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Director
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Via Email: 31-358@acvm-csa.ca

Dear Sirs and Mesdames:

Re: CSA Staff Notice 31-358 *Guidance on Registration Requirements for Chief Compliance Officers and Request for Comments* (“CSA Staff Notice”)

The Investment Industry Association of Canada (the “IIAC”) is the national association representing the investment industry’s position on securities regulations, public policy and industry issues on behalf of our 115 IIROC-regulated investment dealer members in the Canadian securities industry. The IIAC appreciates the opportunity to provide feedback on the CSA Staff Notice.

IIAC member firms appreciate the CSA’s objective to provide firms with increased flexibility in how they implement chief compliance officers (“CCOs”) responsibilities to allow firms to better align the CCO position with their operational and business needs. Member firms concur with the CSA that this guidance will reduce the burden on firms by signaling to the financial industry that certain CCO models are permissible and further by outlining the CSA’s expectations and requirements to obtain the required exemptions. We note some specific feedback on the various CCO models below.

Shared CCO Model

While member firms appreciate the intent of the Shared CCO Model, most member firms did not believe this model would be workable among unaffiliated IIROC firms. Even smaller IIAC member firms believed the CCO position is too crucial a role and requires such a substantial time commitment that it cannot be shared. Members did acknowledge it could still be beneficial for affiliated firms, especially in conjunction with the other two CCO models. It may also be helpful to firms in other registrant categories. If the CSA is to consider permitting this model for unaffiliated firms, member firms support the CSA’s outline of concerns that must be addressed with respect to potential conflicts of interest, confidentiality and capacity issues as well as how the firms can maintain an effective compliance system.

Multiple CCO Model

Member firms believe the guidance provided with respect to the Multiple CCO Model will be very helpful to firms with multiple divisions within a single legal entity. It was not clear prior to this CSA Staff Notice if firms would be permitted to have multiple CCOs when structured as a single entity with distinct divisions, as the 31-103CP guidance related to multiple CCOs for a firm with different registrant categories. Member firms also appreciate the list of non-exhaustive questions that firms should consider when preparing to apply for exemptive relief to implement the Multiple CCO Model.

Specialized CCO Model

Member firms agree that the Specialized CCO Model will be helpful for firms developing non-traditional or specialized business models. With recent technological changes in how firms are delivering their services, it is appropriate to recognize that different experiences and skill sets may be advantageous for the CCO to possess. It was noted that this model should also be considered in connection with the Multiple CCO Model for firms that have a specialized or non-traditional business line within the firm to match the expertise to the division. Member firms believe it is appropriate for the CSA to state that a CCO approved related to a specific business model under the Specialized CCO model may not be considered proficient to be the CCO of a registered firm with a different business model.

Thank you for considering our submission. The IIAC would be pleased to respond to any questions that you may have in respect of our comments.

Yours sincerely,

“Adrian Walrath”