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Dear All,

Re: Suitability Considerations for Households

Thank you for your time and effort to date to address investors' needs and expectations regarding financial services they wish offered to their households. There remain misunderstandings regarding the availability and implementation of householding for suitability purposes. We wish to work with you on straightforward, achievable resolutions that will meet investor requirements.

IIROC and Accenture's joint report entitled "[Enabling the Evolution of Advice in Canada](#)" issued March 19, 2019 (the "Joint Report") states in part as follows:

- Changing Expectations: "Many of [these] clients are looking for an approach that not only supports their individual financial objectives and life goals, but one that considers the financial objectives of the entire family or "household"."
- Broadening Scope of Advice and Services: "Correspondingly, the focus on individual accounts has also started to change to a greater focus on planning for the "household", and, in some cases, the extended, multigenerational family. Increasingly clients are being viewed as people, not just a bundle of accounts and assets."

- Regulatory Regime perceived as too slow and reactive and not sufficiently focused on the right things: “Many firms, for example, now focus on managing relationships across an increasingly complex continuum, with individual investment clients on one side, and multi-generational households with holistic financial plans on the other.”
- Impact on our regulatory regime: “The expanding scope of advice and services our Dealers are offering or exploring is testing IIROC’s traditional regulatory approach. The shift in focus from product-based advice to more holistic financial – planning advice and from a single account to a household account (that could involve multiple financial goals and time horizons), does not translate easily to our current rules and guidance and how IIROC has traditionally interpreted them.”
- Future Policy Framework ideas:
 - Investor Account Opening: Investor goals, time horizons and risk profiling can be determined at the household level with a financial planning approach
 - Know Your Client: Clear process for collecting KYC for households
 - Suitability Requirements: Suitability obligations clearly articulated for households with multiple goals and time horizons

The observations and conclusions from the Joint Report have not been fully and clearly reflected in CFRs FAQs and IIROC’s KYC and Suitability Guidance in respect of householding.

Enclosed are [suggestions](#) to some language amendments that may be made to CFRs FAQ and IIROC’s KYC and Suitability Guidance which will assist in alleviating misunderstandings. The enclosed reflect regulatory principles, investor benefit and the Joint Report. We ask that these amendments be issued.

Yours truly,



Laura Paglia
President and Chief Executive Officer