



THE MANITOBA  
SECURITIES  
COMMISSION

**THE SECURITIES ACT** )  
**Section 20(1)** )  
 )  
**National Instrument 81-105** )  
**Mutual Fund Sales Practices** )

**Order No. 7582**

**March 25, 2022**

**Amended Blanket Order 81-507**

**Temporary Exemptions from the OEO Trailer Ban to  
Facilitate Dealer Rebates of Trailing Commissions  
and Client Transfers**

**WHEREAS:**

(A) The Manitoba Securities Commission (the "Commission") has received an application from the Director to make an order which would provide an exemption to IFMs and OEO Dealers (as defined below) from the OEO Trailer Ban (as described below) to accommodate rebates of trailers to clients subject to certain terms and conditions..

(B) Terms defined in the Securities Act (Manitoba) ("Act"), Multilateral Instrument 11-102 *Passport System* ("MI 11-102"), National Instrument 14-101 *Definitions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), National Instrument 81-102 *Investment Funds* ("NI 81-102"), National Instrument 81-105 *Mutual Fund Sales Practices* ("NI 81-105") have the same meaning in this order.

(C) In this order,

"Client" means a client of an OEO dealer (as defined below)

"Dealer Rebate" means a rebate to a Client by an OEO dealer, equal to the amount of the trailer paid by the investment fund manager (as defined below) to the OEO dealer in respect of the Client's trailer paying mutual fund security, for as long as the Client holds the trailer paying mutual fund security in the OEO dealer account;

"Like-to-Like Switch" means a switch, initiated by an investment fund manager or an OEO dealer, of a mutual fund security held in an OEO dealer account from a trailer paying class or series to a non-trailer paying class or series of the same mutual fund, where the only difference is a lower management fee for the non-trailer paying class or series, and where there are no tax consequences for effecting such switch;

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"Like-to-Similar Switch" means a switch, initiated by an investment fund manager or an OEO dealer, of a mutual fund security held in an OEO dealer account from a trailer paying class or series to a non-trailer paying class or series of the same mutual fund, where the only differences are a lower management fee for the non-trailer paying class or series, and a difference in distribution policy and/or currency, and where there are no tax consequences for effecting such switch;

"Management Fee Rebate" means a rebate to a Client by an investment fund manager, equal to the amount of the trailer that would otherwise be paid by the investment fund manager to the OEO dealer in respect of the client's trailer paying mutual fund security, for as long as the client holds the trailer paying mutual fund security in an OEO dealer account;

"trailers" means trailing commissions.

- (D) Staff provided the Commission the following background in support of this order being granted:

***OEO Trailer Ban***

1. Effective June 1, 2022 (the "Effective Date"), pursuant to NI 81-105, members of the organization of a mutual fund ("investment fund managers" or "IFMs") will be prohibited from knowingly paying trailing commissions ("trailers") to participating dealers that are not required to make a suitability determination such as investment dealers offering order execution only accounts ("OEO dealers") in connection with a client's purchase and ongoing ownership of prospectus-qualified mutual fund securities ("mutual funds"); such OEO dealers will also be prohibited from soliciting or accepting the payment of trailers from IFMs (the "OEO Trailer Ban").

***Current Mutual Fund Holdings with Trailing Commissions in OEO Dealer Accounts***

2. Prior to the Effective Date, there will be mutual funds held in OEO dealer accounts for which trailers are paid ("Current Holdings"). To comply with the OEO Trailer Ban as of the Effective Date, IFMs and OEO dealers have determined the approach set out in sections 3 to 11 will be used to process Current Holdings.
3. IFMs and OEO dealers will process Current Holdings as follows:
  - a. certain IFMs have executed, or will execute, Like-to-Like Switches or, where no Like-to-Like Switch is available, have executed, or will execute Like-to-Similar Switches, without instruction from the Client or the OEO dealer,

- b. certain OEO dealers have executed, or will execute, certain Like-to-Like Switches or, where no Like-to-Like Switch is available, have executed, or will execute certain Like-to-Similar Switches, without instruction from the Client,
  - c. certain Clients may continue to hold the trailer paying mutual fund securities in an OEO dealer account on and after the Effective Date, and the relevant IFM may provide a Management Fee Rebate, and
  - d. where a Like-to-Like Switch or a Like-to-Similar Switch is not available or not effected by the Effective Date, and a Management Fee Rebate is also not used, a Client may continue to hold the trailer paying mutual fund securities in an OEO dealer account on and after the Effective Date, and the OEO dealer will provide a Dealer Rebate.
4. Where a Like-to-Like Switch or a Like-to-Similar Switch is effected
- a. certain IFMs may change the trading instructions for any IFM-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, without instruction from the Client or the OEO dealer,
  - b. certain OEO dealers may change the trading instructions for any dealer-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, without instruction from the Client,
  - c. certain IFMs may seek Client instruction to change the trading instructions for any IFM-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch, and
  - d. certain OEO dealers may seek Client instruction to change the trading instructions for any dealer-established systematic plan from the trailer paying class or series to the non-trailer paying class or series of the same mutual fund used for the switch.
5. Where Client instruction is sought further to subsections 4(c) and (d), and no Client instruction is received prior to the Effective Date, the systematic plans will terminate as of the Effective Date.
6. For client-initiated transfers of trailer paying mutual fund securities to OEO dealer accounts made shortly before the Effective Date where a Like-to-Like Switch or a Like-to-Similar Switch might be available but it is not operationally reasonable to effect a switch ("Pending Switches"), Clients may be provided with a Management Fee Rebate from the IFM, if it can be used, failing which, the OEO dealer will provide a Dealer Rebate until the FundServ Date (as defined below) or such earlier date

on which Like-to-Like Switches and Like-to-Similar Switches can be effected manually by the OEO dealer.

7. IFMs will waive any redemption fees for Current Holdings purchased under the deferred sales charge option ("DSC redemption fees") that are triggered by the Like-to-Like Switches or the Like-to-Similar Switches.
8. If a Client closed his/her account prior to the payment of a Dealer Rebate in connection with Current Holdings and the OEO dealer cannot locate the Client, then the OEO dealer will donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable laws.
9. For Current Holdings, OEO dealers and IFMs will not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates or Dealer Rebates initiated by an OEO dealer or an IFM, as applicable.
10. As long as Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates and Dealer Rebates are permitted or remain in effect for Current Holdings further to this order, no Client will be redeemed by an IFM or OEO dealer from a mutual fund nor be subject to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
11. OEO dealers will provide Clients with Current Holdings with the following written information, either before or as soon as practicable after the implementation of the scenarios described in section 3
  - a. the scenarios described in section 3 and an explanation of how the proposed actions may impact the Client,
  - b. an explanation that the proposed actions described in (a) above are due to the OEO Trailer Ban, which takes effect on the Effective Date,
  - c. a brief explanation that the OEO Trailer Ban means that trailer paying mutual fund securities should no longer be held in OEO dealer accounts,
  - d. where no Like-to-Like Switch or Like-to-Similar Switch is effected and no Management Fee Rebate is used, the OEO dealer will provide a Dealer Rebate,
  - e. except as set out in (f) below, a Like-to-Like to Switch and a Like-to-Similar Switch will be reflected in the Client's next account statement and the Client will receive a trade confirmation promptly following any Like-to-Like Switch or Like-to-Similar Switch,

- f. where it is not operationally reasonable to provide the trade confirmation as set out in (e) above, the OEO dealer will appear before IIROC's Board of Directors at its next board meeting to explain the circumstances, and will reflect any Like-to-Like Switch or Like-to-Similar Switch in the Client's next account statement and, as soon as practicable and no later than 30 days following any Like-to-Like Switch or Like-to-Similar Switch, the OEO dealer will deliver a personalized communication to the Client with key information that would be provided in a trade confirmation, including the date, the quantity and description of the mutual fund securities switched and the net asset value of the mutual fund securities switched,
- g. their trade confirmation pursuant to (e) above or post-switch communication pursuant to (f) above, as applicable, and/or account statement and/or transaction history will help the Client to determine what class or series of the non-trailer paying mutual fund is held by the Client after the Like-to-Like Switch or Like-to-Similar Switch,
- h. how to obtain further information about their mutual fund securities, including how to obtain a copy of the fund facts document ("Fund Facts") for the relevant class or series held by the Client after a Like-to-Like Switch or a Like-to-Similar Switch, and that the Fund Facts will not be delivered unless requested,
- i. a statement about the Dealer Rebate, how the Dealer Rebate is calculated, the frequency of payment of the Dealer Rebate, and that the Client's account statement will identify any Dealer Rebate payment the Client may receive, and
- j. OEO dealer contact information for the Client to obtain further information.

***Transfers of Mutual Fund Holdings with Trailers to OEO Dealer Accounts***

- 12. On or after the Effective Date, there will be client-initiated transfers of trailer paying mutual fund securities to OEO dealers ("Client Transfers"). To comply with the OEO Trailer Ban, IFMs and OEO dealers have determined the approach set out in sections 13 to 23 will be used to process Client Transfers.
- 13. Fundserv is the industry network for trading and settlement of mutual funds. It is expected that Fundserv will update its standards to enable IFMs to provide the fund code destination, which will allow OEO dealers to effect the Like-to-Like Switches and Like-to-Similar Switches of Client Transfers by June 30, 2023 ("Fundserv Date").

- 14.** OEO dealers will process Client Transfers made on or after the Effective Date and prior to the Fundserv Date as follows
  - a. if the OEO dealer cannot manually effect Like-to-Like Switches and Like-to-Similar Switches
    - i. where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate, and
    - ii. where a Management Fee Rebate is not used, the OEO dealer will provide a Dealer Rebate to the Client,
  - b. if the OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches
    - i. an IFM will identify whether a Like-to-Like Switch is available, or if no Like-to-Like Switch is available, whether a Like-to-Similar Switch is available, or whether a Management Fee Rebate should be used,
    - ii. where a Like-to-Like Switch or a Like-to-Similar Switch is identified by an IFM, the OEO dealer will execute the Like-to-Like Switch or Like-to-Similar Switch, as applicable,
    - iii. where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate, and
    - iv. where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities may remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate.
- 15.** For all Client Transfers made on or after the Effective Date and prior to the Fundserv Date, as well as for all Pending Switches, OEO Dealers will execute Like-to-Like Switches and Like-to-Similar Switches, where identified by the IFM, within 45 days after the Fundserv Date or after such earlier date on which OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches.
- 16.** IFMs and OEO dealers will process Client Transfers made on or after the Fundserv Date as follows

- a. an IFM will identify whether a Like-to-Like Switch is available, or if no Like-to-Like Switch is available, whether a Like-to-Similar Switch is available, or whether a Management Fee Rebate should be used,
  - b. where a Like-to-Like Switch or a Like-to-Similar Switch is identified by an IFM, the OEO dealer will execute the Like-to-Like Switch or Like-to-Similar Switch, as applicable,
  - c. where an IFM has identified that a Management Fee Rebate can be used, the IFM will provide a Management Fee Rebate, and
  - d. where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities may remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate.
- 17.** On or after the Effective Date, to implement Client Transfers, which transfers are largely a manual process, OEO dealers and IFMs will require a period of up to 45 days (the "Grace Period"), during which the OEO Trailer Ban does not apply, in order for the OEO dealer to determine whether the IFM has identified that a Like-to-Like Switch or a Like-to-Similar Switch is available or a Management Fee Rebate can be used. During the Grace Period, if there is no Management Fee Rebate, then the OEO dealer will implement any Like-to-Like Switch or Like-to-Similar Switch identified by the IFM, after the Fundserv Date, or after such earlier date on which Like-to-Like Switches and Like-to-Similar Switches can be effected manually by the OEO dealer, or failing which, provide a Dealer Rebate.
- 18.** During the Grace Period, a Like-to-Like Switch or a Like-to-Similar Switch will generally be executed by OEO dealers within 15 days of the date of the Client Transfer, following which, within the remaining 30 days of the Grace Period, the OEO dealer will assess whether the Like-to-Like Switch and Like-to-Similar Switch has been properly processed, failing which the OEO dealer will take action to ensure the relevant switch is properly processed.
- 19.** Any trailers paid by IFMs in respect of the Client Transfers and accepted by OEO dealers during the Grace Period will be rebated to the Client by way of a Dealer Rebate.
- 20.** If a Client closed his/her account prior to the payment of a Dealer Rebate in connection with a Client Transfer and the OEO dealer cannot locate the Client, then the OEO dealer will donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable laws.

21. For Client Transfers, OEO dealers and IFMs will not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates or Dealer Rebates initiated by an OEO dealer or an IFM, as applicable.
22. As long as Like-to-Like Switches, Like-to-Similar Switches, Management Fee Rebates and Dealer Rebates are permitted or remain in effect for Client Transfers further to this order, no Client will be redeemed by an IFM or OEO dealer from a mutual fund nor be subject to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
23. On and after the Effective Date, clients making Client Transfers will be provided with the following communications from OEO dealers
  - a. as part of the client onboarding process for new accounts and/or on the form for Client Transfers, written notice of
    - i. the scenarios described in sections 14 or 16, as applicable, and an explanation of how the proposed actions may impact the Client,
    - ii. an explanation that the proposed actions described in (a)(i) above are due to the OEO Trailer Ban, which took effect on the Effective Date,
    - iii. a brief explanation that the OEO Trailer Ban means that trailer paying mutual fund securities should not be transferred to OEO dealer accounts,
    - iv. where no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used, or where such a Like-to-Like Switch or a Like-to-Similar Switch might be available but the trailer paying mutual fund securities remain subject to a DSC redemption fee, the OEO dealer will provide a Dealer Rebate,
    - v. a Like-to-Like Switch and a Like-to-Similar Switch will be reflected in the Client's next account statement and the Client will receive a trade confirmation promptly following any Like-to-Like Switch or Like-to-Similar Switch,
    - vi. their trade confirmation and/or account statement and/or transaction history will help the Client to determine what class or series of the non-trailer paying mutual fund is held by the Client after the Like-to-Like Switch or Like-to-Similar Switch, and any Dealer Rebate,



- vii. how to obtain further information about their mutual fund securities, including how to obtain a copy of the Fund Facts for the relevant class or series held by the Client after a Like-to-Like Switch or a Like-to-Similar Switch, and that the Fund Facts will not be delivered unless requested,
  - viii. a statement about the Dealer Rebate, how the Dealer Rebate is calculated, the frequency of payment of the Dealer Rebate, and that the Client's account statement will identify any Dealer Rebate payment the client received,
  - ix. Client Transfers that are subject to a Dealer Rebate will have access to information on their website, and
  - x. OEO dealer contact and resource information for the Client to obtain further information,
- b. for Dealer Rebates, OEO dealers will make available to Clients on their website the following information
- i. a Like-to-Like Switch and a Like-to-Similar Switch are not available and a Management Fee Rebate will not be used so the Client Transfer is subject to a Dealer Rebate,
  - ii. a statement about the Dealer Rebate, how the Dealer Rebate is calculated, the frequency of payment of the Dealer Rebate, and that the Client's account statement will identify any Dealer Rebate payment the client received, and
  - iii. OEO dealer contact information for the Client to obtain further information.

**(E)** The Commission has determined that it is not prejudicial to the public interest to issue this order.

**IT IS ORDERED:**

**24. THAT,** under subsection 20(1) of the Act,

- a. Any IFM and OEO dealer is exempt from the OEO Trailer Ban to facilitate a Dealer Rebate for Current Holdings and for Pending Switches.
- b. Any IFM and OEO dealer is exempt from the OEO Trailer Ban for
  - i. the Grace Period, in order for the OEO dealer to determine whether the IFM has identified a Like-to-Like Switch or a Like-to-Similar Switch is available or a Management Fee Rebate

can be used during which Grace Period, and if there is no Management Fee Rebate, the OEO dealer will implement any Like-to-Like Switch or Like-to-Similar Switch identified by the IFM, after the Fundserv Date, or after such earlier date on which Like-to-Like Switches and Like-to-Similar Switches can be effected manually by the OEO dealer, or failing which, the OEO dealer will provide a Dealer Rebate, and

- ii. the purpose of facilitating a Dealer Rebate for Client Transfers.

provided that

***Current Mutual Fund Holdings with Trailing Commissions in OEO Dealer Accounts***

- c. No IFM or OEO dealer may rely on this order to facilitate Dealer Rebates for Current Holdings unless a Like-to-Like Switch or a Like-to-Similar Switch is not available or not effected by the Effective Date, and a Management Fee Rebate is also not used, and no IFM or OEO dealer may rely on this order to facilitate Dealer Rebates for Pending Switches, unless it is not operationally reasonable to effect a Like-to-Like Switch, a Like-to-Similar Switch, or a Management Fee Rebate, even if available.
- d. Any IFM or OEO dealer relying on this order to facilitate Dealer Rebates for Current Holdings and Pending Switches must not redeem a Client nor subject a Client to DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order for the IFMs and OEO dealers to comply with the OEO Trailer Ban.
- e. Any OEO dealer relying on this order for the purpose of facilitating Dealer Rebates for Current Holdings and Pending Switches must
  - i. not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Dealer Rebates initiated by an OEO dealer, as applicable,
  - ii. no later than the Effective Date, provide notification through a completed survey, to be hosted on Fundserv, advising that the OEO dealer has the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,
  - iii. pay a Dealer Rebate to its impacted Clients equal to the amount of the trailer received from the IFM on at least a quarterly basis, and any OEO dealer who does not have the operational or technological capacity to process Dealer Rebates prior to the Effective Date must implement such process within 4 months from the Effective Date and, in such

case, must retroactively pay Dealer Rebates, within 7 months from the Effective Date,

- iv. prior to facilitating each Dealer Rebate for Current Holdings, confirm that no Like-to-Like Switch or Like-to-Similar Switch is available, and a Management Fee Rebate is also not used,
  - v. prior to facilitating each Dealer Rebate for Pending Switches, confirm that it is not operationally reasonable to effect a Like-to-Like Switch or Like-to-Similar Switch or a Management Fee Rebate, even if available,
  - vi. if the OEO dealer is unable to locate a Client for whom the Dealer Rebate is intended to be paid because the Client has closed his/her account with the OEO dealer prior to payment of the Dealer Rebate, donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable law,
  - vii. where (vi) above applies, keep a record of the amount and dates of donations to a registered charity in respect of such Current Holdings and Pending Switches, and, the name and charity registration number of each registered charity that received such donations,
  - viii. keep a record of the actions taken relating to each Current Holding and Pending Switch,
  - ix. Upon request, provide the record in viii. above to the Deputy Director of Corporate Finance by email at [securities@gov.mb.ca](mailto:securities@gov.mb.ca).
- f. Any IFM relying on this order for the purpose of paying trailers to OEO dealers for Dealer Rebates for Current Holdings and Pending Switches must
- i. not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates initiated by an IFM, as applicable,
  - ii. waive any DSC redemption fees for Current Holdings that are triggered by the Like-to-Like Switches or the Like-to-Similar Switches,
  - iii. confirm through Fundserv that the OEO dealers have sent a notification through Fundserv, as described in subsection 35(b) or, where such notification is not available for a particular OEO dealer, confirm with that OEO dealer that it has

the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,

- iv. keep a record of each OEO dealer for which Dealer Rebates are expected to be paid,
- v. keep a record of the actions taken relating to Current Holdings,
- vi. Upon request, provide the record in iv and v above to the Deputy Director of Corporate Finance by email at securities@gov.mb.ca.

***Transfers of Mutual Fund Holdings with Trailers to OEO Dealer Accounts***

- g. No IFM or OEO dealer may rely on this order to facilitate Dealer Rebates for Client Transfers unless a Like-to-Like Switch or a Like-to-Similar Switch is not available, and a Management Fee Rebate is also not used.
- h. Any IFM or OEO dealer relying on this order to facilitate Dealer Rebates for Client Transfers must not redeem a Client nor subject a Client to a DSC redemption fee as a result of the Like-to-Like Switches and Like-to-Similar Switches, in order to comply with the OEO Trailer Ban.
- i. Any OEO dealer relying on this order for the purpose of facilitating Dealer Rebates for Client Transfers must
  - i. not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Dealer Rebates initiated by an OEO dealer, as applicable,
  - ii. no later than the Effective Date, provide notification through a completed survey, to be hosted on Fundserv, advising that the OEO dealer has the operational and technological capacity to process Dealer Rebates or will implement such a process within 4 months from the Effective Date,
  - iii. pay a Dealer Rebate to its impacted Clients equal to the amount of the trailer received from the IFM on at least a quarterly basis and any OEO dealer who does not have the operational or technological capacity to process Dealer Rebates prior to the Effective Date must implement such process within 4 months from the Effective Date and, in such

case, must retroactively pay Dealer Rebates, within 7 months of the Effective Date,

- iv. if the OEO dealer cannot manually effect Like-to-Like Switches and Like-to-Similar Switches, prior to facilitating each Dealer Rebate for Client Transfers on or after the Effective Date and before the Fundserv Date, confirm no Management Fee Rebate is used,
- v. if the OEO dealer can manually effect Like-to-Like Switches and Like-to-Similar Switches, prior to facilitating each Dealer Rebate for Client Transfers on or after the Effective Date and before the Fundserv Date, confirm no Like-to-Like Switch or Like-to-Similar Switch is available and no Management Fee Rebate is used,
- vi. prior to facilitating each Dealer Rebate for Client Transfers on or after the Fundserv Date, confirm no Like-to-Like Switch or Like-to-Similar Switch is available, and no Management Fee Rebate is used,
- vii. for all Client Transfers made on or after the Effective Date and prior to the Fundserv Date, and for Pending Switches, execute Like-to-Like Switches and Like-to-Similar Switches based on the fund code destination provided by the IFM in Fundserv within 45 days after the Fundserv Date,
- viii. for all Client Transfers made on or after the Fundserv Date, execute Like-to-Like Switches and Like-to-Similar Switches based on the fund code destination provided by the IFM in Fundserv within 45 days,
- ix. if the OEO dealer is unable to locate a Client for whom the Dealer Rebate is intended to be paid because the Client has closed his/her account with the OEO dealer prior to payment of the Dealer Rebate, donate such Dealer Rebate to a registered charity within 12 months of receipt of the trailer by the OEO dealer, where permitted by applicable law,
- x. where ix above applies, keep a record of the amount and dates of donations to a registered charity in respect of such Client Transfers, and, the name and charity registration number of each registered charity that received such donations,
- xi. keep a record of the Dealer Rebates provided for Client Transfers,

- xii. Upon request, provide the record in x and xi above to the Deputy Director of Corporate Finance by email at securities@gov.mb.ca.
- j. Any IFM relying on this order for the purpose of paying trailers to OEO dealers for Dealer Rebates for Client Transfers must
  - i. not charge any fees to Clients in connection with Like-to-Like Switches, Like-to-Similar Switches, or Management Fee Rebates initiated by an IFM, as applicable,
  - ii. confirm through Fundserv that the OEO dealers have sent a notification through Fundserv, as described in subsection 39(b),
  - iii. keep a record of each OEO dealer for which Dealer Rebates are expected to be paid,
  - iv. keep a record of the actions taken relating to Client Transfers,
  - v. Upon request, provide the record in iv above to the Deputy Director of Corporate Finance by email at securities@gov.mb.ca.
- k. Any OEO dealer relying on this order for the purpose of processing Client Transfers during the Grace Period must
  - i. rebate to the client, by way of Dealer Rebate, any trailers paid by IFMs in respect of the Client Transfers and accepted by OEO dealers during the Grace Period,
  - ii. keep a record of the actions taken relating to Client Transfers, and
  - iii. upon request, provide the record in ii. above to the Deputy Director of Corporate Finance by email at securities@gov.mb.ca.

### ***Client Communications***

- l. Any OEO dealer relying on the temporary exemptions in this order must provide Clients with the communications described in section 11 and section 23.
- m. Any IFM or OEO dealer relying on the temporary exemptions in this order must have appropriate resources in place to address Clients' questions with respect to the implementation of the OEO Trailer Ban, including Like-to-Like Switches, Like-to-Similar Switches,

Management Fee Rebates and Dealer Rebates for Current Holdings and Client Transfers.

**Notices**

- n. Any IFM and any OEO dealer relying on this order must, as soon as reasonably practicable and prior to relying on this order for the first time, notify the Deputy Director of Corporate Finance by email at securities@gov.mb.ca stating their intention to rely on this order.
  
- o. Reference made in a notice pursuant to section n above of this order to an equivalent exemption granted by a securities regulatory authority or regulator in another jurisdiction of Canada that is the principal regulator of the IFM of the OEO dealer, as defined in MI 11-102, will be deemed to constitute a reference to the relevant exemption in this order.

**Effective Date**

25. This order comes into effect on June 1, 2022, and expires on November 30, 2023.

**AMENDED August 16, 2023**

**BY ORDER OF THE COMMISSION**



**Director**