

THE SECURITIES ACT) Order No. 3679
)
MSC Rule 2001-14) March 8, 2002

FIDELITY INVESTMENTS CANADA LIMITED

(A) Fidelity Investments Canada Limited (the "Applicant") has made application to the Director for a decision pursuant to section 5.1 of MSC Rule 2001-14 – *MFDA Membership – Mutual Fund Dealers* that the Applicant be exempted from the requirement to file an application for membership with the Mutual Fund Dealers Association of Canada ("MFDA") on or before July 1, 2001 (the "MFDA Membership Requirement");

(B) The Applicant has represented to the Decision Maker that:

1. the Applicant is registered under the Act as a dealer in the category of mutual fund dealer and has made an application to also be registered as an adviser in the categories of "investment counsel" and "portfolio manager";
2. the Applicant is the manager of a number of mutual funds that it has established and will be the manager of other mutual funds it expects to establish in the future;
3. the securities of the mutual funds managed by the Applicant are generally sold to the public through other registered dealers;
4. currently, the Applicant sells securities of mutual funds to certain participants ("Group Retirement Clients") in employer sponsored plans, which include: registered pension plans, deferred profit sharing plans, registered retirement savings plans, registered retirement income funds, registered education savings plans, other deferred income plans registered under the Income Tax Act (Canada) and other savings plans;
5. Fidelity Retirement Services Company of Canada Limited ("FRSCo"), a wholly-owned subsidiary of the Applicant, has applied for registration under the Act as a mutual fund dealer and has applied for membership in the MFDA;
6. in a letter dated May 11, 2001, the Applicant made an application to the Director requesting an exemption from the requirements of Sections 2.1 and 3.1 of the Rule and requesting transitional relief to allow the Applicant to continue trading with the Group Retirement Clients for a limited period of time (the "Transitional Relief");
7. at the time when the Applicant made the application for Transitional Relief, the Applicant intended to transfer the Group Retirement Clients to FRSCo, once

FRSCo was registered as a mutual fund dealer in each jurisdiction and was accepted as a member of the MFDA;

8. in order to service its Group Retirement Clients, the Applicant has determined that the Group Retirement Business requires greater flexibility in terms of the product offering that would be permitted under a mutual fund dealer registration;

9. a significant proportion of the Applicant's registerable activity with the Group Retirement Clients involves the sale of non-mutual fund securities of an employer (or an affiliate of an employer) to the participants in plans sponsored by the employer, pursuant to exemptions from the dealer registration requirements under the Act;

10. the Applicant has determined that the Group Retirement Clients will be more appropriately serviced by an investment dealer which is a member of the Investment Dealers Association of Canada (the "IDA");

11. the Applicant has incorporated another wholly-owned subsidiary under the *Business Corporations Act* (Ontario), Fidelity Intermediary Securities Company Limited (the "Applicant's Affiliate"), which has recently submitted an application for registration as an investment dealer in each Canadian jurisdiction and an application for membership in the IDA;

12. the Applicant proposes to transfer the Group Retirement Clients to the Applicant's Affiliate and to run this business as a division of the Applicant's Affiliate once the Applicant's Affiliate has become registered in each Canadian jurisdiction and has been admitted to membership with the IDA and once certain systems and other changes have to be made to ensure that the business can be conducted in a manner which is compliant with the IDA By-laws and Rules;

13. the Applicant is unable to transfer the Group Retirement Clients to the Applicant's Affiliate until December 31, 2002 due to a number of operational and systems reasons;

14. the Applicant has attempted to ensure that the transfer of the Group Retirement Clients will be completed as soon as possible;

15. the Applicant has requested that its registration as a mutual fund dealer be amended permit it to continue to carry on the trading activities referred to in paragraph (d), above, until December 31, 2002, without becoming a member of the MFDA, so as to ensure that the Group Retirement Clients are appropriately serviced pending the proposed transfer of this trading activity to the Applicant's Affiliate after it becomes an IDA member;

16. the Applicant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

17. the Applicant has agreed to adhere to the terms and conditions of the Applicant's registration as a mutual fund dealer in connection with its application for this Decision;

18. any person or company that is not currently a client of the Applicant on the effective date of this Decision, will, before they are accepted as a client of the Applicant, receive written notice from the Applicant that:

The Applicant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Applicant will not have available to them investor protection benefits that would otherwise derive from membership of the Applicant in the MFDA;

19. upon the next general mailing to its account holders and in any event before May 31, 2002, the Applicant shall provide, to any client that was a client of the Applicant on the effective date of this Decision, the written notice referred to in paragraph (r), above;

(C) In the opinion of the Director it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to section 5.1 of MSC Rule 2001-14, the Applicant is exempt from sections 2.1 and 3.1 of MSC Rule 2001-14 effective July 1, 2001.

BY ORDER OF THE DIRECTOR

Director - Legal