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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

MFDA Consultation Paper on Account Transfers

Background

MFDA Rule 2.12.2 requires Members to act diligently and promptly to facilitate the transfer of accounts in an orderly and timely manner. However, account transfers in the mutual fund industry often also involve non-MFDA Members. The transfer process can also be complicated depending on the assets being transferred, the type of account and the financial intermediaries that hold the assets. As transfer delays can have a significant impact on clients, the MFDA is engaging in a broad industry consultation with all stakeholders, including mutual fund companies and service providers, with a view to improving the transfer process.

Request for Feedback

MFDA is seeking feedback from all stakeholders in respect of their views, experiences and recommendations regarding account transfers. This consultation is preliminary in nature and is intended to identify circumstances that contribute to delays in the transfer of assets and potential solutions to improve the process. Input is specifically requested in respect of the questions set out below.

1. What specific issues have you faced in relation to account transfers? Please specify if the issues experienced relate to transfers with Members or non-Member financial intermediaries (e.g. mutual fund companies, trust companies, etc.).
2. Have you identified specific types of account transfers that cause more challenges and/or do not occur in a timely manner (e.g., dependent on where and how the assets are held, account registration, type of product, electronic vs non-electronic processes)? Please provide details.

3. Are there areas in the account transfer process that should be standardized or automated (e.g., specific timeframes, electronic processing)? Please explain.
4. Do you have suggestions on how regulators can improve the account transfer process? Please provide details.

Comments

Please submit your comments in writing on or before September 29, 2020. All comment letters received will be published to the MFDA website unless MFDA staff receive a request from the commenter asking that their letter not be made public. Comments should be addressed to the attention of:

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