

Chapter 5

Rules and Policies

5.1.1 Amendments to NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

AMENDMENTS TO NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

1. **National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.**

2. **Section 13.16 is replaced with the following:**

13.16 Dispute resolution service

(1) In this section,

“complaint” means a complaint that

(a) relates to trading or advising activity of a registered firm or a representative of the firm, and

(b) is received by the firm within 6 years of the day when the client first knew or reasonably ought to have known of an act or omission that is a cause of or contributed to the complaint;

“OBSI” means the Ombudsman for Banking Services and Investments.

(2) If a registered firm receives a complaint from a client, the firm must, as soon as possible, provide the client with a written acknowledgement of the complaint that includes the following:

(a) a description of the firm’s obligations under this section;

(b) the steps that the client must take in order for an independent dispute resolution or mediation service to be made available to the client under subsection (4);

(c) the name of the independent dispute resolution or mediation service that will be made available to the client under subsection (4) and contact information for the service.

(3) If a registered firm decides to reject a complaint or to make an offer to resolve a complaint, the firm must, as soon as possible, provide the client with written notice of the decision and include the information referred to in subsection (2).

(4) A registered firm must as soon as possible ensure that an independent dispute resolution or mediation service is made available to a client at the firm’s expense with respect to a complaint if either of the following apply:

(a) after 90 days of the firm’s receipt of the complaint, the firm has not given the client written notice of a decision under subsection (3), and the client has notified the independent dispute resolution or mediation service specified under paragraph (2)(c) that the client wishes to have the complaint considered by the service;

(b) within 180 days of the client’s receipt of written notice of the firm’s decision under subsection (3), the client has notified the independent dispute resolution or mediation service specified under paragraph (2)(c) that the client wishes to have the complaint considered by the service.

(5) Subsection (4) does not apply unless the client agrees that any amount the client will claim for the purpose of the independent dispute resolution or mediation service’s consideration of the complaint will be no greater than \$350,000.

(6) For the purposes of the requirement to make available an independent dispute resolution or mediation service under subsection (4), a registered firm must take reasonable steps to ensure that OBSI will be the service that is made available to the client.

- (7) Subsection (6) does not apply in Québec.
- (8) This section does not apply in respect of a complaint made by a permitted client that is not an individual.

3. Paragraph 14.2(2)(j) is replaced with the following:

- (j) disclosure of the firm's obligations if a client has a complaint contemplated under section 13.16 [*dispute resolution service*] and the steps that the client must take in order for an independent dispute resolution or mediation service to be made available to the client at the firm's expense;

4. Transition – firms that registered before September 29, 2009

Except in Québec, section 13.16 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended by this instrument, does not apply to a registered dealer or registered adviser if

- (a) the dealer or adviser first registered in a jurisdiction of Canada before September 29, 2009, and
- (b) the complaint was received by the firm on or before August 1, 2014.

5. Transition – firms that registered between September 28, 2009 and April 30, 2014

Section 13.16 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended by this instrument, does not apply to a registered dealer or registered adviser if

- (a) the dealer or adviser first registered in a jurisdiction of Canada during the period commencing on September 28, 2009 and ending on April 30, 2014,
- (b) the complaint was received by the firm on or before August 1, 2014, and
- (c) the firm complies with section 13.16 of that National Instrument as that provision was in force on April 30, 2014.

6. Coming into force

This Instrument comes into force on May 1, 2014.