



## NEWS RELEASE

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*For Immediate Release*

### **IIAC Acknowledges CSA's Work on Client Focused Reforms Yet Emphasizes Need for Further Clarity**

**Toronto, ON, October 19, 2018** – The Investment Industry Association of Canada (IIAC) today provided comments to the Canadian Securities Administrator's (CSA) Proposed Amendments on Client Focused Reforms (National Instrument 31-103 and Companion Policy 31-103CP) designed to further enhance the client-registrant relationship.

The proposed Client Focused Reforms include extensive guidelines with relevant examples. However, the CSA should stress that alternative approaches to the guidelines that achieve the objectives of the rules are permitted.

"The IIAC looks forward to engaging with the Canadian Securities Administrators on its proposed amendments on client focused reforms. We believe our suggestions improve the prospects of the reforms meeting their intended public interest objectives," said Ian Russell, President and CEO, Investment Industry Association of Canada. "Over the summer, the IIAC Client Focused Reforms Working Group, comprised of industry professionals, reviewed the CSA proposals, identified impractical rules with suggested alternatives, as well as pointed to the need for greater clarity related to the compliance process. The Working Group also outlined that more streamlined and clear rules and guidance will promote cost-effective compliance and confidence among advisors and their clients."

Specifically, the IIAC:

- Requests further clarification around the description of the anticipated costs and benefits of the proposed amendments. The analysis is general in nature and as a result, does not provide practical reference points.
- Is concerned with some of the language related to the Companion Policy and that its wording may be interpreted as prescriptive, suggesting it has the force of law. Without clarification, firms may incorrectly feel they must develop further policies and procedures to comply with the Policy.
- Believes further clarity is required throughout the Companion Policy as it relates to the ability for firms to tailor the reforms to fit their specific business models.
- Recommends the terms "best interest" and "putting their client's interest first" be more clearly articulated, differentiated and defined.

- Recommends a joint CSA/Self-Regulatory Organization Implementation Committee be struck to efficiently escalate issues and provide a central resource for industry to receive feedback and guidance.

Read the IIAC's submission [here](#).

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### **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 120 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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