



## IN THIS ISSUE

I. APEXA - Is your APEXA profile current?	01
II. NEW and Reminder: Mandatory Client File Requirements — Effective January 1, 2022	02
III. Reminder: Use Secure Email Method for Confidential Client Information to Global Pacific	03
IV. Common Shortcomings found during Business Practice Reviews	04
V. Keeping Pace with Industry Topics	05
a. Trusted Contact Person	05
b. Client Focused Reform (CFR) and Know Your Product (KYP)	05
VI. Regulatory Updates	06
a. NEW and Reminder: 15 technical Continuing Education Credits (CE) for all BC Licensees	06
b. June 2021: Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	06
c. August 2021: The Office of the Privacy Commissioner of Canada (OPC) updates guidance regarding sensitive information — August 13, 2021	07
d. IFB Regulatory Update	08
e. The Insurance Council of Manitoba (ICM) — December 13, 2021	08
VII. How to reach us	08

## I. APEXA - Is your APEXA profile current?

### ! All advisors must be on APEXA by June 1, 2021.

*Global invited each advisor via email. This was a self serve effort with support from Global's contracting team. Thank you to those who have all your carrier contracts on your APEXA profile.*

- Advisors **must** display all your active contracted carriers on your APEXA profile.

### ! All your active carrier contracts must be displayed in your profile otherwise, your carriers can't view your license and E & O certificate, profile attestations, etc.

- Licensees may be contracted with several carriers. **Verify your profile** - all your carriers with contract codes display under your APEXA Contracts on the left-hand bar. If you require assistance, let us know

## I. APEXA - Is your APEXA profile current? (Continued)

and we will send you another APEXA invite to display missing carriers.

- APEXA is the only place Carriers and MGAs go to obtain your current license and E & O details. Your APEXA profile must be in 'good health' all year long. When advisor's APEXA record is not in Good Health, carriers may have cause to terminate your contract. Every year Licensees must make an Attestation on APEXA. Watch your emails from APEXA indicating notifications that require action. Make sure APEXA emails are not falling in your Spam or Junk folder. Login to APEXA, see your Dashboard, you will be prompted to answer again the information that can change from year to year. Click Finish at the end of the Attestation questions to save your updates.
- Remember we partner with other MGAs and so your contracted carriers like Manulife, Empire, RBC, etc., **must** also display in your Contracts tab in APEXA.

## II. NEW and Reminder: Mandatory Client File Requirements — Effective January 1, 2022

It is very clear that advisors must be compliant and complete all required client documents for each new application and existing client transactions, or every 3 years whichever is first. [Click here for the bulletin from January 2020](#) for detail required client file documents.

- **NEW** | Effective January 1, 2022, advisors must have all client file documents completed and **In Good Order (IGO)**, for all application types, when new applications or additional transactions are submitted to the carrier.
  - » Upon application receipt: when the client file documents are not provided with the application, Global **must** hold applications and transaction submissions until the required client documents are uploaded by the advisor.

### ★ Reminder



*As your MGA, carrier partners delegate to Global the responsibility to check that advisors have completed the regulated client file documents. The various client file documents are mandatory and Global continues to assist and educate advisors as needed.*



## II. NEW and Reminder: Mandatory Client File Requirements (Continued)

- » Upon compensation payment: when client file documents are not on VirtGate at the time of compensation payment, Global **must** hold compensation until all components are received. Advisors must upload their client documents to VirtGate. We truly want compensation to flow smoothly, so it is imperative for all required documents to be posted to VirtGate. Your co-operation is expected and appreciated.
- Your client file documentation must be completed at the time of application. Advisors must disclose specific items to clients, update records and the sale must be based on the client needs, known as **needs-based sales**.
- Submit your e-application to the carrier and then **immediately email copies** of the documents to Global Pacific to complete your regulatory requirement.



[insurance@globalpacific.com](mailto:insurance@globalpacific.com)

### INSURANCE APPLICATIONS

1. E-application documents
2. Illustration
3. Needs Analysis
4. Disclosure Statements
5. Replacement Disclosure
6. Acknowledgement of Receipt
7. Reason Why Communication (RWC)\*

*\*Life: Send RWC upon policy delivery at latest*



[investments@globalpacific.com](mailto:investments@globalpacific.com)

### INVESTMENT APPLICATIONS

1. E-application documents
2. Know Your Client (KYC)
3. Disclosure Statements
4. Large Transaction Report (\$100k+)
5. Transaction Fees and Charge Disclosure
6. Acknowledgement of Receipt
7. Reason Why Communication (RWC)\*

*\*Investments: Send RWC with application*

## III. Reminder: Use Secure Email Method for Confidential Client Information to Global Pacific

When emailing to **Global** your client confidential information or advisor information, it is mandatory to use encrypted email. It is not acceptable to send confidential information using regular email.



VirtGate Secure Email is encrypted and can be utilized for communications with your clients and Global Pacific.



### Important Note

*When emailing confidential information to an insurance carrier, it is necessary to use their secure website to send, do not use VirtGate secure email to insurance carriers, as they will not open the email.*

## III. Reminder: Use Secure Email Method for Confidential Client Information to Global Pacific (Continued)

**Confidential information is defined in your Policy Procedure Manual (PPM) as:**

- Applications and Client File Forms
- Client Name (s)
- Date of Birth
- Social Insurance Number (SIN)
- Address
- Policy Number
- Application form for insurance or investment
- Bank Details / Void Cheque

## IV. Common Shortcomings found during Business Practice Reviews

For information purposes, included are common “deficiencies identified” during Business Practice Reviews or Audits:



- ✘ Not retaining the CE credit certificate for Annual AML/ATF Education
- ✘ The use of outdated forms. Current forms include recent regulatory updates &/or mandatory requirements.
- ✘ Use of one-page Disclosure Statements. Full Disclosure Statements form does not fit on one page. When using a one-page Disclosure Statement, advisors must add pages to disclose the Privacy Policy, Client Consent and CASL Policy. Also, ensure your disclosure includes Corporate name (if any), each provincial license held, each carrier represented, MGA name(s), and any Outside Activities.
- ✘ Forget to provide the client’s Reason Why Communication
- ✘ Forget to provide the Large Transaction Report for Transactions over \$100,000.
- ✘ Forget to provide the Transaction Fees and Charge Disclosure client form to inform the client of sales charges, &/or tax implications on investments withdrawals.
- ✘ Client file documents updated every 3 years
- ✘ Website policies not fully implemented. Ie/ privacy policy, license provinces not listed
- ✘ Not updating the various Logs for regulatory reasons
- ✘ Risk Assessment incomplete - Form R06-1809
- ✘ Corporate license not held in each province
- ✘ Submitted photograph images of documents instead of PDF scanned documents – The requirements for record retention state that the records may be kept in machine-readable form provided a paper copy can be readily produced from it. Photographs are not machine readable.

## V. Keeping Pace with Industry Topics

### A. TRUSTED CONTACT PERSON

Trusted Contact Person (TCP) is not currently regulated for Life Licensees, it is an investment industry initiative for awareness & to help protect elderly clientele.



#### What is a TCP?

A trusted contact person is named by your investment client. The TCP is someone your advisor can reach out to if concerned the client is being financially exploited or are making poor decisions based on diminished mental capacity. Read these helpful articles on TCP.



<https://www.manulifesecurities.ca/clients/resources/investor-education/trusted-contact-person.html>



<https://cnpea.ca/images/canada-report-june-7-2016-pre-study-lynnmcdonald.pdf>

### B. CLIENT FOCUSED REFORM (CFR) AND KNOW YOUR PRODUCT (KYP)

Client Focused Reform is intended to provide clients with more information about any limits on the products offered to them, and the costs and risks associated with them.

Beginning December 31, 2021, the Canadian Securities Administrators implemented additional CFRs. As part of the “know your product” obligation, investment advisors must take reasonable steps to understand the securities that they purchase, sell or recommend to clients, including the impact of the initial and ongoing costs associated with acquiring and holding each security. This means advisors must make a suitability determination that puts the interests of the client first.

Segregated Funds are similar to securities products, managed by life insurance companies and currently do not fall within the KYP requirement.

We recommend advisors refer to the new sales tools and forms available to know your product, the costs and risks associated with them.





## VI. Regulatory Topics

### A. NEW AND REMINDER – 15 TECHNICAL CONTINUING EDUCATION CREDITS (CE) FOR ALL BC LICENSEES

The Insurance Council of BC (ICBC) changed the CE credits for **all** Life Licensees to be the same as newer licensees. **All Life Licensees must obtain 15 CE credits** in order to renew their 2022 license on June 1, 2022. Life Licensees are required to provide proof to the Insurance Council of credits for 5 years. Keep your records.

Make **one** of those CE credits your annual CE requirement for *Annual Anti-Money Laundering and Anti-Terrorist Financial* education. Login to Global Pacific website to watch the videos and start the quiz.



<https://globalpacific.com/amlatf>

JUNE 2021

### B. FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS CENTRE OF CANADA (FINTRAC)

#### Reporting Entities — Reporting large virtual currency transactions

*Electronic currency/cyber cash currencies that do not require intermediaries.*

When insurance companies begin to accept virtual currency for payment transactions, the FINTRAC regulation effective June 1, 2021, will apply. Watch for future procedural instructions from insurance companies.

As of June 1, 2021, Reporting Entities (REs) will be required to comply with obligations related to virtual currency transactions. REs will have to submit a Large Virtual Currency Transaction Report (LVCTR) when they receive an amount of virtual currency equivalent to \$10,000 or more in a single transaction (the 24-hour rule may apply).

FINTRAC recognizes that, given the short timeline and the level of effort required to implement this new reporting obligation, some REs may be facing challenges in meeting this obligation on June 1, 2021. When an RE is not able to meet this reporting obligation, FINTRAC expects it to:

- Keep records of the reportable transactions as of June 1, 2021.
- Complete the implementation of its LVCTR system as soon as possible and no later than December 1, 2021.
- Submit all the unreported large virtual currency transactions for the period of June 1, 2021 to November 30, 2021 via the FINTRAC Upload or the FINTRAC web reporting system (FWR – formerly F2R) as soon as possible and no later than March 31, 2022.

In the fall of 2021, FWR will be updated so that REs can use it to submit LVCTRs. REs that do not report large virtual currency transactions via the FINTRAC Upload are expected to start submitting all large virtual currency transactions, including those transactions that were previously reportable but

## VI. Regulatory Topics (Continued)

had not been submitted, as soon as FWR becomes available (Please consult the September 27th notice [Update to the FINTRAC web reporting system – Large virtual currency transaction reporting](#)).

By December 1, 2021, FINTRAC expects that REs will have fully implemented their large virtual currency transaction reporting systems. Consequently, from that date and going forward, REs must submit LVCTRs **within five working days** after the day on which they receive the large virtual currency amount.



AUGUST 2021

### C. THE OFFICE OF THE PRIVACY COMMISSIONER OF CANADA (OPC) UPDATES GUIDANCE REGARDING SENSITIVE INFORMATION — AUGUST 13, 2021

The Office of the Privacy Commissioner of Canada (OPC) has updated several guidance documents to reaffirm some of the types of personal information generally considered sensitive in the context of the *Personal Information Protection and Electronic Documents Act* (PIPEDA).

The updated guidance includes considerations for businesses evaluating what types of information are “sensitive”. Under PIPEDA, organizations must protect personal information with appropriate safeguarding measures commensurate with the sensitivity of the information, and seek express consent when the information is likely to be considered sensitive.

These updates help to reflect how the OPC has interpreted sensitive information in the context of PIPEDA.

While under PIPEDA any personal information can be sensitive depending on the context, we have

found that certain types of personal information will generally be considered sensitive because of the specific risks to individuals when said information is collected, used or disclosed.

The updated guidance sets out that certain types of information that will generally be considered sensitive and require a higher degree of protection. This includes health and financial data, ethnic and racial origins, political opinions, genetic and biometric data, an individual’s sex life or sexual orientation, and religious/philosophical beliefs.

**See more information on Guidelines for obtaining meaningful consent:**



[https://www.priv.gc.ca/en/privacy-topics/collecting-personal-information/consent/gl\\_omc\\_201805/](https://www.priv.gc.ca/en/privacy-topics/collecting-personal-information/consent/gl_omc_201805/)

## VI. Regulatory Topics (Continued)

### D. IFB REGULATORY UPDATE

November 27, 2021 — **Financial Planner and Financial Advisor Title restriction updates**

**NEW BRUNSWICK:** New Brunswick has become the latest province to consider introducing legislation which would restrict use of the titles Financial Planner and Financial Advisor to those who have earned an accredited credential. The Financial and Consumer Services Commission (FCNB) requested comments on a proposed legislative/regulatory structure that would be similar to those being developed in Ontario and Saskatchewan, but with some differences. It is considering whether it should introduce a framework that is more aligned with Quebec's approach, which prohibits the use of specific other similar titles that might be confused with the Financial Planner title, and Saskatchewan's approach to disciplinary penalties which provides the regulator with the ability to issue fines.

**ONTARIO:** Financial Services Regulatory Authority of Ontario (FSRA) publishes updated guidance for the Financial Planner/Financial Advisor (FP/FA) title restriction framework FSRA is consulting on its updated supervisory guidance and application guidance for the FP/FA title restriction framework. The updates reflect comments it received to an earlier consultation in May 2021. The updated guidance strengthens the best interest requirements, details FSRA's approach to enforcement against uncredentialed individuals holding out as a FP or FA, removal of a list of titles which may be permitted, and public posting of complaint information.

### E. THE INSURANCE COUNCIL OF MANITOBA (ICM) — *DECEMBER 13, 2021*

The ICM issued an educational reminder on when to File an Amendment to a Licence - Licence Holders require an amendment to their licence if they are wishing to carry on the business of insurance under a name(s) that is not displayed on their licence.



For additional information on Holding Out, please refer to [page 6 of the ICM Report - Fall/Winter 2021](#)

**HOLDING OUT |** Any person who, not being duly licensed as an agent, a broker, or an adjuster, represents or holds himself out to the public as being an agent, broker, or adjuster, or as being engaged in the insurance business, by means of advertisements, cards, circulars, letterheads, signs or other methods, or being duly licensed as such an agent, broker, or adjuster, advertises as aforesaid or carries on such a business in any other name than that stated in the licence, is guilty of an offence.

## VII. How to reach us

If you require assistance with your APEXA profile, or have Contracting & Licensing related inquiries, contact [contracting@globalpacific.com](mailto:contracting@globalpacific.com)

If you have Compliance related inquiries or require assistance with a review or audit, contact [compliance@globalpacific.com](mailto:compliance@globalpacific.com)