

Guidance intended for independent representatives and firms with only one representative – all sectors

Under the *Act respecting the distribution of financial products and services*,¹ the *Autorité des marchés financiers* (AMF) requires that every firm, independent partnership and independent representative (“registrant”), regardless of sector, examine complaints received from clients in a fair and equitable manner. To do so, a registrant must in particular:

1. Examine each complaint equitably.
2. Establish a complaint management policy.
3. Forward a copy of the complaint file to the AMF, when requested to do so by a client.
4. Prepare and file a complaint report with the AMF.

These requirements are intended to help ensure the protection of consumers of financial products and services through the monitoring of commercial practices carried out by registrants.

Eighteen months ago, the AMF, together with the Financial Services Commission of Ontario, launched a new electronic system intended to reduce the administrative burden of reporting complaints to the AMF. Based on the results to date, the AMF has noted that many independent representatives and firms with only one representative receive no complaints.

To further reduce the administrative and regulatory burden, the AMF has decided that independent representatives and firms with only one representative are no longer required to file a report where no complaints have been received. In other words, if an independent representative or a firm with only one representative does not submit a complaint declaration, the AMF will assume that no complaints have been received by the registrant. **Of course, upon receipt of a complaint**, these registrants will still be required to declare the complaint according to the established procedures.

This decision stems from the AMF’s intention to strike a balance between measures intended to protect consumers and related requirements imposed on regulated entities. The AMF does not believe that its decision will compromise the protection of the public’s interests.

The AMF will continue to expect compliance with all other complaint examination requirements set out in sections 103 to 103.2 of the *Act respecting the distribution of financial products and services*.

This guidance is effective as of the declaration period beginning on January 1, 2007.

¹ *Act respecting the distribution of financial products and services*, R.S.Q. c. D-9.2, sections 103 to 103.2