



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

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BULLETIN #0795 – P
October 3, 2019

MFDA Bulletin

Membership Information

For Distribution to Relevant Parties within your Firm

Client Focused Reforms - Publication of Final Amendments to National Instrument 31-103

On June 21, 2018 the Canadian Securities Administrators (CSA) published, for a 120-day public comment period, proposed amendments (the Client Focused Reforms, or CFR) to National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103). The comment period ended on October 19, 2018. On October 3, 2019, following consideration of comments received, the CSA published the Client Focused Reforms in final form. MFDA staff participated on the CSA Working Group which was responsible for the development of the CFR amendments to NI 31-103, and will be publishing additional Member guidance in this area.

To view the CSA Publication Notice, along with the final form of the CFR amendments to NI 31-103, and related materials, please go to [Client Focused Reform Amendments](#).

Transition Periods

The CSA has adopted a phased transition period, as follows:

- **Conflicts of Interest / Relationship Disclosure Information (RDI):** amendments relating to conflicts of interest and the associated RDI provisions will take effect on December 31, 2020;
- **Other:** all remaining amendments will take effect on December 31, 2021.

All registrants will have to comply with the amendments after the expiration of their respective transition periods. No grandfathering provisions have been adopted by the CSA. The CSA have indicated that they will establish an implementation committee to provide guidance, respond to questions, and to otherwise assist registrants in operationalizing the Client Focused Reform amendments to NI 31-103.

Conforming Changes to MFDA Regulatory Instruments

The Client Focused Reforms introduce changes to requirements in various areas of NI 31-103, including: Know-Your-Client (KYC), Know-Your-Product (KYP), suitability, conflicts of interest, and RDI.

Requirements under MFDA regulatory instruments must, at a minimum, be consistent with those under securities legislation, and may exceed securities legislation requirements where to do so would be in the public interest. Conforming changes will be made to MFDA regulatory instruments, to ensure uniform implementation of requirements introduced through the CFR amendments to NI 31-103. The effective date of such conforming changes will be harmonized with those adopted by the CSA, as noted above.

DM#701117