



BC Notice 2006/23

Mutual Fund Dealers Association of Canada

Notice of Variation Order

The Commission recognized the Mutual Fund Dealers Association of Canada (MFDA) as a self-regulatory body under section 24 of the Act on February 15, 2001, subject to certain terms and conditions. On June 3, 2004, the Commission continued its recognition of the MFDA, subject to certain terms and conditions set out in Schedule A of the order (COR 04/093).

One of the terms and conditions is that MFDA Rule 2.4.1 is suspended until December 31, 2006. MFDA Rule 2.4.1 requires members of the MFDA to pay remuneration for business conducted by an approved person on the member's behalf directly to and in the name of the approved person. If this provision were in effect, members would be prohibited from paying commissions to a corporation established by a salesperson.

The Commission has varied the recognition order under section 171 of the Act to extend the suspension of MFDA Rule 2.4.1 until December 31, 2008. The securities regulatory authorities in Saskatchewan, Ontario and Nova Scotia have issued similar variation orders.

Please refer any questions to:

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Brent W. Aitken
Vice Chair

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This Notice may refer to other documents. These documents can be found at the B.C. Securities Commission public website at www.bcsc.bc.ca in the section Securities Law & Policy: Policies & Instruments.