

For Immediate Release
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Canadian Securities Regulators to Measure Impact of Point of Sale Amendments and Phase 2 of the Client Relationship Model

Vancouver –The Canadian Securities Administrators (CSA) today announced a multi-year research project to measure the impacts of requirements introduced by Phase 2 of the Client Relationship Model (CRM2) and the Point of Sale (POS) amendments on investors and the industry.

On July 15, 2013, the CRM2 amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* became effective. These amendments were designed to ensure investors receive clear and complete disclosure of the performance of their investments and all fees associated with their accounts, including registrant compensation. The amendments came into effect in three phases: July 15, 2014, July 15, 2015, and July 15, 2016.

On June 19, 2009, POS amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* were proposed to help investors make more informed investment decisions by providing them with key, plain language information about a mutual fund prior to purchase. The majority of these amendments became effective March 11, 2015. The final amendments, which require mutual fund dealers to deliver an easy-to-understand Fund Facts document to investors before the purchase of a mutual fund, became effective May 30, 2016.

“CRM2 and POS were designed with investors’ needs in mind,” says Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “We want to ensure that the increased transparency about investment costs and performance and the provision of the Fund Facts documents are indeed helping investors make more informed investment decisions.”

The research will measure outcomes related to investor knowledge, attitude, and behaviour, registrant practices, and fund fees and product offerings. It will cover activity from 2016 through 2019 and is expected to be completed by 2021. The CSA believes that this duration will allow us to secure helpful longitudinal information over a multi-year period post implementation to assess the impacts of CRM2 and POS.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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