

13.1.3 IIROC Rules Notice – Guidance Note – Client Relationship Model

IIROC RULES NOTICE

GUIDANCE NOTE – CLIENT RELATIONSHIP MODEL

12-0108  
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**INTRODUCTION**

This Guidance Note provides guidance for Dealer Members on compliance with the new requirements introduced under the Client Relationship Model (CRM) project. The new Rules and amendments under the CRM project address:

1. Relationship disclosure;
2. Conflicts of interest management/disclosure;
3. Suitability assessment; and
4. Account performance reporting

***[Note: Implementation of the account performance reporting requirements has been deferred pending finalization of the CSA account performance reporting requirements].***

While each of these issues can be viewed in isolation, the intent of the CRM project is that the different elements work together within the larger CRM framework and the existing Rules. Essentially, each of the requirements is a part of the broader fundamental obligation of the Dealer Member and its representatives under securities legislation to deal fairly, honestly and in good faith with clients.

Wherever possible, the new CRM requirements have been created with the intent of allowing Dealer Members to leverage off of existing processes. However, certain aspects will require Dealer Members to develop new systems, which may pose some significant operational challenges.

Therefore, with the input of Dealer Members and other industry participants, IIROC staff has developed a transition plan for implementation of the CRM Rules and amendments. Details of the transition periods that have been approved by the IIROC Board are attached as Attachment E to the related IIROC Rule Notice 12-0107 announcing the implementation of IIROC's CRM requirements.

**RELATIONSHIP DISCLOSURE REQUIREMENTS**

Rule 3500 establishes minimum standards for client/firm relationship disclosure to be provided by Dealer Members to clients at the time of account opening. The policy rationale underlying the Rule is that all clients should have a good understanding of the services they will be provided when they open an account.

***Form and format of relationship disclosure***

The Rule provides for a degree of flexibility as to the form and format of the relationship disclosure, but in all cases the information must be in writing, in plain language and must contain all of the required elements set out in Section 3500.5. The Rule allows for standardized disclosure to be provided to particular groups of clients, or all clients. Where the Rule requires the Dealer Member to advise as to whether optional services can be obtained from the Dealer Member, the costs associated with such services must be provided.

***Content of relationship disclosure***

The relationship disclosure to be provided to the client must include a description of the products and services of the Dealer Member, the nature of the account and the responsibilities of the Dealer Member. IIROC staff understands that many Dealer Members are already providing clients with marketing information that includes at least some information on products, services and account types offered. However, to provide more complete information, the client should also be advised as to specific limitations and Dealer Member responsibilities that might exist for the different classes of accounts it offers (for example, an order-execution service account versus an advisory account). The relationship disclosure information will help the clients understand:

1. why the “know your client” information the client provides the Dealer Member is important;
2. what service levels the client can expect from the Dealer Member once the account has been opened; and
3. what information the Dealer Member will provide the client to update them on the status of the account.

One of the fundamentals in the advisory relationship is the requirement for the Dealer Member to satisfy the investment suitability requirements contained in Rule 1300.1. Accordingly, IIROC staff expects the Dealer Member to provide a fulsome, clear and meaningful explanation of its suitability obligation in the relationship disclosure information it provides to its clients (subparagraph (c) of Section 3500.5). To ensure accurate client understanding of this service, the relationship disclosure must include a description of both when and how suitability assessments will be made. Further, the client should be made aware of the limitations on the obligation and whether account suitability reviews will be performed in situations apart from those listed in the Rule. In particular, the Rule requires that clients be informed whether or not suitability reviews will be performed in response to significant market fluctuations. This will ensure that the client is aware of whether or not a portfolio suitability assessment will be performed during a period of significant market fluctuation.

The types of transaction, position and performance reporting to be provided to the client must also be disclosed to the client (subparagraph (d) of Section 3500.5). In the case of transaction and position reporting, the trade confirmation and account statement requirements themselves are unchanged; what has changed is that the client must be informed when this information will be sent to them. In the case of performance reporting, the requirements themselves are new and, once implementation is announced, will be implemented over a 2 year transition period.

As a result, in order to avoid having to regularly update the client relationship disclosures they are being provided, it may be more efficient for the Dealer Member to initially disclose to clients the following as part of the relationship disclosure information: (a) the type(s) of performance reporting they will provide immediately and the type(s) of reporting they can expect to receive over the next couple of years, and (b) that the Dealer Member will provide clients with regular updates as part of its client newsletter (or by other means) on the performance information they will be provided in the future.

The disclosure required under subparagraph (e) is an extension of the new conflicts of interest management standards also introduced as part of CRM. Refer to the separate “Conflicts of interest management / disclosure requirements” section of this Guidance Note for further guidance on these new standards.

The disclosures required under subparagraphs (f), (g), (h) and (i) of Section 3500.5 are an extension of existing requirements relating to account operation and transaction fees/charges, account related documentation and client compliant handling. The Dealer Member requirements in these areas are unchanged; what has changed is that the client must be informed as part of the relationship disclosures of the types of fees/charges they can expect to incur, the account related documentation they will receive and the complaint handling process in place at the Dealer Member. Consistent with the requirements of National Instrument 31-103 (“NI 31-103”), IIROC staff expects the discussion of account operation and transaction fees/charges will include all charges a client may incur during the course of acquiring, selling or holding an investment product position, including amounts to be paid indirectly to the Dealer Member by the client. For example, mutual fund fees/charges disclosure should include a discussion of the management expenses that are deducted from fund performance by the mutual fund manager and the types of fees/charges, such as trailing fees, that may be paid to the Dealer Member by the mutual fund manager from these collected management expenses.

Furthermore, it is consistent with good business practice to disclose to a client the charges specific to a transaction prior to recommending or accepting instructions from a client to purchase or sell a security in an account other than a managed account. Specifically, Dealer Members are encouraged to adopt best practices which include disclosing the following information prior to the acceptance of a client’s order:

- (a) the charges the client will be required to pay in respect of the purchase or sale, and
- (b) in the case of a purchase, any deferred charges that the client might be required to pay on the subsequent sale of the security or any trailing commissions that the firm may receive in respect of the security.

In the case of the purchase of a mutual fund security on a deferred sales charge basis, the Dealer Member should advise clients that a charge may be triggered upon the redemption of the security if sold within the time period that a deferred sales charge would apply. The actual amount of the deferred sales charge, if any, would need to be disclosed once the security is redeemed.

#### ***Content differences for different account types***

The obligations of Dealer Members to provide certain specific disclosures regarding suitability will vary for order-execution service accounts and managed accounts, in that there is no suitability obligation regarding order-execution service accounts and managed accounts must be monitored and supervised according to the specific standards imposed under Rules 1300 and 2500.

Apart from these limited exceptions for order-execution service accounts and managed accounts, all of the required elements listed in Rule 3500 must be addressed in the Dealer Member's relationship disclosure.

***Other information that may be included in the relationship disclosure***

Beyond the required content set out in Rule 3500, the Dealer Member may also elect to include additional information in the relationship disclosure. In consulting with Dealer Members in the rule development process, IIROC staff has noted that some Dealer Members currently recommend steps to be taken by their clients to maintain a successful relationship with the firm. These include:

1. Carefully and promptly reviewing all documentation provided by the Dealer Member that relates to the operation of the account, account investment recommendations, account investment transactions and account investment holdings. This would include the "know your client" information maintained by the Dealer Member for the account; conflicts of interest disclosures; descriptions of all transaction costs and account service fees and charges relating to the account; trade confirmations; and account statements.
2. Promptly informing the Dealer Member of changes to the client's life circumstances or objectives that may materially affect the accuracy of the "know your client" information maintained by the Dealer Member for the account.
3. Promptly informing the Dealer Member of any trade confirmation or account statement errors.
4. Proactively asking questions and requesting information about the account.
5. Contacting the Dealer Member immediately if the client is unsatisfied with the handling of the affairs in the account.

***Client acknowledgement requirements***

To reflect the importance of the "know your client" information, receipt of this document must be positively acknowledged by the client at the time of account opening. While obtaining the client's signature is preferred, the requirements recognize that this is not always possible to obtain, particularly when the client is opening an account over the internet or from another location. As a result, where a signature cannot be obtained other forms of positive acknowledgement of client receipt, such as a documented phone conversation or an e-mail or letter from the client, are acceptable. If a Dealer Member is unable to obtain positive acknowledgment at the time of account opening, the request to open the account must be declined.

Subsequent material changes to "know your client" information may be evidenced by either positive or negative acknowledgment. A Dealer Member may obtain a client signature, or alternatively, maintain notes in the client file detailing the client's instructions to change the information. Dealer Members are required to verify the client's instructions by providing written confirmation to the client with details of the instructions and providing an opportunity for the client to make corrections to any changes that have been made. In situations where "know your client" information is missing entirely, or specific fields such as risk tolerance or investment objectives are missing, Dealer Members must restrict the client from entering into any further account transactions other than liquidating transactions until the missing information is received.

***Discussion of relationship disclosure and other account opening materials with clients***

Although there are a variety of business models employed by Dealer Members, IIROC expects that in a typical initial face-to-face client meeting, the Registered Representative will sit down with the client and explain to him or her the purpose and use of important account opening information that is collected from the client and important account opening documents, including the relationship disclosure materials, that are provided to the client. As part of this meeting, "know your client" information would be collected from the client and, based on the information collected, the client would be provided with the relationship disclosure materials and other important account opening documentation that detail the account service and investment product offering that is most appropriate for the client. Sufficient time should be spent reviewing the relationship disclosure materials with the client to ensure that the client has a clear understanding of the account relationship they are being offered.

If the proposed account relationship is acceptable to the client, the Registered Representative would then complete the account opening forms and obtain the required client signatures and/or acknowledgements. The client would then be provided with a copy of the forms and disclosure documents. Ideally, throughout this process, the client will be raising any questions and the representative will be providing meaningful responses. The intent of the relationship disclosure is to ensure that all clients have answers to some basic questions on the account relationship, whether or not the client raises these questions with their representative.

### ***Clients that must be provided with relationship disclosure information***

Dealer Members are required to provide the relationship disclosure information to all retail clients. In the case of retail clients of Dealer Members that are introducing brokers, this obligation must be met by the introducing broker. It is expected that new clients will be provided with the information at the time of account opening. IIROC staff acknowledges that there are significant logistical concerns involved in distributing the information to existing clients but believe it is equally important that existing clients clearly understand the relationship they have with their Dealer Member and advisor. To enable Dealer Members to address the logistical issues involved in distributing the information to existing clients, a two-year transition period to provide the information to existing clients has been adopted. This two-year period is consistent with IIROC's current expectations regarding the updating of key account related documents.

### ***Significant changes to disclosure information***

Where significant changes to the relationship disclosure information have occurred, it is expected that the Dealer Member will provide timely notice to clients of any changes. This could be accomplished by including details of the updated information with a regular client communication, such as the client statements.

As noted in Section 3500.7, Dealer Members are required to maintain an audit trail that evidences that the client has acknowledged receipt of the "know your client" information. The "best practice" would be to obtain a signed client acknowledgement, but Dealer Members may also satisfy this requirement both for the initial disclosure and for subsequent updates through other means. Dealer Members that intend to rely on electronic delivery of the information would be expected to satisfy the requirements noted in IDA Member Regulation Notice MR-008.

## **CONFLICTS OF INTEREST MANAGEMENT / DISCLOSURE REQUIREMENTS**

There are a number of provisions in the existing IIROC Rules that set out Dealer Member and Approved Person obligations relating to specific conflict of interest situations between Dealer Members and clients and between Approved Persons and clients. In addition to these existing specific obligations, Rule 42 further clarifies the existing obligations that Dealer Members and Approved Persons have to manage conflicts of interest with their clients. These obligations require Dealer Members to have written policies and procedures in place for identifying and addressing material conflicts of interest and to carry out these policies and procedures. Rule 42 also sets out a general framework for:

- identifying conflict of interest situations; and
- addressing conflict of interest situations through/by:
  - o avoidance
  - o disclosure
  - o other approaches to control the situation

### ***Approved Person responsibility to address conflicts of interest***

- ***General requirement to address all material conflicts of interest***

Subsection 42.2(2) requires that all existing or potential material conflicts of interest between an Approved Person and a client must be addressed by the Approved Person "in a fair, equitable and transparent manner, and consistent with the best interests of the client or clients." Conflicts can be addressed by avoiding, disclosing or otherwise controlling the conflict of interest situation. In addition to this general requirement to address material conflicts of interest between the Approved Person and the client:

- o Section 42.2(3) requires that "Any existing or potential material conflict of interest between the Approved Person and the client that cannot be addressed in a fair, equitable and transparent manner, and consistent with the best interests of the client or clients, must be avoided."; and
- o Section 42.4 requires that "Unless a material conflict of interest has been avoided, the conflict of interest must be disclosed to the client in all cases where a reasonable client would expect to be informed."

As a result, the requirements collectively mandate when a conflict of interest between an Approved Person and a client must be addressed by avoiding the conflict, or must be addressed at least in part by disclosing the conflict of interest to the client. The requirements do not mandate the other approaches which must be used to further control the conflict of interest situation.

Sub-section 13.4(2) of NI 31-103 requires that “A registered firm must respond to an existing or potential conflict of interest”.

Having said that, material conflict of interest situations can only be addressed / responded to by:

- o avoiding the situation which gives rise to the conflict of interest; or
- o controlling the situation as much as possible and/or disclosing the conflict of interest.

As with the other elements of the CRM project, the Rule requiring that material conflicts of interest be addressed should be read in light of the fundamental statutory obligation imposed on all registrants to deal with clients fairly, honestly and in good faith. The intent of IIROC Rule 42.2 is to provide greater clarity to Dealer Members as to how these basic principles can be satisfied when considering conflict of interest situations.

In a number of cases, Approved Persons will address conflict of interest situations by disclosing it to the affected clients. However, in other cases, to properly address a material conflict, the Dealer Member may need to implement policies and procedures and the Approved Person will need to carry out procedures that go beyond simple disclosure. For instance, NI 31-103 requires registrants to execute a written agreement as well as providing prescribed disclosure prior to entering into a referral arrangement. Other types of personal financial dealings, if permitted, may also necessitate additional measures, such as requiring the client to obtain independent advice before entering into a transaction.

- **Conflict avoidance**

Subsection 42.2(3) requires that “Any existing or potential material conflict of interest between the Approved Person and the client that cannot be addressed in a fair, equitable and transparent manner, and consistent with the best interests of the client or clients, must be avoided.” When determining whether a conflict of interest between an Approved Person and a client must be avoided, Approved Persons should consider:

- o the interests of the client(s) involved; and
- o whether it is feasible to address the conflict of interest in any way other than by avoiding the situation giving rise to the conflict of interest.

Further, the guidance in Companion Policy 31-103CP provides the following general examples of material conflict of interest situations that must be avoided:

- o the conflict of interest involves confidential, commercially sensitive or material, non-public information which the Dealer Member is prohibited from disclosing to the client and a reasonable client would expect to be provided with this information
- o the conflict of interest is inconsistent with the interests of the client and/or there is a high risk of harm to the client and the situation cannot be addressed in any fashion to reduce this inconsistency/risk of harm; and
- o the situation that gives rise to the conflict of interest is unethical or otherwise contrary to capital markets integrity

Consistent with the avoidance standard set out in Section 42.2(3), the following are examples of specific rules that stipulate conflict of interest situations between an Approved Person and a client which must be avoided by the Approved Person:

1. A Registered Representative or Investment Representative may not engage in another gainful occupation if the specific occupation introduces inappropriate conflicts of interest, disrupts continuous client service or is disreputable [IIROC Dealer Member Rule 18].
2. A registered individual must not act as a director of another registered firm that is not an affiliate of an individual’s sponsoring firm [NI 31-103, Section 4.1].

### ***Conflict of interest situations between Dealer Members and clients***

- **General requirement to address all conflicts of interest**

Subsection 42.3(2) requires that all existing or potential material conflicts of interest between a Dealer Member and a client must be addressed “in a fair, equitable and transparent manner, and considering the best interests of the client or clients.” In applying this requirement, it is recognized that it is not always possible or practical for a Dealer Member to address all conflicts of interest in the best interests of each client when the conflict of interest situation involves multiple clients with competing interests.

The general approaches used by Approved Persons to address conflicts of interest between themselves and their client(s) must also be followed by Dealer Members when addressing conflict of interest situations between Dealer Member(s) and their clients. As previously stated, material conflict of interest situations can only be addressed / responded to by:

- avoiding the situation which gives rise to the conflict of interest; or
- controlling the situation as much as possible and/or disclosing the conflict of interest.

Companion Policy 31-103CP also sets additional guidance when the conflict of interest situation involves multiple clients with competing interests. Specifically, Dealer Members “should make reasonable efforts to be fair to all clients” and “should have internal systems to evaluate the balance of these [client] interests.” The conflict of interest that arises between a Dealer Member’s corporate client, issuing public securities and the Dealer Member’s retail clients, who will be offered the new issue, is cited as an example of a competing interests scenario.

- **Conflict avoidance**

Subsection 42.3(3) requires that any “material conflict of interest between the Dealer Member and the client that cannot be addressed in a fair, equitable and transparent manner, and considering the best interests of the client or clients, must be avoided.” In applying this subsection, Dealer Members should consider the same factors as an Approved Person would consider when assessing whether to avoid a conflict of interest with a client.

Consistent with the avoidance standard set out in Subsection 42.3(3), the following are examples of specific rules that stipulate conflict of interest situations between a Dealer Member and a client which must be avoided by the Dealer Member:

1. All client orders must be given priority over all proprietary orders for the same security at the same price in order to avoid a conflict of interest between the Dealer Member and its client with respect to that trading opportunity [IIROC Dealer Member Rule 29.3(A)].
2. A Dealer Member shall not trade, or permit or arrange to trade, in reliance upon information regarding trades that have been made or which will be made for any discretionary or managed account [IIROC Dealer Member Rule 1300].
3. A Dealer Member is prohibited from issuing a research report for an equity or equity related security relating to an issuer for which the Dealer Member acted as manager or co-manager of (i) an initial public offering of equity or equity related securities, for 40 calendar days following the date of the offering, or (ii) a secondary offering of equity or equity related securities, for 10 calendar days following the date of the offering [IIROC Dealer Member Rule 3400.14].

- **Supervision**

Subsection 42.3(4) requires that “The Dealer Member must adequately supervise how existing or potential material conflicts of interest between the Approved Person and the client are addressed by its Approved Persons pursuant to section 42.2.” This requirement is consistent with the general expectation that Dealer Members should adequately supervise all activities they undertake; in this case the conflict of interest management activities of their Approved Persons.

### ***Conflict of interest disclosure***

As previously stated, Section 42.4 requires disclosure to the client of a material conflict of interest situation that has not been avoided “in all cases where a reasonable client would expect to be informed.”

When determining whether a conflict of interest must be disclosed to the client, the guidance in Companion Policy 31-103CP requires Dealer Members to consider whether the conflict of interest affects the services that are being provided or that are proposed to be provided. As part of this guidance, the example of a registered individual recommending a security they own is cited and it is suggested that “this may constitute a material conflict which should be disclosed to the client before or at the time of the recommendation”.

Consistent with the disclosure standard set out in 42.4, the following are examples of specific Rules that stipulate conflict of interest situations which must be disclosed to the client by the Dealer Member:

1. Where one client has guaranteed the account obligations of another client, such that there are potentially conflicting client interests, the Dealer Member must disclose to the guarantor in writing that the suitability of the transactions in the guaranteed client’s account will not be reviewed in relation to the guarantor’s risk tolerance or investment objectives [IIROC Dealer Member Rule 100].
2. Each confirmation issued for trades involving securities:
  - of the Dealer Member or a related issuer of the Dealer Member, in the course of a distribution to the public; or
  - of a connected issuer of the Dealer Membermust state that the securities are issued by the Dealer Member, a related issuer of the Dealer Member or a connected issuer of the Dealer Member, as the case may be [IIROC Dealer Member Rule 200].
3. Dealer Members must comply with the following disclosure requirements for analyst research reports:
  - (a) Dealer Members must disclose information in a research project which might reasonably be expected to indicate a potential conflict of interest on the part of the Dealer Member or the analyst in making a recommendation with regard to the issuer.
  - (b) Any Dealer Member that distributes research reports to clients or prospective clients in its own name must disclose its research dissemination policies and procedures on its website or by other means.
  - (c) Dealer Members must disclose in research reports if in the previous 12 months the analyst responsible for preparing the report received compensation based upon the Dealer Member’s investment banking revenues.
  - (d) Dealer Members must disclose in research reports if and to what extent an analyst has viewed the material operations of an issuer. Dealer Members must also disclose where there has been a payment or reimbursement by the issuer of the analyst’s travel expenses for such visit.

[IIROC Dealer Member Rule 3400]

In general, the guidance in Companion Policy 31-103CP concludes that the only scenario under which a material conflict (that has not been avoided) would not be disclosed to the client under the “reasonable client” test would be where the Dealer Member has taken other steps to control the conflict of interest and has effectively ensured, with reasonable confidence, that the risk of loss to the client has been eliminated. As a result, disclosure is fundamental in addressing / responding to material conflicts of interest.

The disclosure should be timely and meaningful to the client. Specifically, disclosure should be made before the product or service related to the conflict is sold or provided to the client. Further, the disclosure should be sufficient to provide the client with an understanding of the specific conflict. A generic form of disclosure simply stating that conflicts may arise will not satisfy the Dealer Member’s obligation to respond to specific conflict of interest situations that may arise.

Furthermore, disclosure and informed consent is not an appropriate alternative to conflict avoidance in those cases where avoiding the conflict is the only reasonable response. Implied or expressed consent does not discharge a Dealer Member from the obligations to comply with their regulatory requirements.

### ***Compensation-related conflicts of interest***

Many conflict of interest situations are compensation-related, where the Approved Person’s / Dealer Member’s interest in being compensated for a transaction or service is inherently in conflict with a client’s interest in growing their wealth. As part of the requirement to address these compensation-related conflicts of interest and consistent with the requirements set out in subsections 42.2(2) and 42.3(2) to address conflicts of interest:

- The Dealer Member should ensure its product and service offerings, including the fees associated with such offerings, are consistent with the overall wealth building objectives of its clientele; and
- The Approved Person should, in addition to determining, where applicable, whether a certain product or service is suitable for the client, ensure that the transaction, account and service fees and costs to be charged are fair and are properly disclosed to the client.

On the topic of compensation practices, Companion Policy 31-103CP states that “Registered firms should consider whether any particular benefits, compensation or remuneration practices are inconsistent with their obligations to clients, especially if the firm relies heavily on commission-based remuneration. For example, if there is a complex product that carries a high commission, the firm may decide that it is not appropriate to offer that product.”

## **SUITABILITY ASSESSMENT**

### ***Trigger event suitability assessment requirements***

Rule 1300 has been amended to expand the suitability obligations of the Dealer Member beyond the requirement to assess trade suitability at the time a trade recommendation is made. The intent is to provide investors with an added level of protection in situations where the risk profile of the client and the account portfolio diverge over time. Amended Rule 1300.1(r) requires that the account suitability be reviewed when any of the following additional triggering events occurs:

1. securities are transferred or deposited into the account,
2. there is a change of representative on the account, or
3. there is a material change to the “know your client” information for the account.

The general expectation is that all account suitability reviews required under Rule 1300 will be completed in a timely manner. In most cases, this means that the review should be completed within one day after the Dealer Member or its representative becomes aware of the fact that one of the triggering events noted in the Rule has occurred. Where warranted in a given case, such as a transfer of a block of accounts to a new advisor, a “reasonable time” standard would apply. In any case, and with the exception of automated transactions, the required account suitability reviews should be completed prior to, or at the time of, any subsequent trade within the account.

IIROC staff does not expect that Dealer Members would perform reviews in situations where a change in client information is not material or the Dealer Member is not made aware of the change in circumstances. The Dealer Member’s policies and procedures should address the issue of materiality and ways to encourage clients to provide updates on changes to client information.

### ***Additional “know your client” and suitability guidance***

Additional guidance relating to the “know your client” and suitability obligations has been issued along with the CRM project.<sup>1</sup> IIROC Rules Notice 12-0109, *Know your client and suitability*, sets out IIROC’s interpretation, expectations and suggested best practices relating to existing requirements in the IIROC Dealer Member Rules, as well as the additional suitability obligations introduced under the CRM project, including the requirements to:

1. provide each client a copy of their “know your client” information,
2. consider a client’s time horizon when assessing suitability, and
3. supervise compliance with the new suitability requirements.

## **PERFORMANCE REPORTING**

***Note: Implementation of the account performance reporting requirements has been deferred pending finalization of the CSA account performance reporting requirements.***

Pursuant to IIROC Rules Notice 12-0107 the implementation of the performance reporting elements of IIROC’s CRM project proposals has been deferred. Guidance on the performance reporting elements of IIROC’s CRM project proposals will therefore be published at a future date when these proposals are implemented.

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<sup>1</sup> Guidance Note entitled “Know your client and suitability” has been included as Attachment G to the Client Relationship Model Project.