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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Commingling Prohibitions of Part 11 of National Instrument NI 81-102 – *Mutual Funds* (“NI 81-102”): Blanket Relief Issued by Various Securities Commissions

Background

On July 14, 2006, the MFDA issued Bulletin #0208-P - *Exemptive Relief from MFDA Rule 3.3.2(e) (Commingling Prohibition)*, which advised Members that the Regulatory Issues Committee of the MFDA Board of Directors had granted exemptive relief from MFDA Rule 3.3.2(e) to all MFDA Members that are Level 3 and 4 Dealers. As a condition of relying on the MFDA relief, MFDA Members are required to obtain relief from the relevant Canadian securities regulatory authorities from the applicable provisions of Part 11 of National Instrument 81-102 - *Mutual Funds* (“NI 81-102”).

Securities Commissions that Have Issued Blanket/General Ruling Orders

The Alberta Securities Commission (“ASC”), the New Brunswick Securities Commission (“NBSC”), the Nova Scotia Securities Commission (“NSSC”) and the Saskatchewan Financial Services Commission (“SFSC”) have all recently released Blanket/General Ruling Orders that provide (upon certain conditions being met) an exemption from the commingling prohibitions of NI 81-102 to Eligible MFDA Members (MFDA Members that are Level 3 and 4 Dealers) that are registered as mutual fund dealers under the *Securities Act* of each jurisdiction.

See, ASC Blanket Order (NI 81-102) 2007 ABASC 209 – Certain MFDA Members: Commingling of Funds; NBSC Blanket Order 81-503 – Allowing Select MFDA Members to Commingle Funds; NSSC Blanket Order 81-502 – Certain MFDA Members, Commingling of Funds; and SFSC General Ruling/Order 81-902 – Certain MFDA Members: Commingling of Funds.

To the extent that exemptive relief from the commingling prohibitions of NI 81-102 is required in jurisdictions that have not issued blanket relief orders, Members are reminded that they will have to apply to these jurisdictions on an individual basis.

Further Information

To view the text of each Blanket/General Ruling Order, please go to the websites of the respective securities commissions at:

<http://www.albertasecurities.com/?currentPage=102&cmsSupressBody=1&newsID=7334>

http://www.nbsc-cvmnb.ca/nbsc/uploaded_topic_files/81-503-BO-25-Jun-07-e.pdf

<http://www.gov.ns.ca/nssc/docs/bo81-502.pdf>

<http://www.sfsc.gov.sk.ca/ssc/files/gro/81-902-aug9-07.pdf>

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