BY EMAIL: comments@osc.gov.on.ca

March 1, 2019

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

Dear Sirs/Mesdames:

RE: OSC Staff Notice 11-784: *Burden Reduction*

AGF Investments Inc. ("**AGF**") is writing to provide comments in respect of the Ontario Securities Commission's ("**OSC**") Staff Notice 11-784: *Burden Reduction* (referred to herein as the "**Notice**").

AGF provides asset management services globally to institutions and individuals. AGF's products include a diversified family of mutual funds, exchange traded funds, mutual fund wrap programs and pooled funds. AGF also manages assets on behalf of institutional investors including pension plans, foundations and endowments. AGF is registered in the categories of Investment Fund Manager, Mutual Fund Dealer, Exempt Market Dealer, Portfolio Manager, and Commodity Trading Manager.

AGF appreciates the opportunity to provide feedback to the OSC in respect of the Notice. AGF certainly appreciates, and supports the OSC's establishment of the Burden Reduction Task Force (the "**Task Force**"), and believes that identifying and reducing regulatory burdens will be beneficial for all stakeholders, including – notably – investors.

AGF is generally aligned with applicable aspects of the responses to the Notice submitted by both the Investment Industry Association of Canada ("**IIAC**") and The Investment Funds Institute of Canada ("**IFIC**"). All of the submissions for regulatory burden reduction raised by both IIAC and IFIC are very important for the OSC to consider in relation to ensuring that market efficiency is upheld as a key tenet of regulatory oversight. In particular, AGF notes that the following submissions raised by IFIC should be crucial focuses for the Task Force:

- *Ensuring Robust Cost-Benefit Analysis*; and
- *Implementing Regulatory Impact Analysis*

As reiterated by IFIC, the *Securities Act* (Ontario) requires the OSC to publish "a description of the anticipated costs and benefits of the proposed rule" as part of the rule notice. We agree with IFIC's assertion that the current cost-benefit analyses being completed by the OSC do not adequately address the extremely significant costs to the industry (and by extension, investors) related to rule implementation. Further, such analysis to-date is, in our view, deficient in terms of commensurately equating such significant costs to the desired beneficial outcomes for investors. We urge the OSC to address this gap, and provide more fulsome and transparent cost-benefit analysis – not only for *future* rule-making; but also for *existing* initiatives that are underway, including – but not limited to – the *Client Focused Reforms* and the *Mutual Fund Fee Proposals*.

As also raised by IFIC, AGF believes that the OSC needs to go a step farther than cost-benefit analysis, and implement a thorough regulatory impact analysis process. Only through the lens of a rigorous cost-benefit analysis <u>and</u> regulatory impact analysis will the regulator be able to fully inform their rule-making decisions prior to implementation. Additionally, this will provide the much-needed clarity for all stakeholders toward understanding the juxtaposition between investor protection and market efficiency.

Overall, we urge the OSC to consider all avenues toward reducing regulatory burdens within the industry, and, as stated by the OSC: "*enhancing competitiveness for Ontario businesses by saving time and money for issuers, registrants, investors and other market participants*".

We thank the OSC for the opportunity to raise the above issues. As always, AGF continues to advocate for striking the necessary balance between improving investor outcomes while not unduly prejudicing the industry.

Yours very truly,

Mark Adams
Senior Vice President, General Counsel & Corporate Secretary
AGF Investments Inc.