



THE INVESTMENT FUNDS INSTITUTE OF CANADA  
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA  
11 KING ST. WEST, 4TH FLOOR, TORONTO, ONTARIO, M5H 4C7 TEL: 416 363-2158 FAX: 416 861-9937 WEBSITE: www.ific.ca

**BY EMAIL: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca) and [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)**

March 7, 2008

**In care of :**

John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 1903, Box 55  
Toronto, Ontario M5H 3S8

M<sup>e</sup> Anne-Marie Beaudoin  
Secrétaire de l'Autorité  
Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3

**Dear Sirs/Mesdames:**

**Re: Notice and Request for Comments – Application for Recognition of New Regco**

We are writing to provide the comments of Members of the Investment Funds Institute of Canada (“IFIC”) with respect to Application by the Investment Dealers Association of Canada (“IDA”) and Market Regulation Services (“RS”) for the recognition of a combined organization (“New Regco”) by the Recognizing Regulators, published on February 8, 2008.

As you are aware, IFIC is the national association of the Canadian investment funds industry. Membership comprises mutual fund management companies, retail distributors and affiliates from the legal, accounting and other professions from across Canada who work in an open, consultative process to ensure all views are considered and met.

Our Membership is reflective of the diversity of objectives for which mutual funds are used, and the multiple channels through which they are distributed. For this reason, IFIC maintains a keen interest in the impact of changes in regulation and the regulatory structure. This includes advocacy of improvements to the regulatory framework to support the continuing success of the mutual fund industry in meeting the investing needs of Canadians.

Canadian Securities Administrators  
Re: Application for Recognition of New Regco  
March 7, 2008

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Our experience has been that open and ongoing consultation between regulatory agencies and stakeholders is key to the efficient development of effective policy, as set out under section 9, Schedule 1 of the proposed Recognition Order. This entails, for example, that the New Regco's rules should "not impose any burden or constraint on competition or innovation that is not necessary or appropriate...[nor] impose costs or restrictions on the activities of market participants that are disproportionate" in the context of its regulatory objectives.

We encourage the New Regco, should it be recognized as a self-regulatory organization, to pursue opportunities for collaborative dialogue with industry representatives. There are a number of initiatives being considered that will introduce significant changes to current industry practices, such as the Client Relationship Model and other proposals associated with the Canadian Securities Administrators' Registration Reform Project. We hope that consultations with the industry will continue, and take a high priority, as these and other regulatory initiatives are developed.

Thank you for providing us with an opportunity to comment. If you have any questions regarding this submission, please contact me directly by phone at 416-309-2300 or by email at [jdelarentiis@ific.ca](mailto:jdelarentiis@ific.ca) or Jon Cockerline, Director, Policy – Dealer Issues by phone at 416-309-2327 or by email at [jcockerline@ific.ca](mailto:jcockerline@ific.ca).

Yours truly,

**THE INVESTMENT FUNDS INSTITUTE OF CANADA**



By: Joanne De Laurentiis  
President & Chief Executive Officer