



**Notice of BCSC Non-Objection to Proposed Amendments to
MFDA Rule 2.2.1 (Know-Your-Client) and
Policy No. 2 (Minimum Standards for Account Supervision)**

As of January 9, 2013, the BCSC and the MFDA's other recognizing regulators¹ did not object to or approved² proposed amendments to MFDA Rule 2.2.1 (Know-Your-Client) and Policy No. 2 (Minimum Standards for Account Supervision).

The MFDA's proposed amendments:

- clarify that the suitability obligations in Rule 2.2.1 for investments apply equally to leverage strategies
- codify minimum standards for members and approved persons in assessing the suitability of client leveraging

The BCSC published the proposed amendments for comment on its website on July 8, 2011 for a 90-day comment period. The MFDA received eight comment letters. We attach the MFDA's summary of these comments and responses to them. We also attach a blackline copy of Policy No. 2 showing changes to the version published for comment.

February 7, 2013

Ref: Request for Comment: Proposed amendments to MFDA Rule 2.2.1 (Know-Your-Client) and MFDA Policy No. 2 (Minimum Standards for Account Supervision)

¹ Alberta Securities Commission, Saskatchewan Financial Services Commission, Manitoba Securities Commission, Ontario Securities Commission, New Brunswick Securities Commission and Nova Scotia Securities Commission.

² Non-objection and approval are the different ways in which the recognizing regulators express their decisions after reviewing proposed MFDA rules.