



March 24, 2021

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Attention:

Paige Ward
General Counsel, Corporate Secretary and Vice-President, Policy
Mutual Fund Dealers Association of Canada
121 King St. West, Suite 1000
Toronto, Ontario M5H 3T9

Anne Hamilton
Senior Legal Counsel
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia, V7Y 1L2

Dear Mesdames:

RE: Proposed Amendments to MFDA Rules 2.3.2 and 2.3.3 – Limited Trading Authorization

The Investment Funds Institute of Canada (IFIC) appreciates the opportunity to comment on The Mutual Fund Dealers Association of Canada (MFDA) Bulletin #0847-P, *Proposed Amendments to MFDA Rules 2.3.2 and 2.3.3 – Limited Trading Authorization*. IFIC is the voice of Canada's investment funds industry. IFIC brings together approximately 150 organizations, including fund managers, distributors and industry service organizations, to foster a strong, stable investment sector where investors can realize their financial goals. IFIC operates on a governance framework that gathers member input through working committees. The recommendations of the working committees are submitted to IFIC's Board or board-level committees for direction and approval. This process results in a submission that reflects the input and direction of a broad range of IFIC members.

IFIC appreciates the MFDA's initiative to reduce regulatory burden on the investment funds industry by proposing to remove the obligation to use the Limited Trading Authorization form (LTA) to evidence client transaction authorization and leave it to dealers to do so in a manner that best suits their operations. IFIC members fully support the proposed amendments in Bulletin #0847-P. The industry is already operating on the basis that there is no mandatory use of the LTA since the MFDA issued an exemption at the early stage of the COVID pandemic.

We note that members of the industry responded to the MFDA exemption from the LTA requirement in different ways. Many fund managers required dealers who did not want to continue to use the LTA to sign indemnity agreements that provide the same level of assurance of client authorization as the LTA. Many dealers explicitly asked fund managers not to accept transactions unless an LTA or other form of client authorization was provided. IFIC has put together a member task force to explore alternative solutions to the LTA.

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IFIC appreciates this opportunity to provide the MFDA with our comments on this important initiative. Please feel free to contact me by email at ahochman@ific.ca or by phone at 416-309-2314. I would be pleased to provide further information or answer any questions you may have.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Arnie Hochman
Vice-President, Policy and General Counsel