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VIA EMAIL ONLY

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Re: Proposed New Policy No. 11 – Proficiency Standards for the Sale of Alternative Mutual Funds

The Federation of Mutual Fund Dealers (“Federation”) has been, since 1996, Canada’s only dedicated voice of mutual fund dealers. We currently represent dealer firms with over \$124 billion of assets under administration and greater than 24 thousand licensed advisors that provide financial services to over 3.8 million Canadians and their families. As such we have a keen interest in all that impacts the dealer community, its advisors, and their clients.

The Federation is pleased to provide comments on the captioned Proposed Rule.

The Federation is in favour of the MFDA’s initiative which would provide an avenue for MFDA approved persons to provide their clients with the option to purchase alternative mutual funds.

Our primary concern, as we have expressed in past correspondence, is that access to ‘appropriate proficiency requirements’ has been stunted by not allowing educational providers outside of the two noted in the Proposal. The MFDA has expressed to the Federation in the past that it was never the intent of their policies to restrict education providers; we would suggest that the proposed ‘New’ policy is the perfect opportunity to make this change.

The CSA has said that it retained the current proficiency standards for mutual fund dealers distributing prospectus qualified alternative mutual funds, as set out under National Instrument 81-104 - Alternative Mutual Funds (NI 81-104) but indicated their intent to ‘repeal’ NI 81-104 when more appropriate proficiency requirements are put in place for mutual fund dealers distributing alternative mutual funds.

Viable alternatives were available in 2019 and are available now. The ability of 77,000+ mutual fund advisors to choose should be expanded and the policy process should not be why they are denied.

Continuing education cannot continue without a more robust menu for approved persons to choose from.

Respectfully,

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