfers (\$)	Amount of Management Fee Rebate (\$)