

ANNEX B

BLACKLINE SHOWING PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*

Division 5 Complaints

13.14 Application of this Division

- (1) This Division does not apply to an investment fund manager in respect of its activities as an investment fund manager.
- (2) In Québec, a registered firm is deemed to comply with this Division if it complies with sections 168.1.1 to ~~168.1.3~~168.1.4 of the *Securities Act* (Québec).

13.15 Handling complaints

A registered firm must document and, in a manner that a reasonable investor would consider fair and effective, respond to each complaint made to the registered firm about any product or service offered by the firm or a representative of the firm.

~~13.16 Dispute resolution service~~

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

~~(1)~~In ~~this section,~~sections 13.16
and 13.16.1,

"complaint" means ~~a complaint~~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 ~~complaint~~client's expression of dissatisfaction;

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"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.

13.16 Dispute resolution service offered to clients

(1) [Repealed]

- (2) If a registered firm receives a complaint from a client, the firm must, as soon as possible, provide the client with a written acknowledgement of the complaint that includes the following:
- (a) a description of the firm's obligations under ~~this~~ section 13.16 and if applicable, subsections 13.16.1(1) and (2);
 - (b) the steps that the client must take in order for an independent dispute resolution or mediation service to be made available to the client ~~under~~ pursuant to subsection (4);
 - (c) the name of the independent dispute resolution or mediation service that will be made available to the client ~~under~~ pursuant to subsection (4) and contact information for the service.
- (3) If a registered firm decides to reject a complaint or to make an offer to resolve a complaint, the firm must, as soon as possible, provide the client with written notice of the decision and include the information referred to in subsection (2).
- (4) A registered firm must as soon as possible ensure that an independent dispute resolution or mediation service is made available to a client at the firm's expense with respect to a complaint if either of the following apply:
- (a) after 90 days of the firm's receipt of the complaint, the firm has not given the client written notice of a decision under subsection (3), and the client has notified the independent dispute resolution or mediation service specified under paragraph (2)(c) that the client wishes to have the complaint considered by the service;
 - (b) within 180 days of the client's receipt of written notice of the firm's decision under subsection (3), the client has notified the independent dispute resolution or mediation service specified under paragraph (2)(c) that the client wishes to have the complaint considered by the service.
- (5) Subsection (4) does not apply unless the client agrees that any amount the client will claim for the purpose of the independent dispute resolution or mediation service's consideration of the complaint will be no greater than \$350,000.
- (6) For the purposes of the requirement to make available an independent dispute resolution or mediation service under subsection (4), a registered firm must take reasonable steps to ensure that OBSI will be the service that is made available to the client.
- (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);
- (7) ~~Subsection~~ Subsections (6) ~~does~~ and (6.1) do not apply in Québec.
- (8) This section does not apply in respect of a complaint made by a permitted client that is not an individual.

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