

## ANNEX C

### Proposed Amendments to

#### Companion Policy 31-103CP

#### *Registration Requirements, Exemptions and Ongoing Registrant Obligations*

The Canadian Securities Administrators are publishing changes to the Companion Policy for comment. The changes would come into effect on the implementation of the corresponding changes to the Rule.

This Annex shows the proposed amendments to the Companion Policy against the relevant portions of the unofficial consolidation of NI 31-103 published on February 28, 2012.

### 13.16 Dispute resolution service

We expect that all client complaints will be responded to under a registered firm's internal complaint handling policy under section 13.15. Recourse to an appropriate dispute resolution or mediation service should be in circumstances where the firm's complaint handling policy did not produce an outcome satisfactory to the client, or the client has reason to believe the procedures under the firm's complaint handling policy were not followed by the firm in a proper or timely manner.

Section 13.15 requires a registered firm to document and respond to each complaint made to it about any product or service that is offered by the firm or one of its representatives. Section 13.16 requires a firm to make an independent dispute resolution or mediation service available to a client, at the firm's expense, in respect of complaints that

- relate to a trading or advising activity of the firm or its representatives
- are raised within six years of the date when the client knew or reasonably ought to have known of the trading or advising activity
- involve a claim for monetary compensation that the client agrees is for an amount of no more than \$350,000

A registered firm must ensure that the complainant is aware of the dispute resolution or mediation services that ~~are~~ the firm makes available to them and that the firm will pay for ~~that~~ the services. A firm is only required to make one dispute resolution or mediation service available at its expense for each complaint. Registered firms should know all applicable mechanisms and processes for ~~dealing with different types of complaints, including those prescribed by the applicable SRO referring complaints to an appropriate dispute resolution or mediation service.~~

Except in Québec, registered firms are required to make the services of the Ombudsman for Banking Services and Investments (OBSI) available to clients for complaints that OBSI is willing and able to consider. Normally, the types of complaints that OBSI will be willing to consider will be set out in OBSI's mandate under its terms of reference. If OBSI is willing and able to consider a complaint, the firm is not required to make any other dispute resolution or mediation service available to the client. If OBSI is not willing or able to consider a complaint, the registered firm must instead make the services of another dispute resolution or mediation service provider of the firm's choice available to the client. A firm's records for compliance purposes should include any reasons provided by OBSI as to why it would not be willing or able to consider a complaint that was referred to another service provider.

A firm that has satisfied its obligations to a client under section 13.16 may, in its discretion, offer the client other options to attempt to resolve the complaint if it remains unresolved. Nothing in section 13.16 affects a client's right to choose to seek other recourse, including through the courts. In Québec, registrants must inform each complainant, in writing and without delay, that if the complainant is dissatisfied with how the complaint is handled or with the outcome, they may request the registrant to forward a copy of the complaint file to the Autorité des marchés financiers. The registrant must forward a copy of the complaint file to the Autorité des marchés financiers, which will examine the complaint. The Autorité des marchés financiers may act as a mediator if it considers it appropriate to do so and the parties agree.