COMPLIANCE

GUIDELINES I COMPLETE CLIENT FILE

This document is addressed to:
All Authorized Individual or Incorporated Brokers doing business under Optimal Financial Centre Inc.

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425 NOTRE-DAME ST, DIEPPE NB E1A 9G4 | COMPLIANCE@OPTIMALCENTRE.CA | OPTIMALCENTRE.CA

Guidelines to help you establish a complete client file

Why is it important to have a complete client file?

- Evidence and support – e.g. of accuracy of presentations; of appropriateness of advice given and products sold,
- Improved client service – service and follow-up made easier stronger advisor/client relationship,
- Easier resolution of client concerns or complaints, better protection for advisor in the event of an unjustified complaint.

What you need to know in setting up and maintaining client files?

There are federal and provincial laws concerning the privacy of client personal information. The principles contained in this legislation govern access to and the collection, use and disclosure of client personal data. Applying these principles to the management of your business and your client files is important in ensuring your compliance with applicable law, and **minimizing the possibility of a client privacy complaint**.

What you should NOT KEEP in your client files

- Information and materials, which are not needed to meet the obligations of your duties as a financial services advisor, should not be in your client files.
- These include, but are not limited to:
- Copies of life insurance applications, in whole or in part, including medical and lifestyle information
- Copies of any medical information
- Original insurance policies
- Copies of personal identification and other documents (passports, SIN, DL, OHIP cards etc.)
- Pre-signed blank forms
- Wills
- Powers of attorney
- Marriage certificates
- Comingling of mutual fund files within the insurance files for the client
- Income tax returns or notices of assessment
- Mortgage/real property ownership papers

Important

It is important that you keep ***only that information*** which is necessary and related to the sale of financial security and investment products. If you believe you have a need to keep any additional information or documents, we recommend that you adhere to the following:

1. You should have the client sign the appropriate area(s) of the authorization form allowing you to retain this material.
2. You are solely responsible for the safe keeping of this material, for maintaining its confidentiality and for its return to the client.

What should be in your client files?

As a general rule, anything used in the sales process and in servicing clients should be included as part of a complete client file. The following list, while extensive, should not be considered all-inclusive. When in doubt, make note of an item for possible future reference.

Your client file should include:

- ☐ Privacy consent
- ☐ Advisor disclosure form
- ☐ Name, address & personal details
- ☐ Needs analysis (including objectives, goals and priorities)
- ☐ Risk tolerance assessments (investments & UL policies) / Investment Profile
- ☐ Proposals and recommendations (also sales aids and/or illustrations used in presentations)
- ☐ "Reason Why" letter (new Jan 1, 2018)
- ☐ Documentation when a client declines advice or decides not to act on recommendations
- ☐ In-force illustrations discussed or reviewed with clients and any additional notes or comments attached
- ☐ Replacement forms (LIRD – life insurance replacement documentation)
- ☐ Copies of savings/investment/income applications where applicable including investment risk assessment
- ☐ Date of signature of the application or of the request for service, the mode(s) and date(s) of payment of the product sold or of the service rendered
- ☐ In-force delivery illustration with The Policy Delivery Receipt and Acknowledgement page
- ☐ Copies of any trading request forms
- ☐ Limited trading authorizations (LTA) and MTAF (multiple transaction authorization form)
- ☐ Forms from various transactions/requests (e.g. use of funds form, loan/dividend requests, premium vacation form, client service request form)
- ☐ Notes / summary of discussions or meetings with clients
- ☐ Copies of correspondence (to/from advisor and to/from client)
- ☐ Log of telephone conversations, noting the date and nature of the call and of unsuccessful attempts to contact the client, to verify your attempts to provide proper service
- ☐ Documentation of client concerns and complaints
- ☐ Group files: Name of policyholder, name of contact person for policyholder, all bids and proposals*
- ☐ Financial Planner (F.Pl.) files: Mandate (engagement letter) and report of the F.Pl.*

*Mandatory in Quebec, best practices in other provinces/territories