Coronavirus (COVID – 19)

The MFDA is closely monitoring the ongoing outbreak of coronavirus disease 2019 (COVID 19) in order to respond to and minimize impact to the MFDA, MFDA Members and Member clients. Given the circumstances are rapidly evolving, going forward the MFDA will issue further communications as the need arises.

1. MFDA Operations

MFDA is continuing to perform its regulatory functions. However, in light of COVID-19 the MFDA has taken proactive measures to protect MFDA and Member staff by performing its regulatory functions remotely to the greatest extent possible.

Compliance

Compliance examinations will be conducted remotely. While examinations will proceed, we will not be attending Member offices. MFDA understands that the current circumstances pose challenges for everyone and we intend to work collaboratively with Members. In this respect, we will be asking Members for their cooperation in providing read-only system access to effectively complete the examination and minimize the number of document requests. Our use of the read-only access would be strictly limited to the scope of our examination. As we work collaboratively through this process, we encourage Members to contact their Compliance Manager with any questions or if we can assist them should issues arise.

Enforcement

MFDA will continue with enforcement activities. With regards to interviews and disciplinary hearings, MFDA will adapt its processes and procedures, and use technology resources available as necessary, to facilitate the remote participation of the relevant parties where it is appropriate.
Complaints and Inquiries

MFDA continues to accept, review and respond to complaints or inquiries from the public.

Member Education and Membership Services

MFDA will not be presenting its Spring 2020 Member Regulation Forum in person but expects to offer it via webcast. MFDA staff are available to present at Member and industry events using video conferencing but will not be attending such events in person. Membership Services staff continue to receive and respond to inquiries.

2. Member Operations

Business Continuity Planning

Pursuant to MFDA Rule 2.9, MFDA requires Members to have adequate business continuity plans in place to ensure that they are adequately prepared to minimize business disruptions and able to continue to service clients. If a Member experiences a business disruption that results in an inability to properly service clients or meet regulatory requirements, the Member should contact their Compliance Manager or Membership Services at 1-888-466-6332 (Option 1) or membershipservices@mfda.ca.

Member Supervision

We will be taking a reasonable and flexible approach to the application of several supervisory requirements during this period. We understand that many supervisory functions, including daily trade supervision, may need to be performed remotely in accordance with Member business continuity plans.

We have also received inquiries regarding Members’ obligation to conduct on-site branch reviews (Policy 5) and periodic visits (Policy 2). At this time, postponing periodic visits and branch reviews or performing branch reviews remotely are reasonable measures for Members to implement.

Data Transmission and Client Communications

As Members enact their Business Continuity Plans to work remotely and minimize face-to-face contact, there may be an increased need to transmit confidential data and greater reliance on technology to interact with clients. Members are reminded that confidential client information must be transmitted and stored in a secure manner. Where Members allow Approved Persons to accept client instructions on the phone or through email, Approved Persons must follow the Members’ policy that requires verification of the client’s identity.

Cybersecurity

As Members increasingly rely on technology, particularly to facilitate working remotely, there may be an increased risk of cyber security events. It is important that Members continue to protect themselves against cybersecurity threats. We remind Members that the MFDA has issued guidance to each Member on cybersecurity risks and recommendations. Further, we remind Members that
we have issued a webcast for advisors relating to cybersecurity practices. Members are also reminded of the obligation under MFDA Policy No.6 (Information Reporting Requirements) to notify the MFDA whenever a Member is aware of a breach of client confidentiality.

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