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MFDA Bulletin

Membership Information

For Distribution to Relevant Parties within your Firm

MFDA COVID-19 Update

As the COVID-19 situation continues, the MFDA is committed to working with Members, industry and the public to assist them in continuing to service and protect clients. MFDA staff has provided guidance, updates and other information to help stakeholders respond to the challenges and risks faced by the current pandemic. The following is an update of MFDA activity taken to date with respect to Members and Investors.

Members

Member Fee Reduction

The MFDA Board of Directors approved the MFDA's budget for the 2021 fiscal year at its June 4, 2020 meeting. The budget recognizes the challenges that Members are experiencing due to the COVID-19 crisis and the related market downturn. The approved \$31.5 million budget reflects \$1.8 million in expenditure cuts representing a 5.3% year over year reduction in the required funding for MFDA operations for the 2021 fiscal year. The related Member fee rate will decline by at least 3%. Cost reduction measures include a salary freeze, hiring freeze and cutbacks in capital and travel spending and do not impact MFDA's ongoing ability to perform its regulatory operations and fulfill its investor protection mandate.

Transitioning to Remote Operations

MFDA staff continues to regularly communicate with Members to provide guidance on various operational and regulatory questions arising from the transition to work-from-home arrangements and servicing clients remotely. Many of these discussions have focused on providing guidance to Members as they look to more fully utilize digital solutions to serve clients effectively and meet the applicable regulatory requirements. Members have transitioned to remote operations and continue to meet their regulatory obligations without any material issues that have resulted in the need for formal exemptive relief.

Guidance and Assistance for Members

In an effort to assist Members and their Approved Persons and to continue our dialogue, the MFDA has undertaken the following since the beginning of the pandemic:

- The MFDA has created a dedicated [COVID-19 web page](#) on the MFDA website to provide Members and investors with COVID-19-related guidance and publications from the MFDA, and updates on the status of MFDA operations during the pandemic.
- MFDA Staff revised [MFDA Staff Notice #0016](#) – Electronic Signatures to provide further guidance on electronic signatures.
- MFDA staff has issued a series of Bulletins to help Members and their Approved Persons:
 - [#0820-M](#) – *COVID19 Government Programs for Small and Medium Sized Members*
 - [#0817-M](#) – *Members as an Essential Service – Frequently Asked Questions (FAQs)*
 - [#0816-M](#) – *Cybercriminals Currently Exploiting the COVID-19 Pandemic*
 - [#0815-M](#) – *Coronavirus disease (COVID-19)*
 - [#0814-M](#) – *Coronavirus disease (COVID-19)*
- MFDA staff is participating on a CSA/SRO Working Group whose mandate it is to review and recommend responses to issues related to COVID-19 that impact registration.
- MFDA issued four broadcast emails directly to all Members, providing updates and details on specific operational and compliance issues such as business continuity plans, cybersecurity and servicing clients remotely.
- On May 20, 2020, the MFDA hosted a webinar on the Importance of Working Securely from Home. This webinar assisted Approved Persons and small to medium sized Members in increasing cybersecurity awareness and preparedness and focused on cyber concerns and outlined best practices to mitigate these concerns (see [MFDA Bulletin #0821-M](#)).

MFDA staff remains committed to working collaboratively with Members to find solutions to address challenges arising from the current pandemic while continuing to ensure investor protection. Members should contact [MFDA Membership Services](#) or their Compliance Manager if they have any questions, concerns or require assistance.

Investors

- MFDA staff has maintained an open line of communication with investor advocates during the pandemic. Since the beginning of the pandemic, MFDA staff has held several formal

and informal discussions with investor advocates in order to continue to understand and respond to the needs and perspectives of Canadian investors during this difficult time.

- MFDA staff participated in a Twitter fraud awareness initiative called [#COVIDFraudChat](#) together with other regulatory and law enforcement partners to answer questions and provide tips on how investors can protect themselves from fraud during the COVID-19 pandemic.
- MFDA staff has issued two investor bulletins, as set out below, providing guidance on dealing with volatile markets, identifying cybersecurity scams, recommendations on working with an advisor and methods for sending complaints to both dealers and the MFDA during COVID-19. MFDA staff will continue to issue investor bulletins as necessary to help provide investors with timely and relevant information related to investing during the COVID-19 pandemic, and will be publishing an Investor Bulletin for seniors in the month of June.
 - [MFDA Investor Bulletin – March 31, 2020 \(COVID-19\)](#)
 - [March 2020 Investor Bulletin](#) – (*Fraud Awareness Month*)

The MFDA continues to accept, review and respond to complaints or inquiries from the public. If you have a complaint please review the [How to Make a Complaint page](#).

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