



IGM Financial Inc. One Canada Centre, 447 Portage Ave., Winnipeg, Manitoba R3C 3B6

March 19, 2010

Corporate Secretary
Mutual Fund Dealers Association of Canada
121 King Street West
Suite 1000
Toronto, ON M5H 3T9

-and-

Mark Wang
Manager, Legal Services
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142
Pacific Centre
Vancouver, BC V7Y 1L2

Dear Sirs/Mesdames:

Re: Request for Comments – Proposed Amendments to the Rules and Policy 6 of the Mutual Fund Dealers Association of Canada (“MFDA”) resulting from National Instrument 31-103 Registration Requirements and Exemptions (the “Amendments”)

IGM Financial Inc. (IGM) is one of Canada’s largest managers and distributors of mutual funds, with over \$120 billion in total assets under administration. Three of its subsidiaries are MFDA Members, namely Investors Group Financial Services Inc., M.R.S. Inc., and IPC Investment Corporation. This letter is submitted on behalf of each of these MFDA members.

We are writing to provide the comments with respect to the call for public comment on proposed amendments to MFDA Rules and Policy No. 6 (*Information Reporting Requirements*) (the “Amendments”) resulting from requirements established under National Instrument 31-103 *Registration Requirements and Exemptions* (“NI 31-103”), as posted by the British Columbia Securities Commission on December 23, 2009.

As a general comment, we commend this initiative in its efforts to provide for greater efficiency, clarity and consistency of rules. In the interest of harmonization, we submit that a consistent framework for regulation and a priority for our industry that these policies are developed in a coordinated and consistent way for the benefit of investors. In particular, we suggest, to ensure harmonization, the MFDA track the language of NI 31-103 in all of its amendments and only deviate from it where the context requires in the MFDA Rules.

Salespersons – Section 1.2.2

We suggest that the MFDA Rules be harmonized with NI 31-103 and should use the word “dealing representatives” rather than “salespersons”.

Conflicts of Interest – Section 2.1.4

With respect to section 2.1.4 relating to conflicts of interest, we have noted a difference between MFDA's proposed rule and the provisions in NI 31-103. The wording of the provisions is significantly different and, as a result, it is not clear as to the applicable standard to which a Member must comply. For example, (i) do the words "be aware" in section 2.1.4 impose a higher standard than "take reasonable steps to identify" as set out in section 13.4 of NI 31-103; (ii) NI 31-103 has a materiality standard which does appear in section 2.1.4 and, if it is the intent in the MFDA Rules to have no such materiality standard, then to the extent a Member also has an exempt market dealer licence the standards applicable to a client will be dependent on whether the Member is dealing with the client in respect of the mutual fund dealer licence or the exempt market dealer licence; and (iii) the requirements for disclosure of the conflict to the client under section 2.1.4 is not consistent with NI 31-103. To avoid confusion, we request section 2.1.4 be amended to conform to NI 31-103.

Referral Arrangements – Section 2.4.2

With regards to section 2.4.2(b), we would suggest that section 2.4.2(b)(i) be amended to make it clear that this subclause only applies where the arrangement is entered into by an Approved Person and does not apply where the arrangement is entered into by Member itself.

Ultimate Designated Person and Chief Compliance Officer – Sections 2.5.2 and 2.5.3

With regards to the Chief Compliance Officer designation, specifically sections 2.5.3(b)(iii)(A) and (B), we note that the use of the term "reasonably" is not consistent with the language used in section 5.2(c)(i) and (ii) of NI 31-103, which uses the words "in the opinion of a reasonable person." In order to ensure harmonization with NI 31-103, we urge the MFDA to use the language in NI 31-103 as opposed to that which is currently proposed in section 2.5.3(b)(iii).

Similarly, section 2.5.3(b)(iv) proposes that a report be submitted to the board of directors "as frequently as necessary and not less than annually". This is inconsistent with section 5.2(d) of NI 31-103 which requires a report to be submitted "annually". In order to ensure harmonization with NI 31-103, we urge the MFDA to use the annual standard found in NI 31-103 as opposed to that which is currently proposed in section 2.5.3(b)(iv).

Branch Manager Supervision – Section 2.5.5

With regards to section 2.5.5, we note that the Amendments, as proposed, are a departure from the MFDA's efforts to improve harmonization in regulation across the industry. In this regard we would refer you to the recent amendments made by IIROC, which eliminated its Branch Manager category of registration and supervision structure in Dealer Member Rule 4. The IIROC amendments and the removal of prescriptive and structural requirements in many compliance related rules are consistent with the principals based changes made in the CSA regime. We urge the MFDA to eliminate the very prescriptive branch manager rules proposed and instead replace these proposed rules with a more flexible concept of supervision of branches.

In today's fluid environment, it seems overly restrictive to mandate things such as the number of Approved Persons per branch and to stipulate requirements for physical locations. Dealers should be allowed the option for a structure that meets branch manager controls based on risk management. As a result, we urge the MFDA to adopt rules that would require Members to ensure they have adequate supervision structures and leave the specifics to the discretion of the Members acting reasonably.

Currency of Courses – Section 2.5.5

With regards to section 2.5.5(d) relating to the currency of courses, we note that the language found in sections 3.5 and 3.11 of NI 31-103 that provides that an individual may meet the relevant proficiency requirements either by meeting specific course requirements or by having gained relevant industry experience for a total of 12 months during the 36 month period is not found in this proposed section 2.5.5(d). We also note that the exceptions to the 36 month provisions set out in section 3.3 of NI 31-103 have also not been included and, in part, is currently permitted in the current version of the MFDA Rules (see section 1.2.4(a)(ii)). This is not only inconsistent with NI 31-103 but it will also cause certain individuals who would otherwise be qualified in terms of proficiency to have to undergo unnecessary testing or require an exemption from the MFDA, even though they meet the proficiency requirements under NI 31-103. To that end, we urge the MFDA to adopt similar language to that found in NI 31-103 in order to ensure harmonization and avoid the unwarranted consequences of not including such proficiency flexibility.

Content of Account Statements – Sections 5.3.2 and 5.3.3

We note that section 5.3.2(b) and (c) proposes to add a requirement for Members to report not just on “securities” transactions but also on “investments”. We are not clear as to what the MFDA is intending to capture by adding the requirement to report on “investments” and how that is different from “securities”. Furthermore, given that the language in section 14.14 of NI 31-103 does not contain the “investment” language, we are concerned that the inconsistency between these two sections will confuse Members when it comes to compliance. For these reasons, we urge the MFDA to delete the reference to “investments” from section 5.3.2(b) and (c) in order to harmonize with NI 31-103 and to avoid confusion.

We thank you again for the opportunity to provide comments on the Amendments. Please feel free to contact Tim Pryor (tpryor@mackenziefinancial.com) or David Cheop (david.cheop@investorsgroup.com) if you wish to discuss any of these comments.

Yours very truly,

IGM FINANCIAL INC.



Murray J. Taylor
Co-President and Chief Executive Officer