

**CAFIL Analysis of Original September 2021 Draft Regulation versus December 2022 Updated/Revised Draft Regulation of the AMF’s “Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector”**

**Background Information**

The AMF published a proposed draft of a new ‘Regulation respecting Complaint Processing and Dispute Resolution in the Financial Sector’ on 6 September, 2021, for consultation and industry feedback. CAFIL made a written submission on that draft to the AMF on 8 December, 2021.

More recently, the AMF published a new draft of the proposed Regulation on 6 December, 2022 and has begun a second round of consultation focusing on the revised draft, with a deadline for written submissions of **6 February, 2023**.

The AMF will hold a virtual information session on the revised/updated draft of the ‘Regulation respecting Complaint Processing and Dispute Resolution in the Financial Sector’ on **12 January, 2023, from 10.30 am to 12.00 pm EST**. CAFIL has clarified with the AMF staff executives leading this new consultation that the virtual information session will be held in French only, and there will not be a parallel virtual information session conducted in English.

Those who wish to participate in the French virtual information session can use this link: [AMF French Session on Complaints and Dispute Resolution Consultation](#). Keith Martin will attend this session and, thereafter, will provide a summary in English for CAFIL members.

Attached to this analysis are:

- the original 6 September, 2021 version of the Draft Regulation;
- CAFIL’s 8 December, 2021 written submission to the AMF on the original Draft Regulation;
- The updated/revised 8 December, 2022 version of the Draft Regulation; and
- The Notice accompanying the updated/revised 8 December 8, 2022 version of the Draft Regulation.

**Analysis**

CAFIL’s 8 December, 2021 written submission to the AMF on the original Draft Regulation emphasized that our Association supported streamlined processes for complaints and dispute resolution, and noted that CAFIL members have strong processes in place to achieve desired consumer protection and related regulatory outcomes. Our submission also stressed that the original Draft Regulation was overly prescriptive:

*CAFI member companies are financial institutions and insurers which have long had robust and comprehensive complaints and dispute resolution processes in place. From that perspective, our Association believes that regulators should communicate their expectations through broad principles, and leave to individual regulated entities the mechanics and details of how the consumer outcomes associated with those principles will be achieved. Such a principles-based approach is, in our view, more efficient and effective than a prescriptive approach because it avoids a situation in which a regulator is dictating to businesses how to manage the details of their operations.*

The comparison table below provides examples of how the AMF has softened much of the prescriptive language in the original Draft Regulation.

CAFI's submission also requested a three-year transition period (the original Draft Regulation was silent on the implementation time period). In response, the AMF has said that industry will have until 1 January, 2024 to implement the Regulation. The particulars of its response, found in its "Notice" about the December 2022 updated/revised Draft Regulation, are as follows:

*The Authority is aware that financial institutions, financial intermediaries and credit assessment agents will have to make certain adjustments to their policies, processes and procedures relating to complaint processing and dispute resolution in order to comply with the requirements of the Draft Regulation. It is therefore proposing a transition period between the publication and coming into force of the regulation.*

*The Authority is of the opinion that it is important to coordinate the date of coming into force of the regulation with the beginning of the period for reporting complaints to the Authority, which runs from January 1 to December 31. This approach would prevent overlap between applicable frameworks during a complaint reporting period, should another coming into force date be set.*

*The Authority is of the view that a coming into force date of January 1, 2024 would provide financial institutions, financial intermediaries and credit assessment agents with a sufficient transition period. It asks the financial sector to provide evidence corroborating any comments proposing a different transition period.*

*The Authority will roll out various initiatives to promote this new framework and provide the financial sector with assistance in implementing it. It also plans to propose a complaint processing and dispute resolution policy template reflecting the elements to be covered by the policy adopted by financial intermediaries.*

<u>Original Draft Regulation</u>	<u>CAFI Written Feedback on Original Draft Regulation</u> <i>(Note: from English version of submission, although the letter was sent in French only)</i>	<u>New Draft Regulation</u>	<u>Comparison and Analysis</u>
<p>A financial institution or financial intermediary must provide a complaint drafting assistance service to any person expressing a need for it who is a member of the clientele of the financial institution or financial intermediary.</p> <p>A credit assessment agent must do likewise in respect of any person concerned by a record that it holds.</p>	<p>We strongly disagree with the requirement in Clause 11 that regulated entities provide a “complaint drafting assistance service” for any person expressing a need for it. We support the concept that complaints processes must be simple and accessible, and that institutions need to ensure the fair treatment of customers. However, to ask a company to assist a customer in drafting a complaint – a complaint that is about and will be directed to that company itself -- produces, in our view, a clear conflict-of-interest. That readily apparent conflict-of-interest would not be beneficial to the complainant nor in any way be in his/her/their best interest. In practice, such a drafting assistance service would be extremely difficult to structure, resource, and implement. In our view, such a drafting assistance service would be much more appropriately offered by the AMF itself. That approach would avoid the conflict-of-interest challenge, and would be more efficient than having regulated entities each have to develop such an assistance service themselves.</p>	<p>A financial institution, financial intermediary or credit assessment agent must take the necessary actions to understand the complaints filed with it and, to this end, must, when necessary, assist complainants in making their complaints.</p> <p>When a financial institution, financial intermediary or credit assessment agent determines, in the course of its analysis, that a complaint it has received may have repercussions on other persons who are part of its clientele, it must take the necessary actions to remedy the complaint.</p>	<p>The reference to “provide a complaint drafting assistance service” is eliminated but there is still a requirement to “when necessary, assist complainants in making their complaints.”</p> <p>There is a new paragraph that is confusing, about having to resolve a complaint when it may have repercussions “on other persons who are part of its clientele.”</p>
<p>The financial institution, financial intermediary or credit assessment agent must, in due time, continue to manage any further exchanges with the complainant until no further action is required with respect to the complaint.</p> <p>It must particularly do so in the following situations:</p>	<p>We strongly disagree with the requirement set out in Clause 14 that a regulated entity must continue to manage a complaint through its existing processes even when a “complainant files an application or motion pertaining to elements of the complaint with a court or adjudicative body.” In our view, doing that would be entirely inconsistent with</p>	<p>A financial institution, financial intermediary or credit assessment agent must, after it has provided a complainant with the final response referred to in section 22 or the information referred to in section 25, continue to manage any further exchanges with the complainant in order to, in particular,</p>	<p>The section has been completely re-written and has entirely removed the reference to continuing to manage the complaint after it has been referred to a court.</p>

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<p>1. upon completing its analysis, it does not present the complainant with an offer to resolve the complaint;</p> <p>2. the complainant refuses the offer to resolve the complaint; or</p> <p>3. the complainant files an application or motion pertaining to elements of the complaint with a court or adjudicative body.</p>	<p>appropriate legal and good governance expectations. We believe that once a complainant decides to take his/her complaint or dispute to a court or adjudicative body, he/she has opted out of the company's internal complaint handling process; and therefore, the internal complaint process must be terminated and the file closed.</p> <p>We also recommend that a "carve out" be added to the Draft Regulation so that such court/adjudicative body files are excluded from the definition of "complaint" once that avenue is chosen by a complainant.</p>	allow the complainant to submit, if applicable, any new relevant facts, answer the complainant's questions or follow up on the complainant's comments.	
See clauses 27, 28, 29	With respect to Clauses 27, 28, and 29 on monetary penalties, we note that the AMF is giving itself the latitude to impose penalties for even very minor and trivial administrative errors. In our view, that would constitute regulatory overreach and be inconsistent with the AMF's expressed commitments to principles-based regulation and regulatory burden reduction.	See clauses 31, 32, 33	<p>The AMF has modified some of the language and conditions around monetary penalties in the updated Draft Regulation, but it maintains the same level of monetary penalties for the same infractions.</p> <p>However, in an important modification, the reference in the original draft as follows has been eliminated in the updated Draft Regulation:</p> <p>From original draft, clause 28.1: in contravention of the second paragraph of section 11, fails to offer, in the case of a credit assessment agent, a complaint drafting assistance service to any person expressing a need for it who is concerned by a record that the</p>

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			credit assessment agent holds
<p>“complaint” means any dissatisfaction or reproach in respect of a service or product offered by a financial institution or financial intermediary, or in respect of a practice of a credit assessment agent, that is communicated by a person who is a member of the clientele of the financial institution or financial intermediary, or, in the case of a credit assessment agent, by a person concerned by a record held by the credit assessment agent, that cannot be remedied immediately and for which a final response is expected.</p>	<p>The definition of “complaint” set out in Clause 3 as “... <i>any dissatisfaction or reproach in respect of a service or product offered by a financial institution or financial intermediary</i>” is very broad and sweeping; and thereby could capture very minor issues that a customer does not intend to bring forward as a “complaint.” In some instances, a customer verbally mentions, typically on the phone or in-person, a minor point of irritation -- which the customer just wants the company to be aware of – and the customer expressly states that he/she is not filing an official complaint about the issue, nor does he/she expect to receive any follow-up or response about it (e.g. “I was kept waiting on hold for very long time to speak to a customer service representative.”).</p> <p>In that same connection, in the definition of “complaint” the words “that cannot be remedied immediately” are used to qualify the definition. CAFI’s understanding is that this would exclude Level 1 complaints, when such complaints are remedied immediately to the complainant’s satisfaction. We request additional clarity on this point in the subsequent version of the Regulation.</p>	<p>“complaint” means any reproach or dissatisfaction in respect of a service or product offered by a financial institution or financial intermediary, or in respect of a practice of a credit assessment agent, that is communicated by a person who is a member of the clientele of the financial institution or financial intermediary, or, in the case of a credit assessment agent, by a person concerned by a record held by the credit assessment agent, for which a final response is expected.</p>	<p>The AMF has modified some of the language of what constitutes a complaint in the updated Draft Regulation, as follows:</p> <p><i>“complaint” means any reproach or dissatisfaction in respect of a service or product offered by a financial institution or financial intermediary, or in respect of a practice of a credit assessment agent, that is communicated by a person who is a member of the clientele of the financial institution or financial intermediary, or, in the case of a credit assessment agent, by a person concerned by a record held by the credit assessment agent, for which a final response is expected.</i></p> <p>For further clarification, the Notice on the updated/revised Draft Regulation states the following:</p> <p><i>Certain communications are not considered complaints and are therefore not subject to the Draft Regulation (e.g., when a consumer submits a request for information or documents or provides feedback to a financial institution, financial</i></p>

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			<i>intermediary or credit assessment agent). A claim filed with a financial institution (e.g., an insurer) is also not considered a complaint.</i>
<p>A financial intermediary must establish a complaint process in its complaint processing and dispute resolution policy that:</p> <ol style="list-style-type: none"> <li>1.objectively takes into account the interests of the complainant;</li> <li>2.is simple to follow and without cost to the complainant; and</li> <li>3.is documented in detail, including by procedures for analyzing complaints.</li> </ol>	<p>We recommend that Clause 4 should reference existing AMF and CCIR/CISRO regulatory expectations around the fair treatment of customers, including those outlined in the AMF's Sound Commercial Practices Guideline; and, to the extent practicable, clause 4's wording should align with those expectations.</p>	<p>A financial intermediary must adopt a complaint processing and dispute resolution policy that details how the complaints that it receives are processed, including how they are received, assigned, and analyzed and how responses and offers to resolve them are provided to the complainant.</p> <p>In addition, it must provide that the processing of complaints:</p> <ol style="list-style-type: none"> <li>1.is to objectively take into account the interests of the complainant; and</li> <li>2.is to be kept simple and free of charge for the complainant.</li> </ol>	<p>The language has been slightly modified in the updated/revised Draft Regulation but there is no explicit reference to existing AMF or CCIR/CISRO regulatory expectations.</p>
<p>The financial intermediary must include in its complaint processing and dispute resolution policy elements pertaining to staff responsible for processing complaints and to the assignment of complaints to them, including:</p> <ol style="list-style-type: none"> <li>1.the integrity, competence and experience requirements for staff responsible for processing complaints, in this case detailed knowledge of the products and services offered by the financial intermediary;</li> </ol>	<p>In Clause 7, it is not reasonable to expect the staff person responsible for processing complaints to have "detailed knowledge of the products and services offered by the financial intermediary," because there may be cases – particularly in large financial institutions/intermediaries – where there is a centralized complaints team and its complaints handling specialists rely on expertise from various areas of the business to be able to deal with complaints</p>	<p>The complaint processing and dispute resolution policy must set out the measures for assigning complaints to the staff responsible for processing complaints who are under the functional supervision of the complaints officer and have the necessary competence to process the complaints assigned to them.</p>	<p>The AMF has completely reworked this section, making it much broader and principles-based, and has attempted to address the concerns around Clause 7 noted in the CAFI submission.</p>

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<p>2.access at all times to information essential to the performance of the functions of this staff;</p> <p>3.instructions to ensure that clear and plain language is used in any interactions with complainants and that complainants understand the complaint process.</p>	<p>that arise related to particular areas of the business. We recommend that the wording here be modified to “have access to detailed knowledge and resources with respect to the products and services offered by the financial intermediary.”</p> <p>Similarly, we recommend that the following wording in Sub-Clause 7(2) with respect to staff responsible for complaint handling – i.e. should have “access at all times to information essential to the performance of the functions of this staff” – should be modified to reflect realistic expectations. It is not realistic, from a security and privacy perspective, to expect that a complaints officer will have unfettered access to all customer information. In some complaint matters, some customer information that is deemed pertinent will need to be requested from other areas of the company, rather than be directly and immediately accessible to the complaints officer. We suggest revised wording along these lines: “information that is essential to allow staff responsible for complaint handling to perform their duties should be available to those persons at all times.”</p> <p>We also want to point out that it will be impossible, particularly in a large company, for one person alone to perform the role of complaints officer -- because it will require him/her to process a huge number of complaint records, acknowledgement letters, and final responses.</p>	<p>As for the processing of the complaints contemplated in Division IV of Chapter III, it must also set out the measures for the assignment of such complaints by the financial intermediary to other staff who have the necessary competence to process them, where such complaints have not been assigned to the staff under the functional supervision of the complaints officer. If applicable, the policy must detail how such complaints are reviewed by the staff referred to in the previous paragraph.</p> <p>Lastly, it must set out the measures put in place by the financial intermediary to ensure anytime access to information essential for the processing of the complaints received by the staff referred to in the previous paragraphs.</p>	

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	<p>We therefore recommend that the Draft Regulation be amended to specify that complaints officers can delegate their responsibilities to another person; and that they may appoint a substitute, such as a compliance officer, if they are unable to act or in the case of a conflict-of-interest (e.g. a complainant who is a family member or an acquaintance). In this way, firms will be able to plan for the resources needed to comply with the requirements of the Draft Regulation while having controls in place to deal with delegations of authority. It is also quite possible, particularly within a small company, that a complaints officer will have other, unrelated duties and responsibilities. Given the Draft Regulation's prescriptive nature in this Clause and other places, it would be prudent to address the possibility of the above-noted situations in the Draft Regulation, particularly so that businesses are able to structure their resources effectively.</p>		
<p>Clause 10: The complaint processing and dispute resolution policy must provide that the reasons supporting a complaint will be analyzed to determine whether they may have repercussions for other persons who are members of the financial intermediary's clientele and to take measures to remedy them, if necessary.</p>	<p>We recommend that the language in Clause 10 should be modified in order to clarify whether or not the following interpretation is correct: the analysis referred to in clause 10 is not expected to be published or publicly released; rather, the mandated analysis is intended to be an internal effort by financial institutions and intermediaries, the goal of which is to determine if there are any systemic issues that are the root causes of complaints. In that same connection, we recommend that the AMF align its analysis</p>	<p>Clause 9: The complaint processing and dispute resolution policy must set out the measures put in place by the financial intermediary to develop a comprehensive view of the complaints received, particularly in order to ascertain the common causes of those complaints and address the issues that they raise.</p>	<p>The new clause reworks the statement to make it clearer that the intention is to understand the underlying causes of complaints. As well, the following Clause 9 from the original draft regulation has been eliminated:</p> <p>Original Draft, Clause 9: <i>The complaint processing and dispute resolution policy must provide that the</i></p>



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	requirements with the CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers around analysis of complaints, which is based on high-level principles.		<i>underlying causes of complaints that are processed will be analyzed periodically to identify causes common to the complaints and address the issues that they raise.</i>
<p>A financial institution, financial intermediary or credit assessment agent must process any complaint it receives in a diligent manner.</p> <p>Accordingly, it must, in particular:</p> <ol style="list-style-type: none"> <li>1.adequately document the processing of the complaint and establish a complaint record in accordance with section 16;</li> <li>2.enter the complaint in the complaints register and update the register based on the information set out in section 18;</li> <li>3.provide the complainant, in the manner set out in section 20, with the acknowledgement of receipt referred to in section 19;</li> <li>4.provide the complainant with a final response referred to in section 21 as soon as possible but not later than the 60th day following receipt of the complaint.</li> </ol>	<p>With respect to Clause 12, some complaints are quite simple to resolve while others that become escalated (Level 3 complaints) can be very complicated. A 60-day resolution deadline could be quite challenging to meet with respect to more complicated, escalated complaints. It is also not clear to CAFII whether the 60-day deadline includes the time required for the heretofore-called “internal ombudsperson” process to be utilized (which will now be an escalation that is managed by an internal “complaints officer”).</p>	<p>A financial institution, financial intermediary or credit assessment agent must process any complaint it receives in a diligent manner.</p> <p>The same applies to reviews, if applicable, of the complaints contemplated in Division IV of this chapter.</p> <p>To this end, it must, in particular:</p> <ol style="list-style-type: none"> <li>1.properly document the processing of the complaint and establish a complaint record in accordance with section 16;</li> <li>2.enter the complaint in the complaints register and update the register based on the information set out in section 18;</li> <li>3.provide the complainant, in the manner set out in Section 20, with the acknowledgement of receipt referred to in section 19;</li> <li>4.provide the complainant with a final response referred to in</li> </ol>	<p>While the original draft clauses all remain in the updated draft, the AMF has added a new Clause 5 which provides some wiggle room for complicated complaints by providing for the possibility of a 90 day period to provide a final response. Essentially, the AMF is saying it would prefer a 60 day period but will accept up to 90 days where warranted.</p>

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		<p>section 22 as soon as possible but not later than the 60<sup>th</sup> day following receipt of the complaint; and</p> <p>5. despite subparagraph 4 and where warranted by circumstances that are exceptional or beyond its control, provide the complainant with a final response referred to in section 22, in writing, as soon as possible but no later than the 90<sup>th</sup> day following receipt of the complaint.</p>	
The amount of time given must be sufficient to allow the complainant the opportunity to seek advice for the purpose of making an enlightened decision.	We believe that use of the word ‘enlightened’ in “to allow the complainant the opportunity to seek advice for the purpose of making an enlightened decision” is an improper use of that word in English; and the intent would be better captured by using the word ‘informed’ instead.	The amount of time given must be sufficient to give the complainant the opportunity to seek advice for the purpose of making an enlightened decision.	The AMF has ignored this suggestion and kept the word “enlightened.”
If a complaint concerns several financial institutions, financial intermediaries or credit assessment agents, the institution, intermediary or agent receiving the complaint must notify the complainant in writing within 10 days following receipt of the complaint, stating that the complainant must also file the complaint with the other financial institutions.	With respect to Clause 15, there are some complaints where multiple issues are raised, including a variety of complaints that may not be related or even all directed at the same company. If a company receiving a complaint has to resolve it in coordination with another company, such as a business partner (an example being an insurance distributor receiving a complaint that also involves its insurance underwriter), it is reasonable to expect that the company receiving the complaint would advise the complainant that he/she needs to file the complaint	If a financial institution, financial intermediary or credit assessment agent notices that a complaint involves several institutions, intermediaries or agents, it must notify the complainant, explaining the extent to which the complaint involves them. The institution, intermediary or agent must also inform the complainant of his or her right to file a complaint about it and must provide the complainant with any	<p>The AMF has not really addressed the issue raised by CAII about multiple issues being raised in a complaint, but it has added clarifying language in its updated/revised Draft Regulation that allows the financial institution to tell the complainant that it must address its complaint to other institutions. The changes are as follows:</p> <p><i>If a financial institution, financial intermediary or credit assessment agent notices that a</i></p>

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	with the other company him/herself, and to provide the other company's contact information. It should be specified, however, that if the complainant is filing a multiple issues complaint which includes concerns about another company – which concerns the company receiving the complaint cannot address and resolve because they are not connected to them – then the receiving company should not be expected to provide any information about the 'not applicable' aspect(s) of the complaint in response to the complainant.	information held by it that would allow the complainant to file such a complaint.	<i>complaint involves several institutions, intermediaries or agents, it must notify the complainant, explaining the extent to which the complaint involves them. The institution, intermediary or agent must also inform the complainant of his or her right to file a complaint about it and must provide the complainant with any information held by it that would allow the complainant to file such a complaint.</i>
<p>The complaint record that the financial institution, financial intermediary or credit assessment agent must open for any complaint received by it must contain the following documents and information:</p> <p>1.the complaint and, if the complainant requested the complaint drafting assistance service, the complainant's initial communication;</p> <p>2.a copy of the acknowledgement of receipt referred to in section 19 sent to the complainant;</p> <p>3.any document or information used in analyzing the complaint, including any exchanges with the complainant; and</p> <p>4.a copy of the final response provided to the complainant.</p> <p>The complaint record must be established such that the documents and information it contains are in a precise form</p>	<p>In Clause 16, we recommend avoiding the use of “any,” which implies “all,” as a modifier of “document or information” in subsection (3); and instead the Regulation should specify a pertinent threshold, because not every communication with the customer needs to be captured. We recommend that the Regulation should specify “the acknowledgement and final response letter to the complainant” as that pertinent threshold.</p> <p>Also in Clause 16, instead of using the term “precise form” which does not carry sufficient meaning in English, we recommend the use of “clear, accurate, and not misleading.”</p>	<p>The complaint record that the financial institution, financial intermediary or credit assessment agent must open for any complaint received by it must contain the following documents and information:</p> <p>1.the complaint;</p> <p>2.a copy of the acknowledgement of receipt referred to in section 19 sent to the complainant;</p> <p>3.any document or information used in analyzing the complaint, including any exchanges with the complainant; and</p> <p>4.if applicable, a copy of the written notice referred to in section 21; and</p>	<p>The AMF has ignored all of the English language modifications recommended, but it has added some additional clarifying language to this clause.</p>

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that is comprehensible to any person who is allowed to access it.		<p>5.a copy of the final response provided to the complainant.</p> <p>The complaint record must be kept up to date and be established so that the documents and information it contains are in a precise form that is comprehensible to any person who is allowed to access it.</p>	
<p>The financial institution, financial intermediary or credit assessment agent must enter in its complaints register any complaints received by it without delay.</p> <p>It must enter the following information in the complaints register as soon as it becomes available:</p> <ol style="list-style-type: none"> <li>1.the complaint record identification code;</li> <li>2.the date of receipt of the complaint and the complaint registration date;</li> <li>3.the reason for the complaint;</li> <li>4.the underlying cause of the complaint;</li> <li>5.the product or service that is the subject of the complaint and the method of distribution thereof, or, in the case of a credit assessment agent, the practice that is the subject of the complaint;</li> <li>6.if applicable, the class of insurance of the product that is the subject of the complaint;</li> <li>7.the date the final response was provided to the complainant;</li> </ol>	<p>Clause 18 is an example of a very prescriptive provision that goes into great detail about how a company must manage the complaints it receives, as opposed to remaining principles-based and setting out the regulator's customer protection-focused expectations/outcomes. In our view, this Clause is inconsistent with the AMF's expressed commitment to regulatory burden reduction.</p> <p>We are assuming that "its federation" refers to the two Quebec Chambres which the AMF oversees; and we recommend that that lack of clarity be addressed in the next version of the Regulation. We are also assuming that "complaints register" is intended to mean a log of all individual complaints managed by the company receiving the complaint. We recommend that the lack of clarity around those two points be addressed in the next version of the Regulation.</p>	<p>A financial institution, financial intermediary or credit assessment agent must enter in its complaints register any complaints received by it, without delay.</p> <p>It must enter therein, as soon as it is available to it, the information enabling it to act on the elements of the complaint processing and dispute resolution policy set out in sections 8 and 9 or in the equivalent expectations established by the Authority in its Sound Commercial Practices Guideline or, as the case may be, its Guideline applicable to credit assessment agents.</p>	<p>The AMF has completely reworked this section, removing the reference to "federations" and eliminating the prescriptive, checklist approach, and replacing it with a principles- and, outcomes-based approach.</p>

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<p>8.the outcome of the complaint and, if applicable, of the offer to resolve it;</p> <p>9.if applicable, the date the complaint record was sent to its federation;</p> <p>10.if applicable, the date the complaint record was sent to the Authority; and</p> <p>11.the date the complaint record was closed.</p>			
<p>For the purposes of this Regulation, the acknowledgement of receipt will constitute the notice stating the complaint registration date, sent to the complainant under section 39 of the Credit Assessment Agents Act, section 53 of the Insurers Act, section 131.2 of the Act respecting financial services cooperatives, section 103.2 of the Act respecting the distribution of financial products and services, section 28.14 of the Deposit Institutions and Deposit Protection Act, section 76 of the Derivatives Act, section 37 of the Trust Companies and Savings Companies Act, and section 168.1.3 of the Securities Act, as the case may be.</p>	<p>With respect to Clause 19, it is our view that a Level 1 complaint that is immediately remedied by the company to the complainant's satisfaction should not be subject to this Clause. We believe that specifying this exclusion would bring the Quebec/AMF Regulation into harmony with the definition of a Level 1 complaint set out in CCIR's Annual Statement on Market Conduct (ASMC). In the absence of harmony between the AMF's definition of a Level 1 complaint and the corresponding definition used in the ASMC, it would be necessary for the AMF to utilize its own separate industry mechanism for complaint reporting (outside of the ASMC), which would be inefficient and degrade the value of reporting done through the ASMC.</p>	<p>For the purposes of this Regulation, the acknowledgement of receipt of a complaint will constitute the notice stating the date of registration of the complaint, sent to the complainant under section 39 of the Credit Assessment Agents Act, section 53 of the Insurers Act, section 131.2 of the Act respecting financial services cooperatives, section 103.2 of the Act respecting the distribution of financial products and services, section 28.14 of the Deposit Institutions and Deposit Protection Act, section 76 of the Derivatives Act, section 37 of the Trust Companies and Savings Companies Act, and section 168.1.3 of the Securities Act, as the case may be.</p>	<p>The AMF has not modified this section in the manner requested.</p>
<p>The acknowledgement of receipt must be sent in written form to</p>	<p>With respect to Clause 20, we recommend that when the</p>	<p>The acknowledgement of receipt must be sent</p>	<p>Most of CAFII's points have not been</p>

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<p>the complainant and, in addition to stating the complainant's right to request to have the complaint record examined by the Authority or, where applicable, a federation, include the following information:</p> <p>1.the complaint record identification code;</p> <p>2.the date on which the complaint was received by the financial institution, financial intermediary or credit assessment agent;</p> <p>3.the name and contact information of the member of the staff responsible for processing the complaint, referred to in section 7 or the Sound Commercial Practices Guideline or a guideline applicable to credit assessment agents in this matter (<i>indicate here the title of the guideline</i>) established by the Authority;</p> <p>4.a statement to the effect that the complainant may contact the person referred to in paragraph (3) of this section to find out the status of the complaint;</p> <p>5.the next steps in the complaint process and the date by which the final response must be sent to the complainant; and</p> <p>6.the signature of the complaints officer referred to in section 6 or the Sound Commercial Practices Guideline or a guideline applicable to credit assessment agents in this matter (<i>indicate here the title of the guideline</i>) established by the Authority.</p>	<p>Regulation references another document or Regulation, the relevant clauses/provisions should be included and directly spelled out, rather than forcing the reader/user to locate and reference the separate document. The meaning of the term "written form" is not clear, and we recommend that the next version of the Regulation provide clarity that it is not intended to mean exclusively "paper-based," but rather also includes digital/electronic and verbal-only means of communication.</p> <p>In addition, Sub-Clause 20(6) calls for "the signature of the complaints officer." We recommend that that wording be amended to say "the signature of the complaints officer or a delegate."</p> <p>Overall, this Clause is another example of a very prescriptive approach which abandons principles-based regulation.</p>	<p>in written form to the complainant and, in addition to stating the complainant's right to request to have the complaint record examined by the Authority or, if applicable, a federation, include the following information:</p> <p>1.the complaint record identification code;</p> <p>2.the date on which the complaint was received by the financial institution, financial intermediary or credit assessment agent, if it is different than the date on which the complaint was registered;</p> <p>3.the means by which the complainant may obtain information about the processing of the complaint;</p> <p>4.the expected timeframe for processing the complaint and the date by which the final response must be sent to the complainant; and</p> <p>5.a hyperlink providing access to the summary of the complaint processing and dispute resolution policy or a copy thereof.</p>	<p>addressed in the updated/revised Draft Regulation, but the clause now makes reference to a "hyperlink providing access to the summary of the complaint processing and dispute resolution policy or a copy thereof" which does address the issue of whether only "printed materials" are to be used.</p>

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<p><b><u>Clause 21</u></b> The financial institution, financial intermediary or credit assessment agent must be detailed in the final response referred to in subparagraph 4 of the second paragraph of section 12, which must include such information as the following:</p> <p>1.a summary of the complaint received;</p> <p>2.the conclusion of the analysis, including the reasons for the conclusion, and the outcome of the complaint;</p> <p>3.a statement of the complainant’s right to request to have the complaint record examined by the Authority or, where applicable, by a federation;</p> <p>4.if an offer to resolve the complaint is presented to the complainant, the time period within which the complainant may accept the offer;</p> <p>5.the signature of the complaints officer.</p> <p><b><u>Clause 22</u></b> For any complaint resolved within 10 days following the complaint registration date, the financial institution, financial intermediary or credit assessment agent may provide the complainant with a final response containing the information referred to in paragraphs 1, 2 and 3 of section 20 and paragraphs 1, 2, 3 and 5 of section 21, as well as a statement to the effect that the complainant has accepted the offer to resolve the complaint.</p> <p>The acknowledgement of</p>	<p>With respect to Sub-Clause 21(5), we recommend that the Draft Regulation be amended to spell out that an electronic signature—or simply a signature block in an email message—is sufficient; and that “signature” does not mean exclusively a paper-based, wet signature. We also recommend that for complaints referred to the AMF (or a federation, which we assume is a Quebec Chambre), the Regulation should specify a deadline for its response to the complainant.</p> <p>As well, with respect to Clause 21 generally, we recommend that for the English version of the Regulation, instead of using the term “offer,” which in English can imply a financial settlement, the term “resolution” should be used, because some complaints may be satisfactorily resolved without any financial settlement. We therefore recommend saying “...has accepted the proposed resolution to the complaint, if applicable.”</p>	<p><b><u>Clause 21</u></b> Under subparagraph 5 of the third paragraph of section 12, the financial institution, financial intermediary or credit assessment agent must send, as soon as possible but not later than the 60th day following receipt of the complaint, a written notice containing the following information:</p> <p>1.the circumstances warranting the application of subparagraph 5 of the third paragraph of section 12;</p> <p>2.the date by which the final response must be sent to the complainant;</p> <p>3.a statement of the complainant’s right to request to have the complaint record examined by the Authority or, if applicable, by a federation; and</p> <p>4.the business contact information of the person referred to in section 29.</p> <p><b><u>Clause 22</u></b> The financial institution, financial intermediary or credit assessment agent must be detailed in the final response referred to in subparagraph 4 or 5 of the third paragraph of section 12, which must include such information as the</p>	<p>Clause 21 and Clause 22 need to be examined together, as they have both changed significantly in the updated version. The updated Clause 22 is now about providing the customer with reasons why their dispute was not resolved within 60 days in those cases where up to 90 days is needed by the financial institution.</p> <p>The reference to a signature being needed has not been clarified to not require a “wet signature.”</p> <p>CAFI’s recommended substitution of the word “resolution” instead of “offer” has been ignored.</p>

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receipt referred to in section 19 will be considered to have been sent by a financial institution, financial intermediary or credit assessment agent where a final response is provided to the complainant in accordance with the first paragraph.		<p>following:</p> <p>1.a statement to the effect that it is a final response;</p> <p>2.a summary of the complaint received;</p> <p>3.the conclusion of the analysis, including the reasons for the conclusion, and the outcome of the complaint;</p> <p>4.a statement of the complainant's right to request to have the complaint record examined by the Authority or, if applicable, by a federation;</p> <p>5.if an offer to resolve the complaint is presented to the complainant, the time period within which the complainant may accept the offer; and</p> <p>6.the business contact information of the person referred to in section 29, as well as the signature of the person who processed the complaint.</p>	
<p><b><u>Clause 23</u></b></p> <p>A financial institution's, financial intermediary's or credit assessment agent's summary of its complaint processing and dispute resolution policy must include, among other elements, the following information:</p> <p>1.a description of the procedure for filing a complaint and the</p>	<p>In Clause 23, we recommend spelling out what the AMF's expectations are with respect to the term "among other elements." It would also be beneficial for the Regulation to recognize explicitly that not all complaints are made in writing, as some are delivered verbally only; and the process of responding to such verbal-</p>	<p><b><u>Clause 27</u></b></p> <p>A financial institution's, financial intermediary's or credit assessment agent's summary of its complaint processing and dispute resolution policy must include:</p> <p>1.a description of the procedure for filing a</p>	<p>Clause 23 in the original Draft Regulation is now Clause 27 in the updated/revised Draft Regulation.</p> <p>The AMF has removed "among other elements" in the updated/revised Draft Regulation.</p>



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<p>complainant's right to obtain assistance in drafting the complaint;</p> <p>2.a statement that a complaint may be validly filed with it using the complaint form available on the Authority's website, together with a reference or link to the form;</p> <p>3.the name and contact information of the complaints officer;</p> <p>4.the complaint processing time period specified in subparagraph (4) of the second paragraph of section 12; and</p> <p>5.a statement of the complainant's right to request to have the complaint record examined by the Authority or, where applicable, by a federation.</p>	<p>only complaints often also entails verbal-only communication.</p>	<p>complaint and the complainant's right to obtain assistance in making the complaint;</p> <p>2.a description of the various steps in the complaint process;</p> <p>3.a statement to the effect that a complaint may be validly filed with it using the complaint form available on the Authority's website, together with a reference or link to the form;</p> <p>4.the means for obtaining information regarding complaint processing;</p> <p>5.the complaint processing time period specified in subparagraph 4 of the third paragraph of section 12;</p> <p>6.if applicable, the complaint processing time period specified in subparagraph 5 of the third paragraph of section 12; and</p> <p>7.a statement of the complainant's right to request to have the complaint record examined by the Authority or, if applicable, a federation</p>	<p>The AMF has not clarified that verbal resolution of complaints is acceptable.</p>
<p>A financial institution's, financial intermediary's or credit assessment agent's summary of its complaint processing and dispute resolution policy must be written in a clear and simple manner and using terms that are not confusing or misleading.</p>	<p>Clause 24 is too narrow in its framing, as it does not reflect the fact that complaints may be made verbally, for example through a call centre representative.</p>	<p>A financial institution's, financial intermediary's or credit assessment agent's summary of its complaint processing and dispute resolution policy must, when posted on its website,</p>	<p>The AMF has, to a degree, addressed CAFI's concern around Clause 24 by referencing that the policy must be displayed on its website.</p>

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It must be readily accessible to any person who is a member of its clientele or, in the case of a credit assessment agent, to any person concerned by a record that it holds.		be displayed in a place that can be easily identified by any person who is part of its clientele or, in the case of a credit assessment agent, to any person concerned by a record that it holds.	

### **Additional Analysis**

The AMF has also included a new Section, Division IV, for complaints that are resolved within 10 days of being made. The new section is as follows:

#### **DIVISION IV**

#### **PROCESS FOR CERTAIN COMPLAINTS**

1. This section applies to the processing of complaints for which the information contemplated in section 25 may be communicated within 10 days following receipt of the complaint.
2. A financial institution or credit assessment agent may assign the complaints contemplated in this division to other staff with the necessary competence to process them where they have not been assigned to staff under the functional supervision of the complaints officer.
3. Despite subparagraph 4 of the third paragraph of section 12 and sections 20 and 22, a financial institution, financial intermediary or credit assessment agent may, upon completing its analysis of a complaint, provide to the complainant, verbally or in writing, information relating to the processing of the complaint. If applicable, it must provide the following:
  - (1) the conclusion of the analysis, with the reasons for it, and the outcome of the complaint;
  - (2) if an offer to resolve the complaint is presented to the complainant, how much time the complainant has to accept it; and
  - (3) a statement to the effect that the complainant may request to have the complaint reviewed by staff under the functional supervision of the complaints officer, where the complaint has not been processed by such staff.