



September 29, 2020

Submitted by e-mail to:

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

Dear Mr. Konyu,

Re: MFDA Consultation Paper on Account Transfers

Sun Life Financial Investments Services (Canada) Inc. (SLFISI) appreciates the opportunity to comment on the Mutual Fund Dealers Association of Canada's (MFDA) consultation on account transfers. We believe the questions raised in the consultation paper are key to engaging in a discussion that should extend across all sectors of the financial services industry, and commend the MFDA for its leadership in issuing this consultation.

The consultation questions ask about a number of account transfer aspects including: the challenges, the breadth of issues, the need for standardization, and suggestions on how regulators can improve the process. We see four themes in addressing these questions and organize our comments below along those lines. Specifically:

- Standardizing account transfer data requirements;
- Establishing specific timing expectations for account transfers (i.e. a certain number of days);
- Agreeing on data and timing requirements before pursuing technological solutions; and
- Coordinating across industry sectors and regulators.

Standardizing account transfer data requirements

A key issue to be addressed in relation to account transfers is incomplete information in transfer requests. For example, incomplete information can mean multiple and time consuming follow ups between the initiating institution and the relinquishing institution in order to complete the transfer. We strongly believe that the data, and possibly the forms, for transfer requests should be standardized to help ensure the capture of complete and relevant information.

Establishing specific timing expectations for account transfers

From our perspective, the key challenges to timeliness are a lack of standardized data and timing requirements. While variations in account types and firm processes exist and can impact timing, we believe these could be effectively addressed through standardization. Without established timing requirements, there is little motivation to complete the transfer in a timely manner even when all of the necessary information is present. These prolonged transfers are not in the client's interest and limit the receiving institution's ability to serve the client.

Agreeing on data and timing requirements before pursuing technological solutions

Our view is most account transfer issues can be addressed through standardized data and timing requirements, with some time provided to allow firms the opportunity to put supporting practices in place. We agree that further efficiencies may be possible through technology platforms, but caution that process automation should follow, not lead, standard setting and adoption.

Coordinating across industry sectors and regulators

In terms of breadth, we see the account transfer issues described above as existing across the financial services industry. As such, cross-sector industry and regulatory coordination is required to truly serve clients' interests. We believe the current consultation is a good step in engaging the account transfer dialogue and encourage the MFDA to share the consultation findings with other financial services regulatory organizations. Further, we believe industry and regulators should collaborate to ensure these standards are adopted across the financial services industry.

Finally, we would also refer you to IFIC's response to the consultation. IFIC raises similar thematic issues and provides detailed responses to the consultation questions that are reflective of our experiences.

Thank you for the opportunity to provide our comments for your consideration. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'KW', with a stylized flourish at the end.

Karen Woodman
President, Sun Life Financial Investments Services (Canada) Inc.