

## Andrea Rigobon Suitability Video.mp4

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Hi, I'm Andrea Rigobon, Director of Procurement and Senior Legal Counsel at Fidelity Canada. Regulators have described suitability as the cornerstone of the registration regime. And an extension of a dealer and advisor's duty to deal fairly, honestly and in good faith with their clients. Today, I want to bring you up to speed on some important changes that will come into force at the end of 2021 as a result of the client-focused reforms. The biggest change is that not only do you need to make sure that an investment action is suitable for your clients, you need to make sure that that action also puts the client's interests first. Now what do regulators mean by putting the client's interests first? They say that putting the client's interests first means putting their interests ahead of your own interests and other competing considerations, such as higher financial remuneration or other incentives, and using your professional judgement when selecting one option among a range of other suitable options. So before you take an investment action for a client, you need to make sure that investment action is suitable based on a number of factors, which the regulators spell out. The KYC information you've collected, your knowledge of the investment action or products pursuant to your KYP obligation, the impact of the investment action on the client's account at the firm from a concentration and liquidity perspective, the impact on costs and the impact of costs on performance and returns, and a reasonable range of alternatives available to you through your firm. In the end of the day, if there are a range of suitable options, you need to pick the one that puts your client's interests first. The regulators have specifically said that they understand that suitability does not guarantee a specific outcome, and they're not going to judge your suitability determination based on subsequent events. They've also said that suitability does not mean lowest cost. So we think that's pretty reasonable. They'll judge your suitability determination based on what a reasonable registrant with a similar business model would have done. That's great. So I hope this update was helpful to you. If you need more information on Fidelity's product, visit [Fidelity.ca](https://www.fidelity.ca), see our fund pages and our fund facts documents. And for more of an analysis on our products, don't hesitate to reach out to our sales team. Thank you.

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