

**For Immediate Release
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Canadian Securities Administrators publish guidance on relationship disclosure practices

Winnipeg – The Canadian Securities Administrators (CSA) today published Staff Notice 31-334 *CSA Review of Relationship Disclosure Practices* to summarize the findings of a recent CSA compliance review and to provide guidance on relationship disclosure information practices.

The guidance is based on findings identified during the CSA’s review of 124 registered portfolio managers and exempt market dealers that focused on relationship disclosure information. The CSA encourage all registered portfolio managers and exempt market dealers to use the guidance contained in the notice to assess their own relationship disclosure practices, and determine the areas where improvements can be made.

“Compliance reviews of this nature demonstrate the CSA’s commitment to work with industry to make sure that the rules are being followed,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “The recommendations set out in the staff notice will assist the industry in continuing to improve practices and, as a result investors will be better protected.”

The notice sets out a series of recommendations to help registered portfolio managers and exempt market dealers ensure their relationship disclosure practices are in accordance with securities law.

The suggested practices relate to the disclosure of the following areas:

- Risks of using borrowed money to finance the purchase of a security.
- Information a firm must collect about a client (Know Your Client).
- The obligation to assess suitability prior to executing a transaction.
- Content and frequency of reporting for each account or portfolio of a client.
- Types of risks that a client should consider when making investment decisions.
- Nature or type of client account.
- Conflicts of interest.
- All costs to a client for the operation of an account, and the costs clients will pay in making, holding and selling investments.
- Products or services offered by the firm.
- Compensation paid to the firm in relation to different types of products that a client may purchase.

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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