



December 8, 2021

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 *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 September 9, 2021.

Fidelity Investments Canada ULC (“**Fidelity**”) is the third largest mutual fund company in Canada. Fidelity manages over \$200 billion in retail mutual funds and institutional assets. For over 70 years, including 34 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 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 Quebec, it is inconsistent with applicable national and self-regulatory organization rules in other Canadian jurisdictions. For firms like Fidelity that operate in multiple jurisdictions in Canada, we believe the Regulation would create an unreasonable regulatory burden.

We also note that the Regulation introduces a much broader definition of “complaint”. It includes client dissatisfactions that can be resolved in the normal course of business, and processing in the same manner, which could negatively impact clients by introducing a more onerous and lengthy process than is necessary. In addition, there would be increased regulatory burden and costs associated with the development of complaint processing systems that we do not view as being justified by this type of dissatisfaction.

Our comments follow in more detail below, and we hope that you will find them constructive.

Comments

Harmonization and response time

We believe it is essential that harmonized standards for complaints be adopted across Canada. Having a different complaint processing system for Quebec would impose an unreasonable regulatory burden at a time when the Canadian Securities Administrators (“**CSA**”) state reducing regulatory burden as a priority.

The AMF adopting a 60-day requirement for firms to respond to complaints may result in investor and industry confusion and inefficiencies. The CSA are in the process of establishing a new self-regulatory organization (“**SRO**”) to amalgamate the functions of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and the Mutual Fund Dealers Association of Canada (“**MFDA**”). These organizations currently have a 90-day requirement for a firm to respond to a complaint. We recommend keeping the 90-day response period and giving the CSA and new SRO an opportunity to consider this issue in Canada. In addition, we note that National Instrument 31-103 also allows up to 90 days for the submission of a written response.

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

We also acknowledge that in our experience some complaints cannot be readily resolved within 90 days. We therefore note the need for flexibility to grant an extension in these complex cases, provided we receive agreement from the client to provide a resolution beyond 90 days.

Definition of “complaint”

We believe that the definition of complaint as proposed in the Regulation will significantly increase the number of complaints to be processed. The definition does not differentiate between a regulatory complaint and a service complaint or dissatisfaction. A regulatory complaint would be subject to the processing set out in the Regulation, whereby an acknowledgement of receipt is sent, and a final response is provided in writing. Instances of dissatisfaction with a service that can be resolved within a reasonable amount of time and in the normal course of business should be excluded from the definition of “complaint”, or have the possibility to be resolved verbally over the phone or by email in the normal course of business.

Complaints officer

We would appreciate further clarification on which tasks a complaints officer can delegate. For greater certainty we would also inquire as to who may be included in the “staff responsible for processing complaints”. Particularly, would this include only members of the complaints officer’s team, or would it extend to different business units depending on the subject matter and severity of the complaint.

Complaint drafting assistance service

We believe that providing a complaint drafting assistance service to any client expressing a need for it would place us in a conflict of interest. We recommend removing this requirement and any reference to this service from the Regulation.

If the AMF considers a complaint drafting assistance service essential for clients, we recommend that this service be provided by an independent party, such as the AMF itself.

Transition

The amendments proposed in the Regulation are significant, and we therefore recommend a minimum transition period of 24 months after the Regulation comes into force.

Conclusion

We strongly encourage the AMF to harmonize the Regulation with the standards in place across other Canadian jurisdictions. We believe that having a different complaint processing system for Quebec 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

