MFDA 2017 Annual Enforcement Report: New Focus on Dealer Sales Incentives

May 03, 2018

The Mutual Fund Dealers Association of Canada (MFDA) released its2017 enforcement report(press releasehere). In addition to the new focus on sales incentives, the volume of pre-signed blank form enforcement cases remained near its 2016 high.

Highlights of the report include:

- 121 proceedings commenced and 133 proceedings concluded in 2017 which are both the highest number of proceedings commenced and concluded by the MFDA in any year to date.
- Concluded hearings resulted in 22 permanent prohibitions and 48 suspensions against Approved Persons and total fines of $8,498,250 and $536,500 in costs against Members and Approved Persons.
- The completion of the first proceeding against a dealer by any Canadian securities regulator addressing sales incentives, marketing and educational practices under National Instrument 81-105.
- Pre-signed forms remained the most common allegation in proceedings commenced and cases opened at case assessment.

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