



E-MAIL:

comments@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

May 5, 2021

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

**Re: Proposed Amendments to National Instrument 33-109 and Related Instruments:
*Modernizing Registration Information Requirements, Clarifying Outside Business Activity
Reporting, & Updating Filing Deadlines* (the "Proposed Amendments")**

On behalf of IGM Financial Inc. ("IGM"), we are pleased to provide comments on the Proposed Amendments.

Our Company

IGM, a member of the Power Financial group of companies, is a leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. Through its operating

companies, IGM provides a broad range of financial planning and investment management services to help Canadians meet their financial goals. Our services are carried out principally through our subsidiaries, namely IG Wealth Management, Mackenzie Financial Corporation, and Investment Planning Counsel Inc. Each company operates distinctly within the wealth and asset management segments of the financial services market.

General Comments

We strongly support the Canadian Securities Administrators' ("CSA") efforts to reduce regulatory burden in the registration process through the Proposed Amendments. At IGM, we actively maintain both firm and individual registrations throughout Canada that span a number of registration categories set out in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Through our registrable activities across Canada and direct dealings with a number of provincial securities regulators on registration matters, we have gained deep insight into the issues and tension points in the present registration framework, making us uniquely positioned to comment on the Proposed Amendments.

Many of the proposals will provide registered firms and individuals with greater clarity on what information is required as part of the process as well as when it must be provided. These proposals will lead to a more streamlined registration regime and reduce regulatory burden. While we generally support the Proposed Amendments, we also see further opportunity to enhance the efficiency of the process. It is from this viewpoint that we offer the following feedback on specific aspects of the Proposed Amendments.

Specific Comments on the Proposed Amendments

(i) Outside Activities

We agree with the CSA – the current framework for the identification and reporting of “outside activities” is broad and unclear, and can capture activities that do not raise conflicts of interest or provide relevant information to regulators. Certain aspects of the Proposed Amendments, however, do not seem to solve the issues the CSA has identified.

For example, the “other securities related activities” and “provision of financial or financial related services” categories of reporting are not clearly defined and are overly vague. Further guidance is required to clarify the types of activities that should be reported. We encourage the CSA to articulate what types of conflicts of interest are intended to be captured within these categorizations. Within the “other securities related activities” category, we also question why the CSA requires disclosure of certain financing activities (such as raising money for an entity through the issuance of securities) that occurred within the last 7 years, regardless of whether the individual is currently conducting the activity. If an individual is not performing an activity while working for a sponsoring firm, we believe no conflict of interest exists, and accordingly no reporting should be required.

Additionally, requiring firms to report the proposed “specified activities” (i.e. an individual receives compensation for the activity or holds an unpaid director/officer position) when the number of hours spent on such activities – in combination with time spent on all other outside activities – exceeds 30-hours, will create immense administrative burden. We urge the CSA to only require reporting if the firm determines that the specified activity in question poses a material conflict of interest in the circumstances. Registered firms have and will continue to have the primary

responsibility for the oversight of their individuals, which includes addressing conflicts of interest that may arise from Outside Activities.

(ii) Positions of Influence

At IGM, we are proud of our commitment to our community, and we strongly support the ability of registered individuals to strengthen and invest in the communities in which they live and work. For example, this may include teaching financial and business courses, coaching in youth sports leagues, and volunteering in schools and at charitable organizations. We are very concerned that the CSA's proposed definition of "positions of influence", may inadvertently capture these types of activities – and others like them – that do not pose in our view a material conflict of interest. We note that among the prescriptive list of positions that the CSA considers positions of influence includes teachers and instructors. We urge the CSA to reconsider these positions as "positions of influence" in and of themselves.

In our experience, whether someone is in a position of influence is context specific, and highly dependent on the facts and circumstances of the particular situation. This determination must be driven by an evaluation of the conflicts of interest specific to a person's position that may be created in a client relationship. We therefore urge the CSA to adopt a definition that is centered on the identification of existing or reasonably foreseeable material conflicts of interest that may arise in the position, in line with the principles articulated in the Client Focused Reforms. Additionally, given the implementation of the reforms, we question the need for a new, prescriptive rule outlining restrictions on the activities of registered individuals who are in a position of influence. We believe the robust conflicts of interest protections afforded by the Client Focused Reforms will ensure that client interests remain paramount in all dealings with clients, and at the same time, allow registered firms and individuals to tailor and scale controls in proportion to the potential conflict in question.

(iii) Reporting Deadlines

While we support the CSA's efforts to provide registrants with greater time to file notices of change to registration information, including up to 30 days for certain information, we believe 3 different deadlines that vary based on the type of information as proposed will add unnecessary complexity and confusion to the process, and lead to further missed filings. To streamline the process, we encourage the CSA to adopt a standard 30-day deadline for all changes. A single, consistent timeframe will provide clarity to registrants and will help facilitate administration of reporting; for example, by allowing firms to develop monthly reporting processes to ease the burden of filing multiple reports within each month. If the CSA does not move forward with a consistent timeframe as we propose, we strongly urge the CSA to extend the 10-day reporting deadline to 15-days. As noted by the CSA, providing changes to certain information within 10 days can be challenging, especially for larger firms with numerous individual registrants, and where multiple changes occur within a short timeframe.

(iv) Reporting by Authorized Affiliates

We strongly support the proposal to allow one authorized affiliate to notify the regulator of changes to certain information in Form 33-109F6 for itself and its affiliates. However, we question why the CSA has limited this proposal to only affiliates that share the same principal regulator. This limitation will not provide firms who have a number of affiliates with principle regulators that span across a number a of jurisdictions, like IGM, any benefit. To meaningfully reduce regulatory burden, the CSA should allow an authorized affiliate to either notify (i) its principal regulator, who

can in turn share the information with other applicable regulators, or (ii) all applicable regulators. To meaningfully reduce regulatory burden, we also recommend that the CSA eliminate the ongoing attestation requirement and expand this proposal to cover all information in Form 33-109F6.

While not part of the Proposed Amendments, as part of the CSA's commitment to reduce regulatory burden for registrants, we also encourage the CSA to consider removing the requirement for a registrant to disclose in Form 33-109F6, and provide updates upon changes to, certain information concerning "specified affiliates" who are also registrants that would otherwise report such information directly. We believe this will eliminate duplicative and overlapping reporting and filing, and significantly streamline the disclosure process.

(v) Transition

We strongly recommend that the CSA consider appropriate transition periods for all aspects of the Proposed Amendments – the proposed transition date of December 31, 2021 is far too soon. This year, registrants are focused on implementing a number of regulatory changes, such as the Client Focused Reforms, IIROC Plain Language Rules, and the discontinuation of trailing commissions in the discount channel and the deferred sales charge option. While we appreciate the Proposed Amendments will overall reduce regulatory burden for registrants, a number of the proposals, especially those relating to outside business activities, will require comprehensive assessments of, and changes to, business practices and processes, registrant training, and compliance and supervisory programs. Aside from aspects of the Proposed Amendments that can be easily and quickly implemented, such as the extensions to filing deadlines, we ask the CSA to provide an additional year to implement the proposals.

Conclusion

We thank you for the opportunity to provide comments on the Proposed Amendments. Please feel free to contact Johanne Blanchard at johanne.blanchard@ig.ca or Andrew Papini at andrew.papini@igmfinancial.com if you wish to discuss our feedback further or require additional information.

We would be pleased to engage further with you on this important initiative.

Yours truly,

IGM Financial Inc.



Rhonda Goldberg
Executive Vice President & General Counsel
IGM Financial Inc.