



Canadian Securities
Administrators

Autorités canadiennes
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CSA publishes guidance for know-your-client, know-your-product and suitability obligations

Toronto – The Canadian Securities Administrators (CSA) today published CSA Staff Notice 31-336 *Guidance for Portfolio Managers, Exempt Market Dealers and Other Registrants on the Know-Your-Client, Know-Your-Product and Suitability Obligations* (Notice).

Today's Notice is in response to a number of compliance oversight reviews where CSA staff concluded that additional guidance for registrants, such as Portfolio Managers (PMs), Exempt Market Dealers (EMDs), and other registrants who are not members of a self-regulatory organization (SRO) is required to enhance overall compliance with these important regulatory obligations.

“The know-your-client (KYC), know-your-product (KYP) and suitability obligations are among the most fundamental obligations owed by registrants to their clients and are cornerstones of the Canadian investor protection regime,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “We strongly encourage registrants to conduct a thorough review of their current practices in the context of the guidance published today in order to ensure compliance with these obligations.”

The CSA recommends that registrants use the Notice as a self-assessment tool to improve their system of internal controls and supervision, and as a means to promote compliance and manage risk. Going forward, CSA staff will continue to closely monitor registrants' compliance in these areas and will take appropriate regulatory action if necessary to ensure such compliance.

CSA Staff Notice 31-336 is available on various CSA member websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

- 30 -

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