

## NEWS RELEASE

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*For Immediate Release*

### **IIAC Comments on Results of the OSC/IIROC/MFDA Mystery Shopping Research Project**

**Toronto, ON, September 17, 2015** – In 2013, the Ontario Securities Commission (OSC), the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), jointly announced they would engage in a “mystery shop” research sweep of Ontario advisors to gauge the suitability of financial advice being provided to investors. The purpose of the research was to identify areas of concern and appropriate solutions.

The results of the mystery shopping exercise, released today, indicate there were no examples of serious misconduct that necessitate regulatory action.

The Investment Industry Association of Canada (IIAC) believes it is difficult to draw definitive conclusions about the compliance practices of advisors at IIROC-regulated firms from the survey results. This is because of the very small sample size of IIROC shops (i.e. six in total) in which the advisor provided product or specific recommendations in the initial meeting, and given the preliminary nature of discussions that took place prior to a formal account opening.

Nonetheless, there is always room for improvement. “Investors are entitled to the highest standard of conduct and advice from their advisors,” said Ian Russell, IIAC President and CEO. “The industry must – and will – take the necessary steps to address the specific gaps identified in the advice-giving process. To this end, the IIAC is open to working closely with IIROC and the regulators to develop targeted solutions and guidance, and to help reinforce best practices with a view to improving the overall investors’ experiences in the advice process. The efforts of the industry to consult with regulators and implement an effective CRM rule framework testify to this commitment,” added Russell.

#### **The IIAC – Representing Canada’s Investment Dealer Firms**

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry’s position on securities regulation, public policy and industry issues on behalf of our [148 IIROC-regulated investment dealer member firms](#) in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets.

For more information, please visit [www.iiac.ca](http://www.iiac.ca).

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