

NEWS RELEASE

For immediate release

Majority of Canadian investors support measures to protect vulnerable investors, IIROC survey reveals

Canadians want regulatory rules, policies and procedures put in place to prevent financial exploitation

June 21, 2019 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC) today released results of a new [national survey](#) showing an overwhelming majority of Canadian investors believe that protective measures should be put in place to ensure that investment firms and advisors can take action when they suspect investors have become vulnerable or that others might be attempting to financially exploit them.

Highlights:

- 93 per cent support having a “trusted contact” listed on their account – someone the firm or advisor can contact if they believe an investor has become vulnerable or may be subject to attempted financial exploitation
- 89 per cent support a “temporary hold” – giving investment advisors and firms the ability to temporarily pause account activity if they receive instructions that are out of character and not in the investor’s best interest or raise suspicion of potential financial exploitation
- 86 per cent support creating a regulatory “safe-harbour” – providing investment advisors and firms protection from possible regulatory sanctions if they take action to protect a potentially vulnerable investor, for example by temporarily refusing instructions that are not in the investor’s best interest while investigating the situation and/or reaching out to a trusted contact
- 92 per cent agree it is necessary to have such regulatory tools in place to allow advisors and firms to protect vulnerable investors

“It is encouraging to see resounding support from Canadians for measures to safeguard vulnerable investors – particularly seniors – and protect them from financial exploitation,” says Andrew J. Kriegler, IIROC’s President and CEO. “This input from investors complements the comments we have heard from the investment industry on the need for tools like a regulatory safe-harbour to address the issues associated with Canada’s aging population and vulnerable investors.”

While less than a quarter of investors said they had already identified a trusted contact for their investment advisor, 71 per cent of investors said if asked, they would provide a name and contact

information for someone that could be reached if an advisor became concerned about possible vulnerability, diminished capacity or financial exploitation.

Investors surveyed also underlined the need for clarity and transparency in the development of any regulatory proposal, with nine out of 10 agreeing on the need to establish clearly defined circumstances when advisors and firms are able to take protective action.

“We will continue our collaboration with the Canadian Securities Administrators (CSA) on proposals to provide the tools needed to protect vulnerable investors,” Kriegler said.

IIROC also plans to work with its regulatory, industry, government, stakeholder and community partners to develop information resources to support conversations between investors, advisors and others on the decisions and actions they can take together to address potential vulnerability and financial exploitation.

The survey, conducted for IIROC in March by The Strategic Counsel, involved 1,000 investors from across Canada to find out about their familiarity with the possible measures that can be taken to protect vulnerable investors and their support of specific concepts, such as a trusted contact, temporary hold and regulatory safe-harbour. Survey respondents were pulled from IIROC’s Investor Panel – an online pool of 10,000 investors created by IIROC to allow Canadians to provide their input directly into the regulatory process and associated public interest issues.

IIROC sought investor input on this important subject before any specific regulatory proposals had been published so that investors’ views could help inform these considerations. Any future proposal will build upon IIROC’s [guidance for those who work with senior clients](#) published in 2016, which encourages IIROC-regulated investment firms to have policies and procedures that detect and address potential financial exploitation and diminished capacity situations.

IIROC will also continue to create member education webcasts to help firms and advisors protect their clients.

IIROC is the national self-regulatory organization that oversees all investment dealers and their trading activity in Canada’s debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of more than 170 Canadian investment dealer firms and their more than 29,000 registered employees, the majority of whom are commonly referred to as investment advisors. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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