



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

National Instrument 31-103: Transitional Relief from Account Statement Delivery Requirements for Certain Exempt Market Dealers

NI 31-103 requires all registered dealers to deliver account statements to clients at least once every three months. MFDA Members who hold only a mutual fund dealers license have 24 months from September 28, 2009 to comply with this requirement. No transition period was initially provided for Members in Ontario and Newfoundland who held a Limited Market Dealer (“LMD”) license that automatically converted to an Exempt Market Dealer (“EMD”) license and such Members were required to begin sending quarterly account statements as of September 28, 2009.

A blanket order dated September 28, 2009 has been issued at www.osc.gov.on.ca/en/25868.htm that allows Members in Ontario and Newfoundland who hold an EMD license to have a two year transition period to meet the new quarterly account statement delivery requirements under NI 31-103.

Members are reminded that the two year transitional relief only applies to Members holding an EMD license in Ontario or Newfoundland. In provinces other than Ontario and Newfoundland, Members that were acting as a dealer in the exempt market prior to September 28, 2009 have 12 months from this date to apply for registration as an EMD and comply with relevant requirements. No transition period is provided for new applicants for registration as an EMD (i.e. those seeking to begin transacting as an EMD after September 28, 2009) and all regulatory requirements must be met on application for registration.

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