

Blakes Bulletin

Financial Services/Securities Regulation

New Complaint-Handling Rules in Banking and Securities Industries

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INTRODUCTION

This bulletin will be of interest to federally regulated financial institutions (FRFIs) and investment firms that are participating firms in the Ombudsman for Banking Services and Investments (OBSI) (Participating Firms). This bulletin will also be of interest to investment firms that are members of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) (Member Firms).

OBSI is an independent body that investigates complaints about products and services provided by financial institutions and investment firms. Its objective is to provide impartial resolution of complaints. Membership in OBSI is voluntary.

REVISED TERMS OF REFERENCE AND NEW COMPLAINT RULES

On January 27, 2010, OBSI announced the implementation of its Revised Terms of Reference effective February 1, 2010. OBSI's Revised Terms of Reference were approved by OBSI's board on October 27, 2008; however, the implementation was delayed to coincide with the implementation of new complaint-handling rules in the securities industry (New Complaint Rules). Amendments to IIROC's Dealer Member Rules 19, 37 and 2500 (to view, click [here](#)) and amendments to MFDA Policy No. 3 (to view, click [here](#)) are also effective February 1, 2010.

The Revised Terms of Reference describe OBSI's principal powers and duties, the scope of its mandate, its process for receiving, investigating and seeking a resolution of a complaint and the duties of Participating Firms. For a summary of the amendments, see our April 2009 [Blakes Bulletin on Financial Services: *Financial Institutions Regulatory Update*](#). To see the Revised Terms of Reference, click [here](#).

While membership in OBSI is voluntary, Participating Firms are required to comply with their obligations as set out in the Revised Terms of Reference. All Member Firms (regardless of whether they are also Participating Firms) are required to comply with the New Complaint Rules.

The new complaint-handling procedures and enhanced disclosures required by the new rules described above will impose additional requirements and specific time-frames within which Participating Firms and Member Firms will be required to process their complaints. We recommend that Participating Firms and Member Firms review their complaint-handling procedures and their correspondence with complainants to ensure compliance.

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