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June 1, 2014

Mr. Robert Day
Senior Specialist, Business Planning and Performance Reporting
Ontario Securities Commission
20 Queen Street West
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rday@osc.gov.on.ca

Dear Mr. Day:

**Re: OSC Notice 11-769 - Statement of Priorities
Request for Comments Regarding the Statement of Priorities for Financial
Year End March 31, 2015**

CI Financial Corp. ("CI") is pleased to respond to the Ontario Securities Commission ("OSC") Notice 11-769 - Statement of Priorities for the fiscal year end March 31, 2015.

CI is a diversified wealth management firm and one of Canada's largest investment fund companies with over \$125 billion in fee-earning assets. Independent and Canadian-owned, CI is committed to providing investors with a comprehensive and innovative selection of top-quality investment products and services. CI operates primarily through CI Investments Inc., ("CII") and Assante Wealth Management (Canada) Ltd. ("Assante"). CII offers the industry's broadest selection of investment funds and services for both retail and institutional investors. Assante is recognized as a leader in the financial planning industry with a national network of over 850 professional investment advisors.

The OSC's strategic priorities for the 2015 fiscal year are both ambitious and comprehensive and in general they support the OSCs' vision of being an effective and responsive securities regulator, protecting investors from unfair, improper or fraudulent practices. The OSC must continue to provide oversight to the increasingly complex capital markets that are driven by changes locally and globally. Understandably, the OSC must monitor and respond to international regulatory standards such as IOSCO, however, the regulator must balance these global influences with the requirement to provide a fair and efficient market that meets the needs of Ontario investors. Many of the comment

letters submitted to the OSC in response to CSA CP 81-407, Mutual Fund Fees, and CP 33-403, The Standard of Conduct for Advisors and Dealers, have correctly identified that these investor protection initiatives, while important to other jurisdictions such as the UK and Australia due to issues that were prevalent in their respective markets, are not appropriate for Ontario. Detailed analysis of the existing Canadian regulatory requirements as well as the common law obligations for providing retail investment advice, have concluded that the duties of advisors and dealers are fulsome and provide investor protection that is equivalent to the requirements in these other regulatory jurisdictions. In addition, the unintended consequences resulting from these initiatives may impact the capital markets by limiting choice for investors and increasing the cost for advisory services. While a comprehensive cost benefit analysis of these regulatory initiatives is required to understand and quantify what, if any, additional investor protection benefits are provided through these initiatives, CI firmly believes that this analysis should only be completed after the Client Relationship Model (“CRM”) and Point of Sale (“POS”) projects have been fully implemented. The CRM and POS requirements are widely considered to be the most significant and extensive regulatory changes to be encountered by the mutual fund industry in recent memory. Any analysis of potential investor protection shortcomings must include the changes brought about by CRM and POS.

The overwhelming regulatory burden imposed on the securities industry, particularly the mutual fund industry, over the past three years, has consumed significant human and financial resources across the industry. A recently completed analysis identified 98 securities regulatory initiatives that are currently affecting or having the potential to affect the industry. The volume of regulatory change has increased dramatically over recent years; from approximately 28 rules and regulations in 2008 to 76 initiatives in 2013, to 98 rules in 2014. These data do not include non-securities regulatory measures such as the Foreign Account Tax Compliance Act (FATCA), Anti-Money Laundering, and the new Canadian Anti-Spam Legislation (CASL). Identifying, analyzing and monitoring each of these initiatives has become an increasingly complex and expensive necessity for market participants.

The volume of change, the complexity of the requirements and the overlap of the initiatives adds to the challenge for industry. Implementing the new initiatives draws upon limited financial and human resources. Many smaller dealers do not have the expertise required to implement the required rules nor do they have the resources required to ensure compliance with the rules. This increased regulatory burden will result in firms either closing their business altogether, thereby reducing choice for investors, or increasing costs, which limits the availability of advice for investors. To alleviate some of these issues, we ask the OSC to provide a more detailed explanation of the priority and associated timelines for each initiative, and seek greater public input on the implementation timing of each initiative. As well, we ask that any analysis the OSC undertakes for each initiative will be done on a cooperative basis between the regulators and market participants. In that regard, we hope that we will be invited to comment on the scope of the analysis to help the OSC frame the questions for analysis.

Increased harmonization and coordination across the different regulatory authorities in Canada is required for the development and implementation of new rules. CI strongly encourages the OSC to pursue and support the implementation of a national regulator that will provide efficient and effective oversight of the capital markets. Eliminating jurisdictional differences in the regulations will improve operational efficiency and make it easier and less costly for market participants to analyze and implement new regulations.

Thank you for the opportunity to provide comments with respect to the OSC's strategic priorities for the fiscal year 2015. If you have questions or wish us to clarify any comments, please contact David Pauli, the undersigned below, at 416-364-1145.

Sincerely,

"David C. Pauli"

David Pauli
Executive Vice-President and Chief Operating Officer
CI Financial Corp.