



**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Regulatory Issues Committee**

**Terms of Reference**

**A. OVERVIEW AND PURPOSE**

1. The Regulatory Issues Committee (the "Committee") is appointed by and responsible to the Board of Directors (the "Board") of the Mutual Fund Dealers Association of Canada (the "Corporation"). The Committee is responsible for monitoring, reviewing, advising on and/or making recommendations to the Board in respect of regulatory, industry and legal issues and developments that affect the business of the Corporation and of Members of the Corporation and their regulation as mutual fund dealers, and the consideration and disposition on behalf of the Board of applications for exemptive relief from MFDA requirements. The Committee shall also perform such other duties as the Board may delegate or direct from time to time.

**B. MEMBERSHIP & ATTENDANCE AT MEETINGS**

1. The membership of the Committee shall be composed of a minimum of two Public Directors and a minimum of three Industry Directors (as those terms are defined in the By-laws of the Corporation).
2. The Chair of the Committee shall be a Public Director and shall be one of the members of the Committee as selected by the Board.
3. Attendance by invitation at all or a portion of Committee meetings is determined by the Committee Chair or its members, and would normally include the Chief Executive Officer and such other officers or support staff as may be deemed appropriate. All matters dealt with by the Committee shall be treated as being confidential, subject to reporting to the Board or as the subject matter otherwise requires.
4. In exercising the Committee's authority with respect to exemptive relief in accordance with Paragraph C.4 below, the Chair of the Committee may, in his or her discretion:
  - (a) appoint additional Board members to participate in the deliberation and decision-making process as Committee members respecting an application; and/or

- (b) specify that the application be considered by a number of Committee members (or additional directors acting as members of the Committee) that is less than the full Committee composition of members.
5. Notwithstanding the provisions of Paragraph B.4 above, at any time prior to the commencement of a meeting of the Committee at which the business proposed to be transacted includes the consideration of an application for exemptive relief, the Chair of the Committee and/or the Committee may, in their discretion, refer the determination of that application for exemptive relief to the full Board.

#### **C. DUTIES AND RESPONSIBILITIES**

1. Review with the management of the Corporation significant proposals for the development or amendment of By-laws, Rules and Policies for or relating to the regulation of Members of the Corporation as mutual fund dealers, including management's discussions with and feedback from the Policy Advisory Committee, Regional Councils and other stakeholders as appropriate.
2. Advise staff of the Corporation regarding, and where appropriate participate in, relations with members of the Canadian Securities Administrators, other self-regulatory organizations, law enforcement agencies and regulators in Canada and elsewhere in respect of the business and affairs of the Corporation and its Members.
3. Review, and advise staff of the Corporation with respect to, initiatives to harmonize or co-ordinate laws, regulation and policy in Canada with respect to the regulation of Members as mutual fund dealers.
4. To exercise the authority of the Board pursuant to section 37 of By-law 1, including considering, granting, or denying applications for exemptive relief (or amending or withdrawing any such relief) from the requirements of the MFDA By-laws, Rules and Forms by any Member, Approved Person or any other person subject to the jurisdiction of the MFDA, or any group or class of the foregoing persons and developing related policies and procedures.
5. Review annually the terms of reference for the Committee and recommend any required changes to the Board.
6. All action by the Committee shall be reported to the Board in accordance with section D.9 and, except for the matters referred to in paragraph 4 above, shall be subject to revision or alteration by the Board.

#### **D. MEETINGS**

1. Meetings of the Committee are held as required but at least twice each year.
2. Meetings may be called by the Committee Chair, the President and Chief Executive Officer or by a majority of the Committee members, and usually in consultation with the management of the Corporation.

3. Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee from among themselves.
4. The quorum for the transaction of business at any meeting of the Committee, including meetings to deal with exemptive relief applications, shall be three members at least one of whom is a Public Director.
5. The Secretary of the Corporation shall provide for the delivery of notices to the Committee members at least seven (7) days, and agendas and supporting materials at least five (5) days, prior to the date of the meeting, except in unusual circumstances, and provided that notice or the time for notice or delivery of materials may be waived or abridged, as the case may be, at any time with the consent of the persons entitled thereto.
6. Meetings may be conducted with members present, or by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.
7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.
8. The Secretary of the Corporation shall be the secretary for the Committee and keep a record of minutes of all meetings of the Committee.
9. Draft minutes of the meetings of the Committee shall be distributed as soon as practicable following each meeting for review, comment and approval, following which copies will be sent to all members of the Board, provided that in the case of exemptive relief applications, confidential or sensitive information may be the subject of a report.

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