

CAC Member Report to Local Board October 31, 2016

The CAC met on the phone on October 18th.

Since the September report, the CAC provided comments on the following consultations (all letters can be seen on the CAC website, www.cfaadvocacy.ca)

- CSA - Consultation Paper 33-404 Proposals to Enhance the Obligations of Advisers, Dealers and Representatives Toward Their Clients (filed September 30, 2016)

About the proposal

The proposed amendments to NI 31-103 relate to the proposed implementation of a regulatory best interest standard, and includes many other specific proposed changes to enhance the obligations of advisors to clients in areas such as the regulation of conflicts of interest, KYC and KYP requirements, the suitability obligation, the role of the CCO and UDP (ultimate designated person) and the use of business titles and proficiency requirements.

Overview of the Council's comments

The council is supportive of many of the proposed amendments that are aimed at heightening and clarifying the obligations of advisers and dealers. However, as the council has previously stated in comment letters, it generally believes it is important that registrants providing advice to clients abide by a uniform best interest standard and thus strongly supports the introduction of the proposed regulatory best interest standard in lieu of the multiple provisions trying to emulate it.

The CAC is actively working on a response to the following consultations:

- CSA Modernization of Investment Fund Product Regulation – Alternative Funds (due December 22, 2016)

About the proposal

The proposed amendments represent the final phase of the CSA's ongoing policy work to modernize investment fund regulation and is primarily aimed at the development of a more comprehensive regulatory framework for publicly offered mutual funds that wish to invest in asset classes or use investment strategies not otherwise permitted under NI 81-102.

Reminder:

All letters can be seen on the CAC website, www.cfaadvocacy.ca

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Chair, Canadian Advocacy Council