

The Canadian Securities Administrators Guide to Investor Rights

Securities regulators in each province and territory work to protect investors and foster fair and efficient capital markets across the country. These regulators have teamed up to form the Canadian Securities Administrators (CSA). The CSA is primarily responsible for developing a harmonized approach to securities regulation across the country.

As an investor, you are protected from unfair, misleading and fraudulent practices. You have certain rights through statutes, regulations and policies across the country. Registered firms or registered advisers¹ are obligated to abide by these rights according to the Canadian securities regulatory system.

1. When you invest, you generally have a right to obtain/receive:

- A.** Information about the firm managing your account.
- B.** Information about the risks, obligations, and costs of any investment before investing.
- C.** A copy of all completed account forms and agreements.
- D.** Accurate and timely account statements.
- E.** Disclosure on how your registered adviser and/or firm is compensated, as well as any costs paid to the dealer firm associated with your account. Compensation and costs can include commissions, sales charges, maintenance or services charges, transaction or redemption fees, and penalties.
- F.** The prospectus or fund facts document for a mutual fund or exchange-traded fund (ETF) you hold. These documents contain information about the fund, including its risk rating, performance history, costs, etc.²

2. When you invest, you generally have a right to be advised of:

- A.** The type and scope of services your firm or registered adviser proposes to provide to you.
 - B.** Documents the firm or registered adviser will provide to you.
 - C.** Your firm and registered adviser's responsibilities, including the "Know Your Client" rule, under which:
 - i) your adviser must inquire as to your age, marital status, occupation, income, net worth, number and needs of dependents; and
 - ii) your adviser must inquire about your investment risk tolerance, your investment objectives, your knowledge and experience as an investor, and your investment time horizon (e.g. the period of time you expect to stay invested in a portfolio of securities).
 - D.** Whether your registered adviser or firm may have any material conflict of interest regarding your account.
 - E.** The registration status and disciplinary history (if any) of an individual or firm through the National Registration Search tool on the [CSA website](#). You can also search if an [investor alert](#) notice has been issued by any CSA member by using the Investor Alerts tool.
- (continued)

3. When you invest, you generally have the right to:

- A.** Rely upon your firm and registered adviser to:
 - i) deal fairly, honestly, and in good faith with you; and
 - ii) adhere to the Canadian securities system, as well as the rules and regulations of the respective regulatory bodies to which they belong.
- B.** Rely upon your registered adviser to:
 - i) recommend suitable products;
 - ii) choose the right mix of investments based on your needs, objectives, and investment timeline; and
 - iii) periodically discuss changes to your financial goals and reassess your risk tolerance.
- C.** Access your funds in a timely manner and be advised of any restrictions or limitations on access.
- D.** Rely upon the branch manager or compliance department of the firm to discuss any problems or complaints in a prompt and considerate manner.
- E.** File a complaint with your provincial or territorial securities regulatory authority about a person or company's conduct related to your investment.

4. Under securities law in some provinces and territories, you may have the right:

- A.** To cancel your purchase within 48 hours after you receive confirmation of the purchase;
- B.** To withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document.
- C.** In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, Fund Facts or financial statements contain a misrepresentation.³ Some provinces and territories may also have a withdrawal right for other types of securities than conventional mutual funds and ETFs.⁴

This document describes, in general terms, some of the rights afforded to Canadian investors. It is for information purposes only and is not intended to provide investment, financial, legal or other professional advice. It should not be relied upon in applying Canadian securities laws and regulations. Distribution of this resource by a third party is not an endorsement by the CSA.

¹The terms 'adviser' and 'financial adviser' used here generally refer to a financial professional, and do not indicate a category of registration or licence. The registration category and type of licence is more important than a title.

²These documents can also be accessed by using The System for Electronic Document Analysis and Retrieval ("SEDAR") located at <https://www.sedar.com/>.

³You must act within the time limit set by the securities law in your province or territory. For more information, see the securities law of your province or territory or ask a lawyer.

⁴For example: Section 30 of the Québec Securities Act states, "A person who subscribes for or purchases from a dealer securities offered in a distribution may unilaterally rescind the subscription or the contract merely by transmitting a notice of rescission to the dealer within two days after receipt of the prospectus, any other document, prescribed by regulation, standing in lieu of a prospectus or any amendment to the prospectus or to such a document. The rescission has effect by operation of law from receipt of the notice."