

## CSA Staff Notice of Approval 25-308

### Approval and Acceptance of Canadian Investor Protection Fund

**November 24, 2022**

Effective January 1, 2023, the Canadian Investor Protection Fund (**CIPF**) is approved or accepted as a compensation / contingency fund by the Alberta Securities Commission; the Autorité des marchés financiers; the British Columbia Securities Commission; the Manitoba Securities Commission; the Financial and Consumer Services Commission of New Brunswick; the Office of the Superintendent of Securities, Digital Government and Service Newfoundland and Labrador; the Office of the Superintendent of Securities, Northwest Territories; the Nova Scotia Securities Commission; the Office of the Superintendent of Securities, Nunavut; the Ontario Securities Commission; the Prince Edward Island Office of the Superintendent of Securities; the Financial and Consumer Affairs Authority of Saskatchewan; and the Office of the Yukon Superintendent of Securities (**Regulators**).

#### Background

Following public consultations, the Canadian Securities Administrators (**CSA**) published the [CSA Position Paper 25-404 – New Self-Regulatory Organization Framework \(Position Paper\)](#), describing the plan to establish a new single enhanced self-regulatory organization (**SRO**) that will consolidate the functions of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**). The CSA also indicated that it would combine the two current compensation / contingency fund organizations, the Canadian Investor Protection Fund (**Former CIPF**) and the MFDA Investor Protection Corporation (**MFDA IPC**), into a single compensation / contingency fund organization which will be independent from the New Self-Regulatory Organization of Canada.

Former CIPF and the MFDA IPC have been fully supportive of the CSA position and have been working collaboratively under the CSA oversight. On May 12, 2022, the CSA published for comment the [CSA Staff Notice and Request for Comment 25-305 - Application for Approval of the New Investor Protection Fund](#). In response to the publication, [comments](#) from 12 stakeholders were received demonstrating the continued overall support, from both industry stakeholders and investor advocates, for the enhanced regulatory framework outlined in the Position Paper. The summary and response to public comments are provided in Appendix D of this notice.

The statutory amalgamation of Former CIPF and the MFDA IPC in accordance with the *Canada Not-for-Profit Corporations Act* allows Former CIPF and the MFDA IPC to be combined and continue as one corporation by operation of law. The amalgamated corporation will be named “Canadian Investor Protection Fund”.

The new single enhanced SRO has been [recognized](#), effective January 1, 2023, by the Regulators and will adopt a temporary legal name “New Self-Regulatory Organization of Canada”, which will be replaced by a new permanent name, to be determined at a later date.

The Autorité des marchés financiers will publish prior to the close of the amalgamation final amendments to put into effect its transition plan for mutual fund dealers registered in Québec (**Québec MFDs**) and their registered individuals.

Mutual fund dealers, including Québec MFDs, will not be required to contribute to the Canadian Investor Protection Fund's Mutual Fund Dealer Fund in respect of customer accounts located in Québec and those accounts will not be eligible for coverage by the Canadian Investor Protection Fund. However, Québec MFDs will continue to contribute to the *Fonds d'indemnisation des services financiers* (Québec financial services contingency fund), as required by law, and their clients will continue to be eligible for the payment of indemnities by this fund.

### **Transitional Provisions**

Certain existing regulations, rules, orders, policies, notices or other instruments in the CSA jurisdictions refer to Former CIPF or the MFDA IPC or both. Following the amalgamation, such references will be treated and interpreted as references to CIPF until the appropriate consequential amendments are implemented, as considered necessary.

### **Contents of the Notice of Approval**

The Notice of Approval has the following components:

- Appendix A – Approval or Acceptance Order for CIPF
- Appendix B – Memorandum of Understanding among the Regulators regarding oversight of CIPF
- Appendix C – Approval and Acceptance Application
  - Schedule 1 – By-Law Number 1 of CIPF
    - a. Clean
    - b. Blacklined to May 12, 2022 publication
  - Schedule 2 – Coverage Policy
    - a. Clean
    - b. Blacklined to May 12, 2022 publication
  - Schedule 3 - Claims Procedures
    - a. Clean
    - b. Blacklined to May 12, 2022 publication
  - Schedule 4 - Appeal Committee Guidelines
    - a. Clean
    - b. Blacklined to May 12, 2022 publication
  - Schedule 5 - Disclosure Policy
- Appendix D – Summary of and response to public comments.