



METS Frequently Asked Question

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I. Administration of METS

- 1. Question:** Can Members look up complaints against Approved Persons from previous Members?
Answer: No – This functionality is not available through the METS system.
- 2. Question:** Who should be given METS Author and Reader accounts?
Answer: Generally head office and supervisory personnel of the Member.
- 3. Question:** Are Member allowed to inform the Approved Person that they have been reported to the MFDA through METS?
Answer: Yes.
- 4. Question:** Can METS be used as the Member’s complaint log?
Answer: Yes, however Members should be aware that not all complaints are reportable through METS (service complaint for example) and the Member will be required to keep a separate log for those complaints not reported through METS.

5. **Question:** How long will an Event stay in the system?
Answer: Indefinitely, there are no plans to purge events at this time.

II. Bankruptcy Events

1. **Question:** If a securities commission imposes terms and conditions on an Approved Person who has declared bankruptcy do the terms and conditions have to be reported as part of the Bankruptcy report?
Answer: No, however if the Member were to impose conditions on the Approved Person it would have to be reported as part of the disciplinary action taken by the Member in response to the Bankruptcy.

III. Civil Claim Events

1. **Question:** Do Members have to report civil claims on personal issues (e.g. AP being sued by a contractor for unpaid work)?
Answer: No, only civil claims relating to the handling of client accounts or trading or advising in securities must be reported.
2. **Question:** Under Civil Claim, what is the amount in dispute?
Answer: The sum of all amounts set out in the claim (e.g. damages, costs).

IV. Compensation Events

1. **Question:** What needs to be reported if the Member terminates an Approved Person or compensates a complainant based on a complaint that was only sent to the MFDA?
Answer: These termination or compensation (over \$15,000) events would have to be reported under the *Termination, Compensation Paid to Client and Internal Discipline (not otherwise reported above)* event.
2. **Question:** Does compensation paid to client includes the total amount received by the client including payments from insurers?
Answer: Yes
3. **Question:** If Member compliance staff identifies an unsuitable trade and the trade is reversed, is it reportable if a complaint has not been received from a client?
Answer: This should only be reported if the reversal results in compensation to the client in excess of \$15,000.

V. Concluding and Locking Events

1. **Question:** When is complaint concluded? Is it at the time of settlement offer or response to offer by the complainant?
Answer: A complaint is concluded when a Member completes its substantive response as set out in Member Regulation Notice 0059. However, the Member will have to continue to update the METS report if information changes after the issuance of the Member's substantive response. For example, a Member may make an offer to settle a complaint for a sum at which point the complaint is concluded. However, if the complainant were to reject the offer and subsequently negotiate a settlement for a greater sum the Member would have to enter the new settlement amount into the system.

2. **Question:** When should an event be locked?
Answer: Once the event is concluded and the Member has entered all required information and does not anticipate any further updates to the event.

3. **Question:** At what point can a "Client Complaint" event be locked if the Member makes an offer to settle with the client and does not receive a response?
Answer: When the Member determined that it is unlikely to receive a response from the Complainant the event should be locked. If a response from the Complainant does come after the event has been locked it can always be re-opened.

VI. Denial, Cancellation, Suspension or Termination of Registration or Approval Events

1. **Question:** What is reportable in the "Denial, Cancellation, Suspension, Termination of Registration or Approval" event type?
Answer: Reports should only be made in this category when the action against the license is taken at the instance of the regulator. For example, if a license is temporary suspended as a result of an Approved Person taking an extended leave of absence a report is not required as the suspension of the license is not at the instance of the regulator.

Members should also be aware that when an Approved Person's license is cancelled as a result of the Member terminating the employment or agency relationship with an Approved Person that such a report must not be filed under the "Denial, Cancellation, Suspension or Termination of Registration or Approval" event type as the cancellation was not at the instance of the regulator. Rather such terminations should be reported either as part of the Member's response to an event, such as a "Client Complaint", or as a "Termination, compensation paid

to client and discipline (not otherwise reported)” if the termination does not result from a reportable event.

2. **Question:** Do License Approvals have to be reported?
Answer: License or registration approvals do not have to be reported. Only a denial, cancellation, suspension or termination of a license approval should be reported
3. **Question:** Do Members have to report when a license is suspended when an AP takes a leave of absence – (e.g. maternity leave)?
Answer: No, a license suspension needs to be reported when the suspension is at the instance of the regulator. In the case of a leave of absence the suspension is not at the instance of the regulator.

VII. Disciplinary Action

1. **Question:** When a Member is in the process of applying discipline and the Approved Person resigns, is this reportable?
Answer: Yes this would be reportable as a termination. A termination report captures any instance where the employer-employee or principal-agent relationship with an Approved Person is terminated and this includes resignations.

VIII. External Discipline Events

1. **Question:** What is meant by External Disciplinary Action?
Answer: External discipline imposed by a regulatory body other than the MFDA.

IX. Québec

1. **Question:** Is there a need to report when the client and Approved Person are from Quebec?
Answer: Reportable events regarding Approved Persons resident in Quebec do not have to be reported through METS if the subject matter of the event occurred within Quebec (this applies whether or not the Approved Person is registered in other provinces). When the subject matter of an event occurred in a province other than Quebec regarding an Approved Person resident in Quebec a report must be filed through METS.

X. Reporting Timelines

1. **Question:** When is it necessary to update an event?

Answer: Within 5 business days of the occurrence of the reportable information.

2. **Question:** Will there be late reporting fees?

Answer: Late reporting fees will not be levied until the publication of a fee schedule. However, the MFDA may take enforcement action against Members or Approved Persons who do not comply with Policy 6. (No enforcement action will be taken for good faith errors during the two month transition period).

XI. Related Events

1. **Question:** Should Members relate events when several complaints from multiple complainants regarding the same matter are received?

Answer: No – Multiple complaints against an Approved Person are considered separate events, even if the subject matter of the complaints is related. Events should only be related when there are multiple subjects (i.e. two or more Approved Persons) who are the subject of a complaint or other reportable event. For example a client complaint regarding two Approved Persons involved in a scheme would require the filing of two reports that should be marked as related.

XII. Technical

1. **Question:** I entered my username and password. Why can't I log in?

Answer: Your Password is case sensitive. Check to make sure you don't have the "Caps Lock" set on your keyboard. Your Member Administrator can reset your password if necessary - remember to change your password once you have successfully logged in. Contact METS support if you are a Member administrator.

2. **Question:** I entered my username and password correctly but I still can't log in.

Answer: Your user account may not be active. Contact your member Administrator or METS support if you are a Member administrator.

3. **Question:** I have followed all the steps to create an event, why can't I see the event report form?

Answer: Pop-ups must be disabled to allow the event report window to open.

4. **Question:** Is there a training environment for METS?

Answer: Not at this time.

5. **Question:** Will users be prompted for password changes?

Answer: Yes, the system will require users to change their passwords every 60 days.

XIII. Termination Events

1. **Question:** How should Members report an event if they receive the AP's resignation before completion of the investigation?
Answer: The Member should report the termination as part of the event report it is investigating. It should not create a new event to report the termination.
2. **Question:** When a Member is in the process of applying discipline and the Approved Person resigns, is this reportable?
Answer: Yes this would be reportable as a termination (see question #1 above). A termination report captures any instance where the employer-employee or principal-agent relationship with an Approved Person is terminated and this includes resignations.
3. **Question:** Do Members have to report all terminations such as bank terminations?
Answer: A termination must be reported whenever an employment or agency relationship with an Approved Person is terminated and the Notice of Termination filed with the applicable securities commission discloses that the Approved Person was terminated for cause, or discloses information regarding internal discipline matters or restrictions for violations of regulatory requirements. If any of these elements are disclosed on the Notice of Termination, the termination must be reported, even if it is a bank termination.
4. **Question:** What needs to be reported if the Member terminates an Approved Person or compensates a complainant based on a complaint that was only sent to the MFDA?
Answer: These termination or compensation (over \$15,000) would have to be reported under the "Termination, Compensation Paid to Client and Internal Discipline (not otherwise reported above)" event.

XIV. Other Questions

1. **Question:** Do Members have to back-report events dated prior to July 3, 2007?
Answer: Events with a date of initiation prior to July 3, 2007 do not need to be reported through the METS system. Any reportable disciplinary or compensatory response taken by a Member after July 3,

2007 resulting from events with an initial date prior to July 3, 2007 must be reported. For example, a client complaint that is received by the Member on May 28, 2007 does not need to be reported but a termination of an Approved Person effective July 4, 2007 as a result of the client complaint must be reported. These events must be reported as a “Termination, compensation paid to client and discipline (not otherwise reported)” event.

2. **Question:** Do Members have to report a dual registered Approved Person dealing with insurance outside the dealer when they receive an insurance related complaint?
Answer: The answer depends on the following:
 - When the complaint relates to serious misconduct such as theft or fraud or other conduct it is reportable by the Approved Person to the Member (See section 4.1(b) of Policy 6)
 - For other matters the Approved Person will only have to report the complaint regarding the insurance business if the complainant is also a client of the Member.
 - The Member must report the complaint to the MFDA through the METS system if the complaint involved Member business or if the Member determines that the complaint alleged serious misconduct (See section 6.1(b) of Policy 6).

3. **Question:** Do complaints made to the MFDA that were not made to the Member or Approved Person have to be reported through METS?
Answer: No – A complaint would not have to be reported through METS in this circumstance.

4. **Question:** If a complaint is received by a Member but involved an intermediary, who is the subject? (e.g.. Transfer delay)
Answer: The Member is the subject as it is responsible for responding to the Complainant.

5. **Question:** What does PDO stand for when entering information on a subject?
Answer: Partners, Directors or Officers.

6. **Question:** When will the MFDA be following up on pending events?
Answer: Among other reasons, when the event discloses serious misconduct, where the event discloses improper complaint handling, where the information reported is not clear and where the MFDA requires further information to makes its assessment.

7. **Question:** What are the time units in the reports?
Answer: Days

8. **Question:** Which NRD submission number do I report for a single event if more than one NRD submission has been made relating to the event?

Answer: You may report any one of the NRD submission numbers relating to the event.