British Columbia Securities Commission

BC Instrument 32-511

Exemption from obligation to establish whether clients are insiders

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective November 5, 2010, BC Instrument 32-511 entitled *Exemption from obligation to establish whether clients are insiders* dated February 26, 2010, is revoked and the attached BC Instrument 32-511 *Exemption from obligation to establish whether clients are insiders* is made.

November 5, 2010

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:
Act and sections: *Securities Act*, sections 171 and 48(1)

BC Instrument 32-511

Exemption from obligation to establish whether clients are insiders

<u>Order under section 48(1) of the *Securities Act*</u>

Definitions
1.   Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) or National Instrument 14-101 *Definitions* have the same meaning in this order.

Background
2.   Section 13.2(2)(b) of NI 31-103 requires registrants to take reasonable steps to establish whether their clients are insiders of reporting issuers or of any other issuers whose securities are publicly traded.

3.   Because a trade in securities referred to in sections 7.1(2)(b) or (c) of NI 31-103 is unlikely to give rise to insider trading concerns, the cost of compliance with section 13.2(2)(b) of NI 31-103 for trades in such securities exceeds the benefit.

4.   The Commission considers that limited relief from the requirements in section 13.2(2)(b) of NI 31-103 would not be prejudicial to the public interest.

Order
5.   Section 13.2(2)(b) of NI 31-103 does not apply to a registrant in respect of a client for which the registrant trades only in securities referred to in sections 7.1(2)(b) and (c) of NI 31-103.