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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Client Focused Reform (CFR) Amendments to NI 31-103 – Extension of Transition Periods

On October 3, 2019, the Canadian Securities Administrators (CSA) published, in final form, the CFR amendments to NI 31-103 (see [Bulletin #0795-P](#)). Under the original transition periods adopted by the CSA, conflicts of interest requirements, and related requirements in respect of relationship disclosure information (RDI), were to take effect on **December 31, 2020**. All other CFR amendments to NI 31-103 were to take effect on **December 31, 2021**.

To address business disruptions, and operational challenges being experienced by the industry as a result of the COVID-19 pandemic, and implementation issues previously communicated by registrants, the CSA has adopted extensions to its original transition periods. Additional details are set out below.

As noted in Bulletin #0795-P, the MFDA intends to harmonize its implementation timelines with those adopted by the CSA in respect of all CFR conforming amendments made to MFDA regulatory instruments.

Extension of Transition Periods

On April 16, 2020, the CSA published Notice 31-357 – Blanket Orders/Class Orders in respect of Certain Client Focused Reforms Provisions of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, the purpose of which is to advise registrants of extensions to the transition periods for CFR requirements in the areas of conflicts of interest, and relationship disclosure information, and to address other related matters.

- **Conflicts of Interest:** requirements will now come into effect on June 30, 2021 (i.e. the original transition period has been extended by six months, to respond to challenges being experienced by the industry as a result of the COVID-19 pandemic);

- **Relationship Disclosure Information:** requirements will now come into effect on December 31, 2021 (i.e. the original transition period has been extended by one year). This extension is being granted to respond to implementation issues previously raised by registrants.

No other changes to transition periods have been made by the CSA. As a result of the foregoing extensions, all requirements under the CFR amendments to NI 31-103, with the exception of those related to conflicts of interest, will now come into effect on December 31, 2021.

The CSA Notice, and related materials, may be viewed at: www.bcsc.bc.ca.

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