

# OSC Investor Advisory Panel

Eleanor Farrell  
Director, Office of the Investor  
Ontario Securities Commission  
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Toronto, Ontario  
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Dear Eleanor,

The Panel appreciates the opportunity to provide its views on priorities and areas of focus for the Commission in the upcoming year as the Commission begins its business planning for the next year.

The Commission has asked us to respond to three specific questions:

- Are there activities or specific policy areas that the OSC should be concentrating on that are not already a focus?
- Are there activities or specific policy areas where the OSC is currently spending too many resources?
- What three priorities, that could be completed or substantially completed in 2014-2015, would contribute the most to the OSC meeting its mandate to provide protection to investors from unfair, improper, or fraudulent practices?

We continue to believe, as we said in our Comment Letter to the OSC Statement of Priorities, 2013-14, that the OSC needs to focus on strengthening the investor protection regime in Canada through the introduction of a Best Interest Duty, accompanied by the necessary proficiency and title reforms; the reform of conflict-ridden compensation structures, including the current fee structures for mutual funds; and the provision of fair, timely, and independent complaint handling and restitution for investors. The Commission is currently considering the merits of a best interest duty and reviewing mutual fund fee structures but unfortunately restitution and matters related to complaint handling are not current priorities: the IAP believes that they need to be. We also think more resources should be devoted to title reform and raising registrants' proficiency requirements. Efforts in these areas would contribute to the professionalism of the industry and investor protection.

We would once again urge the Commission to act quickly. We have debated, discussed and studied the issues and their solutions for many years. It is time for decisions that will lead to a more robust investor protection regime in Canada. With baby boomers now in their retirement years and receiving inheritances from their parents, it is more critical than ever that their investments be protected throughout their senior years. If the Commission is unable to convince its CSA colleagues of the imperative to replace the inadequate and outdated suitability regime and current conflicted compensation structures with higher standards of investor protection and to make these changes within a reasonable

timeframe, we urge the Ontario Securities Commission to demonstrate the necessary leadership and move alone to protect the citizens and investors of Ontario.

Yours truly.

Investor Advisory Panel