



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

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MFDA Bulletin

Policy

For Distribution to Relevant Parties within your Firm

Withdrawal of Proposed Amendments to MFDA Rule 5.3.2 (Content of Account Statement)

The MFDA is withdrawing proposed amendments to Rule 5.3.2 (Content of Account Statement), which were published for comment on June 18, 2015.

Proposed Amendments to MFDA Rule 5.3.2 – June 2015

The proposed amendments to Rule 5.3.2 would have required Members to disclose to clients, on the account statement, that they are Members of, and regulated by, the MFDA. The intent of the proposed amendments was to promote client awareness of the regulatory oversight exercised by the MFDA in respect of MFDA Members and their Approved Persons. The proposed amendments to Rule 5.3.2 were approved by the MFDA Board of Directors at their June 4, 2015 meeting.

Under the proposed amendments, Members would have been permitted to include the MFDA Logo on account statements. Comments received expressed support for the objective of the amendments, however, recommended that the MFDA require use of the MFDA Logo on account statements, as opposed to making it voluntary. In addition, following publication of the proposed amendments to Rule 5.3.2, staff of the Recognizing Regulators asked MFDA staff to consider requiring the MFDA Logo on account statements.

Proposed new MFDA Rule 2.13 (Disclosure of MFDA Membership) and MFDA Policy No. 10 *Disclosure of MFDA Membership* – July 2017

In response to the Recognizing Regulators and to the comments received on proposed Rule 5.3.2, on July 4, 2017, the MFDA issued for comment proposed new MFDA Rule 2.13 (Disclosure of MFDA Membership) and new MFDA Policy No. 10 *Disclosure of MFDA Membership*.

MFDA Rule 2.13 proposes to require the MFDA Logo to be included on the front of each account statement and on the Member's website. MFDA Policy No. 10 proposes to establish minimum requirements for disclosure and provides direction to Members on the use of the MFDA Logo.

This proposed new Rule and Policy are intended to replace the proposed amendments to Rule 5.3.2, published in June 2015. MFDA staff believes that the proposed new Rule and Policy will better promote client awareness of the regulatory oversight exercised by the MFDA in respect of MFDA Members and their Approved Persons. Therefore, it is anticipated that withdrawal of the proposed amendments to Rule 5.3.2 will have a positive impact on the public interest.

The comment period for proposed Rule 2.13 and Policy No. 10 ended on September 27, 2017. MFDA staff will review any comments and move forward with these Policy Instruments in accordance with the MFDA's regular policy development process.

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