

**For Immediate Release
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**Canadian Securities Regulators Stress the Importance of
Suitability Requirements for Dealers and Advisers**

Toronto – The Canadian Securities Administrators (CSA) today published CSA Staff Notice 33-315 *Suitability Obligation and Know Your Product* that reminds dealers and advisers of their duty to satisfy their suitability obligations to clients, which includes the requirement to fully understand the products they recommend to clients.

In order to meet their obligation to their clients, anyone selling or advising in securities must determine whether a purchase or sale of a security recommended to an investor is suitable for the investor. Dealers and advisers have an obligation to understand the general investment needs and objectives of their client (“know your client”), as well as the attributes and associated risks of the products they are recommending to clients (referred to as “know your product”).

“Both individual representatives and firms owe a duty to their clients to ensure the suitability of investment products and we expect dealers and advisers to carefully consider product attributes and the investment objectives of their client before recommending any product,” said Jean St-Gelais, CSA Chair and President & Chief Executive Officer of the Autorité des marchés financiers. “Any registrant that does not meet these obligations is in breach of securities law.”

Canadian regulators require that dealing and advising representatives understand the structure and features of each investment product they recommend, including costs, risks and financial position and reputation of the issuer and other parties involved in key aspects of the product. They should explain the risks of products they are recommending to clients and must determine the suitability of each transaction for a client. Additionally, firms should have a product review process in place that includes procedures for identifying, reviewing and approving (or rejecting) new products and for monitoring existing products for significant changes to those products.

CSA Staff Notice 33-315 *Suitability Obligation and Know Your Product* is available on various CSA members' websites.

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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