



Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

FOR IMMEDIATE RELEASE

JOINT FORUM RELEASES PRACTICE STANDARDS FOR THE SALE OF PRODUCTS AND SERVICES IN THE FINANCIAL SECTOR

January 28, 2005 (TORONTO) – The Joint Forum of Financial Market Regulators (Joint Forum) has released practice standards for the sale of products and services by financial services intermediaries.

The *Principles and Practices for the Sale of Products and Services in the Financial Sectors* (Practice Standards) articulate standards of professionalism and fair conduct that Canadian consumers should be able to expect in their dealings with financial services intermediaries. They consist of eight principles that are focused on the core values of integrity, honesty, professionalism, clarity and putting clients' interests first.

The development of the Practice Standards was led by the Joint Forum with the assistance of an industry task force and industry consultation.

"Members of the Joint Forum believe that consumers are entitled to the same protections, regardless of the type of financial product or service they purchase, the means through which they purchase it, or the regulatory regime that applies to the transaction," said David Wild, Chair of the Joint Forum and Chair of the Saskatchewan Financial Services Commission. "With that goal in mind, the Joint Forum set out to develop a common language to express minimum standards that should apply to the conduct of all financial services intermediaries in their dealings with consumers."

The Practice Standards were developed with extensive industry involvement, according to Jim Hall, Chair of the Joint Forum Sub-Committee on Principles and Practices for the Sale of Products and Services in the Financial Sector and Superintendent of Insurance and Financial Institutions of the Saskatchewan Financial Services Commission.

"The collaboration resulted in broad and practical standards which dovetail with the existing codes of conduct of industry associations and can be easily understood and measured," said Mr. Hall. "Articulating these standards and obtaining the endorsement of key industry associations across financial services sectors will result in benefits for consumers without imposing burdensome regulatory requirements on financial intermediaries," added Mr. Hall.

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The Joint Forum also released *A Consumer's Guide to Financial Transactions*, which interprets the Practice Standards for consumers, setting out the benchmarks by which they can assess the conduct of any financial intermediary with whom they have a relationship, or are considering establishing a relationship. It is meant to help simplify and clarify financial services transactions for consumers.

The Practice Standards reflect industry best practices. The Joint Forum is urging their voluntary adoption by industry associations and by intermediaries not attached to any association. Regulators, industry associations and financial service providers may supplement these core standards with additional requirements of their own.

It should be noted that Quebec regulators participated solely as observers in the project and have not formally endorsed the Practice Standards. Going forward, Quebec will monitor implementation of the Practice Standards and any additional activity of the Joint Forum in this area.

The Joint Forum was founded in 1999 by the Canadian Council of Insurance Regulators (CCIR), the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Canadian Securities Administrators (CSA) as a mechanism for coordinating the development of harmonized, cross-sectoral, cross-jurisdictional solutions to financial services regulatory issues.

Copies of the *Principles and Practices for the Sale of Products and Services in the Financial Sector* and *A Consumer's Guide to Financial Transactions* can be viewed at www.jointforum.ca.

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