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

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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Trusted Contact and Temporary Hold Amendments to MFDA Rules now in Effect

On July 15, 2021, the Canadian Securities Administrators published in final form amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. These amendments enhance the protection of older and vulnerable clients by providing registrants, including MFDA Members and Approved Persons, with tools to address issues of financial exploitation and diminished mental capacity. The Amendments require Members and Approved Persons to take reasonable steps to obtain the name and contact information of a trusted contact person. In addition, the amendments create a regulatory framework for registrants who place a temporary hold on transactions, withdrawals or transfers in circumstances where the registrant has a reasonable belief that there is financial exploitation of a vulnerable client or where there are concerns about a client's mental capacity to make decisions involving financial matters.

Accordingly, the MFDA developed necessary conforming changes categorized as housekeeping amendments to MFDA Rules 2.2 and 5.1 to ensure that requirements under MFDA regulatory instruments remain consistent with those under securities legislation.

The conforming changes to MFDA Rules 2.2 and 5.1 have received the required approvals, were ratified by Members at the December 3, 2021 AGM and are **now in effect.**

For addition details, please see Bulletins #0866-P, #0884-P, #0887-M and #0890-P.

The updated MFDA Rules may be accessed on the MFDA website at www.mfda.ca.

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