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ARTICLE

Client-focused registrant reform deadlines postponed due to COVID-19

In recognition of the disruption to business as usual for registrants due to COVID-19, the Canadian Securities Administrators (CSA) announced relief on April 16, 2020 that adjusts the implementation dates for certain aspects of the client-focused rule amendments to National Instrument 31-103, originally published in October 2019. [CSA Notice 31-357](#) provides notice of two blanket orders adopted by each applicable member of the CSA, which have the following effects:

- moving the effective date of the new conflicts of interest provisions provided for in the client- focused reforms from December 31, 2020 to June 30, 2021 ([view the OSC order here](#)); and
- moving the effective date for new disclosures in relationship disclosure documents (RDI), also required as part of the client-focused reform amendment package, from December 31, 2020 to December 31, 2021 ([view the OSC order here](#)).

The CSA reinforce in the Notice that all other deadlines remain the same. They also explain that in conjunction with the conflicts of interest provisions, firms will need to disclose material conflicts of interest to clients before opening an account, or in a timely manner after they are identified. This disclosure obligation is separate from the RDI and will be effective on June 30, 2021.

IIROC and the MFDA have agreed to these effective date changes. We expect that the amendments to their rules to give effect to the client-focused reforms will be published in June or later this summer.

We also note that IIROC has given its members notice that the plain language IIROC rulebook, which was to come into force by June 1, 2020, will become effective on December 31, 2021. This change in effective date is again in recognition of the disruption caused by the pandemic.

Finally, the CSA still encourages registrants to work on implementing the client-focused reforms within the original timing, notwithstanding the new implementation timelines. They also ask registrants to consider the reforms when interacting with clients given the increased reliance by clients on registrants during this challenging time.

BLG's [Investment Management Group](#) would be pleased to work with you to assist you in your implementation of the Client Focused Reforms. Please see the links to our earlier publications in the Related Content section below for more information, and get in touch with any of the lawyers listed as key contacts.

BLG has created a [COVID-19 Resource Centre](#) to assist businesses on a variety of topics, including capital markets, contractual risks, tax and public disclosure requirements. We reported on [developments affecting registrants and funds in our March 19 article](#).


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