

## ANNEX A

### PROPOSED 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. *Subsection 13.14(2) is amended by replacing “168.1.3” with “168.1.4”.*
3. *The Instrument is amended by adding the following sections:*

#### **13.15.1 Prohibited terminology**

- (1) A registered firm must not describe the complaint handling procedures, officers or employees of the registered firm or an affiliate of the registered firm, in a manner that could lead a reasonable client to conclude that the procedures, officers or employees are independent of the registered firm.
- (2) For greater certainty, and without limiting subsection (1), a registered firm must not refer to a department or service of the registered firm or an affiliate that engages in complaint handling with respect to complaints of the registered firm as independent, or as an ombudsman, internal ombudservice, or a term that is substantially similar.

#### **13.16.01 Definitions – complaint handling**

In sections 13.16 and 13.16.1,

"complaint" means an expression of dissatisfaction by a client that

- (a) relates to a 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 client's expression of dissatisfaction;

"identified ombudservice" means an independent dispute resolution service that is incorporated as a not-for-profit entity and is designated or recognized by the securities regulatory authority.

"OBSI" means the Ombudsman for Banking Services and Investments or any successor entity that resolves disputes involving registrants and their clients.

4. *The heading of section 13.16 is amended by adding “offered to clients” after “service”.*
5. *Section 13.16 is amended:*
  - (a) *by repealing subsection (1),*
  - (b) *in paragraph (2)(a) by deleting “this” and adding “13.16 and if applicable, subsections 13.16.1(1) and (2)” after “section”,*
  - (c) *in paragraphs (2)(b) and (c) by replacing “under” with “pursuant to”,*
  - (d) *by adding the following subsection:*
    - (6.1) Despite subsection (6), if there is an identified ombudservice, the registered firm must make the identified ombudservice available to the client for the purposes of the requirement to make available an independent dispute resolution or mediation service under subsection (4)., **and**
  - (e) *in subsection (7) by replacing “Subsection (6) does” with “Subsections (6) and (6.1) do”.*

**6. The Instrument is amended by adding the following section:**

**13.16.1 Firm obligations relating to an identified ombudservice**

- (1) If there is an identified ombudservice, a registered firm must
    - (a) be a member of the identified ombudservice;
    - (b) not withhold, destroy or conceal any information or documents or otherwise fail to cooperate with a reasonable request made by the identified ombudservice in respect of its investigation and review of a complaint;
    - (c) promptly comply with a final decision of the identified ombudservice.
  - (2) Paragraphs (1)(b) and (1)(c) do not apply unless the client agrees that any amount the client will claim for the purpose of the identified ombudservice's consideration of the complaint will be no greater than \$350,000.
  - (3) This section does not apply in respect of a complaint made by a permitted client that is not an individual.
7. The provisions of Division 5 of Part 13 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended by this Instrument, do not apply to a complaint received by the firm prior to the effective date of this Instrument.
  8. A firm must comply with Division 5 of Part 13 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* as it read on [•] with respect to complaints received by the firm prior to the effective date of this Instrument.
  9. (1) This Instrument comes into force on [•].
    - (2) In Saskatchewan, despite subsection 1), if this Instrument is filed with the Registrar of Regulations after [•], this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.