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February 20, 2023

Me Philippe Lebel  
Corporate Secretary and Executive Director, Legal Affairs  
Autorité des marchés financiers  
Place de la cité, Comipar Tower  
2640 Laurier Boulevard, 3rd Floor.  
Quebec City, Quebec  
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Dear Me Lebel:

Re: **Proposed Regulation on Complaint Processing and Dispute Resolution**

The Investment Industry Association of Canada (the "IIAC") appreciates the opportunity to comment on the Autorité des marchés financiers (the "AMF") proposed Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector (the "Draft Regulation").

The IIAC is the national association representing investment firms that provide the vast majority of products and services to Canadian retail and institutional investors.

Our members manufacture and distribute a variety of securities including mutual funds and other managed equity and fixed income funds and provide a diverse array of portfolio management, advisory and non-advisory services both in Quebec and across Canada.

## Overview

The Draft Regulation remains unnecessary for CSA and New SRO members due to both National Instrument 31-103 (NI 31-103)<sup>1</sup> and New SRO rules. The Draft Regulation continues to provide

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<sup>1</sup> This submission has considered that section 13.14(2) of NI 31-103 provides that in Québec, a registered firm is deemed to comply with this Division if it complies with section 168.1.1 to 168.1.3 of the Securities Act (Québec).

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both significant contradiction and unnecessary duplication to the detriment of those conducting business both inside and outside the province of Quebec and their clients.

**A. Key Contradictions with the CSA and the New SRO**

The following contradictions do not serve the public interest and give rise to investor and market harm:

**i) Definition of Complaint Remains Excessively Broad**

Service issues are outside the scope of regulatory jurisdiction for good reason. They do not relate to the trading or advising activity of a registrant or any breach of securities law. Resources of both regulators and registrants should focus on matters of serious misconduct, rather than be unwisely diverted to minor matters. The definition of complaint in the Draft Regulation should therefore be changed to align with that of the New SRO/NI 31-103.

**ii) Imprudent Investigation Periods**

Investor complaints deserve careful consideration. A sensible and attentive investigation of an investor complaint, which often involves communications with multiple individuals, and analysis of multiple accounts, requires at least 90 days or more, as reflected in both NI 31-103 and New SRO rules. A 90 day or more investigation period recognizes the importance of the issues to the investor by allowing for appropriate investigation.

Section. 12(5) of the Draft Regulation mischaracterizes a 90-day investigation period as “warranted by circumstances that are exceptional or beyond [registrant] control”. This language, along with the 60-day investigation period in s. 12(4) of the Draft Regulation, should be deleted.

**B. Further Recommendations For Alignment**

As the AMF is a member of the CSA and as New SRO members are subject to the oversight of the AMF, the following is recommended to avoid unnecessary duplication and inconsistency for the benefit of registrants conducting business both inside and outside the province of Quebec and their respective clients:

**i) Reporting of Complaints**

For New SRO members and CSA members, reporting of complaints in accordance with New SRO /NI 31-103 definitions and timelines should continue.

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**ii) The Exclusion of the Judicial Process**

Any matter that is the subject of a civil suit or arbitration should be exempted from continued exchanges with the complainant in section 14 of the Draft Regulation. This maintains the integrity of the regulatory and judicial systems.

**iii) Reasonable Delegation**

The ability under section 24 of the Draft Regulation to assign certain complaints to other staff, not under the functional supervision of the complaints officer, should be extended to financial intermediaries.

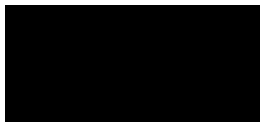
**iv) Outside Activities**

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The extent of activities outside the registrant and information regarding those outside activities are often unknown. Section 15 of the Draft Regulation should be removed.  
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In light of the key contradictions with the New SRO and CSA set out in Section A, proposed transition periods for the Draft Regulation are currently premature and inadequate.

We remain happy to discuss.

Sincerely,



Laura Paglia  
President & Chief Executive Officer

cc. Jasmin Jabri