

**For Immediate Release
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Canadian securities regulators publish final amendments to enhance protection of older and vulnerable clients

Saint John and Toronto – The Canadian Securities Administrators (CSA) published [final amendments](#) today that will improve protection of older and vulnerable clients across Canada, by providing registrants with tools and guidance to address situations involving diminished mental capacity or financial exploitation of their clients.

“These amendments are an example of the CSA’s focus on enhanced investor protection in action,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “The CSA has introduced client-first principles, enhanced Know Your Client requirements through Client Focused Reforms, and is now providing new tools and guidance for registrants concerned about their older and vulnerable clients. We are committed to policy development that increases investor protection and ultimately benefits both investors and the industry as a whole.”

The amendments strengthen protection of older and vulnerable clients through two main components:

- **Trusted Contact Person (TCP)** – registrants will be required to take reasonable steps to obtain the name and contact information of a TCP from individual clients, and written consent for the TCP to be contacted in specified circumstances (e.g., if the registrant has concerns about possible financial exploitation of a client who is vulnerable or about the client’s mental capacity to make decisions involving financial matters.) A TCP does not have authority to make transactions on the account, but is intended to be a resource to assist registrants in protecting a client’s financial interests or assets in these circumstances. While clients are not required to identify a TCP in order to open an account, registrants will be required to take reasonable steps to obtain and update TCP information as part of the Know Your Client (KYC) process.
- **Temporary Holds** – 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.

“Registrants can be in a unique position to notice red flags because of the interactions and the knowledge they acquire through the client relationship,” added Morisset. “We expect the amendments will provide more robust investor protection, while also respecting client autonomy and responding to the needs and priorities of older and vulnerable investors.”

The CSA worked with the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) to develop the amendments. The amendments will apply to all registered firms, including members of IIROC and the MFDA. IIROC and the MFDA plan to implement corresponding amendments to the IIROC Rules and MFDA Rules, respectively. All of the amendments come into effect on December 31, 2021, subject to necessary approvals.

The [amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* \(NI 31-103\)](#) and related changes to its companion policy can be found on CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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For media inquiries, please contact:

Pascale Bijoux
Canadian Securities Administrators
media@acvm-csa.ca

Marissa Sollows
Financial and Consumer Services Commission,
NB
media@fcnb.ca

Kate Ballotta
Ontario Securities Commission
media_inquiries@osc.gov.on.ca

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