



January 13, 2016

Delivered by email to: [FIPBmandatereview@ontario.ca](mailto:FIPBmandatereview@ontario.ca)

**Re: Review of the Mandates of FSCO, FST and DICO – MFDA Comments on Preliminary Position Paper**

Dear Sirs/Mesdames:

The Mutual Fund Dealers Association of Canada (“MFDA”) thanks the Expert Advisory Panel (the “Panel”) for the opportunity to provide our comments on the Preliminary Position Paper arising from the review of the mandates of the Financial Services Commission of Ontario, (“FSCO”) Financial Services Tribunal (“FST”) and the Deposit Insurance Corporation of Ontario (“DICO”).

The MFDA is the national self-regulatory organization that oversees mutual fund dealers in Canada. MFDA Members are mutual fund dealers that are licensed with provincial securities regulatory authorities. MFDA Members administer approximately \$631 billion in assets and sponsor 83,000 Approved Persons (partners, directors, officers, compliance officers, branch managers, employees and agents of the dealer who are subject to the jurisdiction of the MFDA). MFDA Members are responsible for managing a significant portion of the Canadian wealth management landscape overseeing more than half of the over \$1 trillion mutual fund assets in Canada. MFDA Members primarily service mass market retail clients who represent approximately 80% of Canadian households.

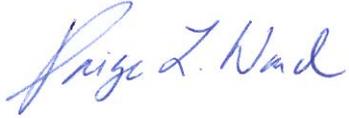
#### Support for Recommendations in Paper

In June 2015, the MFDA was pleased to meet with the Panel to discuss the MFDA’s model and approach to market conduct regulation, and to offer our thoughts respecting the need for a more coordinated regulatory regime and approach between FSCO and other financial service regulators including the MFDA.

We have had an opportunity to review the Preliminary Position Paper and are supportive of its recommendations. In particular, we strongly support the recommendation to include in the Financial Services Regulatory Authority’s (“FSRA”) mandate the obligation to work and cooperate with other regulators, including self-regulatory organizations, for the purpose of coordinating regulatory actions. To address concerns we have identified with respect to regulatory arbitrage between securities and insurance regulatory regimes, we support the recommendation that the FSRA have the powers and tools necessary to enable it to: (i) adopt a similar and familiar regulatory framework and approach to overseeing individuals or entities selling similar products; and (ii) use common and consistently applied standards for all relevant intermediaries, including agents and brokers selling like products.

We look forward to the panel's final recommendations in respect of these matters and appreciate the opportunity to communicate our views. Should you have any questions, or require further information, please do not hesitate to contact the undersigned.

Yours truly

A handwritten signature in blue ink that reads "Paige L. Ward". The signature is written in a cursive style with a large initial 'P'.

Paige L. Ward  
General Counsel & Vice-President, Policy

**DM#452096**