



British Columbia
Securities Commission

Registrant Outreach Workshop

June 20, 2019

Welcome

- **Mark Wang, Director, CMR**

Current topics



Current Topics

- **Janice Leung, Manager, Adviser/IFM Compliance**
- **David Rajanayagam, Senior Compliance Analyst, Adviser/IFM Compliance**
- **Mark French, Manager, Registration and Dealer Compliance**

New Guidance is Coming

CSA Staff Notice 31-354 out tomorrow

Guidance on older & vulnerable clients

Who To Contact?

Questionable Investment Activity

- BCSC
 - Telephone: 604-899-6584 or 1-800-373-6393 (toll free across Canada)
 - Email: inquiries@bcsc.bc.ca

Other Forms of Financial Abuse

- SAIL (Seniors Abuse Information Line) from Seniors First BC
 - In BC: contact SAIL at 604-437-1940 or 1-866-437-1940
- RCMP or local police
- VictimLink BC
 - 1-800-563-0808

Elder Abuse Awareness Day

- BCSC InvestRight spreading awareness of Elder Financial Abuse in the month of June
- Visit InvestRight.org for resources
- Use and follow **#RejectFinancialAbuse** on social media



Compliance Consultants

Staff interactions with compliance consultants explained

An abstract geometric pattern composed of overlapping triangles in various shades of light blue, yellow, and orange, creating a dynamic, low-poly background for the lower half of the slide.

2019 Risk Model Survey



Risk Questionnaire

- **Edwin Leong, Lead Compliance Analyst, Adviser/IFM Compliance**
- **2019 Risk Model Survey key dates:**
- **Email to be sent: June 25**
- **Survey deadline: July 31**

Issues From the Field



Issues From the Field

- **Colleen Ng, Compliance Analyst**
Adviser/IFM Compliance, Capital Markets Regulation
- **Crystal He, Compliance Analyst**
Registration and Dealer Compliance, Capital Markets Regulation
- **Jason Chan , Sr. Compliance Analyst**
Adviser/IFM Compliance, Capital Markets Regulation

Issues From the Field

- 1. Client Statements**
- 2. Registration Issues**
- 3. Know-your-client (KYC) and suitability**
- 4. Policies and Procedures Manual**
- 5. Personal Trading of CCO and UDP**
- 6. Other Conflicts – Captive Dealers & NI 81-105**
- 7. Social Media**

Client Statements

- Common deficiencies of all firms
- EMD statement issues
- PM/IFM reliance on IIROC custodian statements
- CSA Staff notice 31-347

Registration Issues

- **Recent changes to monthly sanctions reporting requirements**

Monthly sanctions reporting requirements

- Registered firms, including all advisors and dealers, are **still required** under federal law to determine and disclose whether they are in possession or control property owned or controlled by designated persons subject to antiterrorism or sanctions legislation
- Reference: https://www.securities-administrators.ca/uploadedFiles/Industry_Resources/STCSGuide.pdf

Registration Issues

- **Recent changes to monthly sanctions reporting requirements**
- **Pre-approval of advice offered by AAR**
- **Misleading job titles**
- **Registerable activities**
- **Reporting of Outside Business Activities (OBA)**

KYC and Suitability

- **2-step suitability review in PM exams**
- **Insufficient financial information**
- **Inadequate suitability assessment**
- **CSA staff notice 31-336**

Policies and Procedures Manual

- **TIPS:**
 1. Relevance
 2. Updates
 3. Reviews
 4. Responsibilities
- **Cybersecurity and business continuity plan**
- **Exemptive relief**

Personal Trading of the CCO & UDP

- **Documentation as evidence**
 - **Verification of staff's compliance**
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Other Conflicts

Captive Dealers

- **CSA staff notice 31-343**
- **Conflicts of interest**
- **Common deficiencies**
- **NI 81-105 *Mutual Fund Sales Practices***

Social Media

- Wechat
- Whatsapp
- Youtube
- Facebook
- Linkedin
- Twitter
- Reddit...

Closing Remarks

- **Mark Wang, Director, CMR**



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Thank you!