



February 20, 2023

DELIVERED BY EMAIL

Mr. Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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Dear Mr. Lebel:

RE: Comments on the draft *Regulation respecting complaint processing and dispute resolution in the financial sector* (the “Regulation”)

Thank you for the opportunity to provide comments on the Regulation published by the Autorité des marchés financiers (“**AMF**”) on December 8, 2022.

Fidelity Investments Canada ULC (“**Fidelity**”, “**we**”, “**us**”, “**our**”) is the third largest mutual fund company in Canada. As at February 16, 2023, Fidelity managed more than \$200 billion (CAD) in retail mutual funds and institutional assets. For over 75 years, including 35 years in Canada, Fidelity has put investors first by working hard to help them achieve their financial goals.

Introduction

We appreciate that the Regulation seeks to ensure the fair processing of consumer complaints in the financial sector, and once again we are pleased to offer feedback as part of our shared commitment to improving outcomes for investors.

While we recognize that this Regulation is intended to harmonize the processing of complaints in the various financial sectors in Québec, it is inconsistent with applicable national and self-regulatory organization rules in other Canadian jurisdictions. We strongly believe that it would cause undue regulatory burden for dealers and advisors regulated by the New Self-Regulatory Organization of Canada (the “**New SRO**”) to comply with a different complaint handling process in Québec. For firms like Fidelity that operate in multiple jurisdictions in Canada, the Regulation would result in an inefficient and confusing complaint handling process in order to implement its unique requirements.

Our comments follow in more detail below, and we hope that you will find them constructive. In addition, we are generally supportive of the comments submitted by the Conseil des fonds d’investissement du Québec (“**CFIQ**”).

Comments

Harmonization

We believe it is essential that harmonized standards for complaints be adopted across Canada and reiterate¹ that having a different complaint processing system for Québec would impose an unreasonable regulatory burden at a time when the Canadian Securities Administrators (“CSA”) include reducing regulatory burden as a strategic goal.

The development of the New SRO and harmonized rulebook currently underway is intended to reduce duplicative regulatory burden and complexity, and make it easier for dealers to serve Canadians, regardless of region.² We believe that the AMF’s Regulation would disharmonize complaint handling in Québec from the rest of Canada and would necessitate redundant policies and procedures and avoidable regulatory burden for firms registered in multiple jurisdictions.

In our view, the AMF has not provided any significantly enhanced investor benefits in the Regulation, or an adequate justification for proposing to disharmonize securities regulations. We believe the New SRO is well positioned to implement robust standards for complaint handling and dispute resolution in a consistent manner across Canada.

Complaint Resolution Timeline

The AMF’s Regulation proposes a 60-day requirement for firms to respond to complaints, which may result in investor and industry confusion and inefficiencies. The New SRO currently has a 90-day requirement for a firm to respond to a complaint. In line with our comments regarding harmonization, having separate timelines for response periods would add unnecessary complexity for firms doing business in Québec and across Canada. In addition, we note that National Instrument 31-103 also allows up to 90 days for the submission of a written response to a complaint.

Imposing a shorter response period for Québec could also lead to unfairness in complaints processes servicing multiple jurisdictions, as firms may have to consider prioritizing complaints originating in Québec over those in other provinces and territories to meet the shorter response deadline.

We therefore recommend a 90-day response period to align with the current standard of the New SRO. The CSA and New SRO will have the opportunity to consider revising this standard as they work on developing the New SRO rulebook.

We also acknowledge that in our experience some complaints cannot be readily resolved within 90 days. We recommend removing the requirement to provide in the acknowledgement letter an ‘expected timeframe’, as this can lead to expectations of a resolution when unforeseen factors may cause delays. In its place, we recommend providing the maximum time period of which a response is required as per the regulation, which may be supplemented by an additional 30 days if required in complex situations.

¹ [Comment Letter received from Bradley Prince \(Fidelity Investments Canada ULC\) Re: Regulation respecting complaint processing and dispute resolution in the financial sector \(lautorite.gc.ca\)](#)

² <https://www.securities-administrators.ca/news/new-self-regulatory-organization-of-canada-and-canadian-investor-protection-fund-officially-launch/>

Definition of “complaint”

While we appreciate that the Regulation has expanded the definition of complaint and introduced a simplified process for complaints that can be resolved within 10 days of receipt, we maintain that service level complaints should not be included in the complaint definition.

We recommend that the administrative measures stipulating the reporting procedure to the AMF exclude the reporting of service level and other non-regulatory complaints to reduce administrative burden. These exclusions should not necessarily be based on a short response time (e.g., 10 days) as there may be regulatory complaints resolved within 10 days that should still be reported to the AMF.

Transition

We agree with the CFIQ that the six-month window for implementation contemplated by the AMF would not be sufficient to develop the new policies, processes, and training of individuals to give effect to the Regulation as proposed. We would therefore recommend a transition period of 18 months following the publication of the final regulation.

Conclusion

We strongly encourage the AMF to harmonize its regulatory framework for handling complaints with the New SRO rules. We believe that having a different complaint processing system for Québec investors would impose an unreasonable regulatory burden and may detriment the complaints resolution process for other Canadian investors.

Thank you again for the opportunity for Fidelity to provide this submission. If you have any questions or comments, please contact Bradley Prince, VP Compliance and Risk Management, by email at [REDACTED]

Yours sincerely,

[REDACTED]

Bradley Prince
VP Compliance and Risk Management

c.c. Sian Burgess, SVP, Fund Oversight