



Quadrus Investment Services Ltd.

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VIA E-MAIL: bkonyu@mfd.ca

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Brett Konyu
Director, Member Education & Membership Services
Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9

Re: MFDA Bulletin #0823-P - MFDA Consultation Paper on Account Transfers

We are writing to provide comments with respect to the Mutual Fund Dealers Association of Canada (“MFDA”) Consultation Paper on Account Transfers.

Quadrus Investment Services Ltd. (“Quadrus”) is one of the largest mutual fund dealers in Canada with more than 3500 registered investment representatives. It is the exclusive and/or preferred mutual fund dealer for investment representatives of The Canada Life Assurance Company.

We are pleased to see the MFDA’s interest in understanding the impact delays of account transfers can have on the industry and particularly client outcomes.

The Bulletin sought input on 4 questions, which we respond to below.

- 1. What specific issues have you faced in relation to account transfers? Please specify if the issues experienced relate to transfers with Members or non-Member financial intermediaries (e.g. mutual fund companies, trust companies, etc.).**

The Member has experienced delays in transfer requests. These delays include non-responsiveness to client’s requests to transfer investments to our firm.

Feedback from our Administration area suggests that delays can be attributed to Members and Non-Members. Specifically, when following up on delayed transfers the relinquishing institution generally suggests that the transfer paperwork was not received and needs to be re-submitted.

- 2. Have you identified specific types of account transfers that cause more challenges and/or do not occur in a timely manner (e.g., dependent on where and how the assets are held, account registration, type of product, electronic vs non-electronic processes)? Please provide details.**

Generally, the types of accounts that appear to take longer are ‘in-cash’ registered investments, and locked in plans, which may be classified as “Not In Good Order” (NIGO) and paper intensive.



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3. Are there areas in the account transfer process that should be standardized or automated (e.g., specific timeframes, electronic processing)? Please explain.

We suggest that "in cash transfers" are treated as financial transactions and processed on the date received if *In Good Order* (IGO).

4. Do you have suggestions on how regulators can improve the account transfer process? Please provide details.

Industry regulators implementing a standard requirement for all financial institutions (Members and Non-Members) that requires the timely processing of client's in-cash transfer requests will produce positive client outcomes and remove the unnecessary administrative burden endured by staff that are required to follow-up on delayed transfers.

We appreciate the opportunity to comment on this topic.

Yours truly,
Quadrus Investment Services Ltd.

A handwritten signature in cursive script that reads "Lesley Duffy".

Lesley Duffy
AVP & Chief Compliance Officer