

May 4th, 2021

Canadian Securities Administrator

Dear Sir/Madame,

Re: Comments on Proposed Amendments to NI 33-109 (the Proposal)

Thank you for the opportunity to comment on the Proposal.

VigilantCS is a digitized compliance platform focused on the financial services industry which supports registration, conflict of interest management, continuing education tracking and other core compliance activities. Our position is that regulatory administration should be standardized, automated and digitized generating quality regulatory data allowing all applicable stakeholders to leverage consistent and accessible information improving oversight.

We view the noted changes outlined in the Proposal as important to support our clients and the industry to improve regulatory oversight. It is clear that regulators, regulated firms and individuals see value in ensuring regulatory filings are accurate and timely. This need for accurate and timely filings will become even more important for registered individuals and firms as *Client Focused Reforms* places increased importance on conflict-of-interest management, such as outside activities, to ensure the registrant acts in the best of clients. The Proposal's extended time to file and clarity on definitions will support the gathering of information and ensuring data quality. However, the larger issue remains. As NRD is de facto a closed system, firms and individuals do not have easy access to *their* core regulatory information to support fulfilling their obligations. Only through aligned data sets in NRD and a firm's systems will you see improvement of access, timely delivery and data quality of NRD filings. The absence of a digital interface between NRD and a regulated firm's systems mean:

- a) The regulators are the body that have easy access to core NRD data in a digitized form making it easier for regulators to analyze, report and oversee registrants. However, as noted in the Proposal, ultimate accountability for oversight rests with the registrant. Although, we know this is not the intention, the absence of open regulatory data access to the applicable registrant misaligns the registered firm's accountability and their ability to carry out such accountability as they do not have easy access to *their* NRD file.
- b) As data is currently based on a closed system structure, the vast majority of registrants rely solely on "generic" annual attestations sent to registered individuals asking individuals to report on changes to their outside activities or other material disclosures without the ability to cross reference NRD. As the registered individual has no visibility on their current NRD filings, there is a high probability of under reporting changes and late filings. Core regulatory data should be accessible to the registered individual through the registrant's systems.
- c) We would highlight that the extension of time and providing clarity on definitions is welcomed as this should improve data quality of the applicable filings. Moving to 30 days will ensure applicable internal compliance experts are fully engaged in the assessment and collaborate with the registered individual and stakeholders ensuring a complete record prior to submitted a conflict, as per requirements under *Client Focused Reforms*.

Again, the extension of time and improved definitions are welcomed, however, to truly solve the timely delivery of material filings there must be open access to the registrant's information via a two-way digital interface to promote timely and accurate disclosure of registrant filings.

In response to your specific questions, where VigilantCS has an position:

3. Are there any challenges that Regulated Persons may face to administer the proposed reporting regime for Outside Activities? If so, please explain the challenges.

As noted above, to improve data quality and timely disclosure processes should support the machine to machine data flows between NRD (SEDAR+) and the registrants internal systems.

6. Will Regulated Persons have sufficient time to report Outside Activities given the Proposed Revisions? If not, please explain the challenge in reporting Outside Activities within the proposed revised deadline.

As noted above the core constraint under the current environment is that a Regulated Person does not have visibility of their current NRD filings. Unless NRD (SEDAR+) contemplate machine to machine two way data flows there will remain a misalignment between NRD data and the Regulated Person's actual Outside Activities.

10. Do you see any challenges in reporting updates to registration information by the proposed deadlines? If so, please identify the registration information that this would be challenging for and explain the challenges.

We see the extension to 30 days as reasonable and aligns with other international regulators such as FINRA. We view this extension as important as this will not only provide time for the Regulated Person to report, but also allow for time to ensure the accuracy of the filing, especially as registrants will need to meet the higher best interest standard of care as outlined in Client Focused Reforms.

18. Do you see any challenges in reporting the title(s) used by Individual Registrants? If so, please explain.

Use of title and validating whether such individual's use of specific titles remain in good standing could be a significant risk for registrants. Regulators and accreditation bodies should ensure registrants have standardized method to assess whether titles remain in good standing, especially as use of titles is under further scrutiny due to *Client Focused Reforms*.

19. Registered firms are required to keep accurate records, including copies of forms submitted to the regulators. Are there any circumstances where an Individual Registrant will need to request a copy of their Individual Registration Form from the regulator to update information that is not complete or accurate? If so, please describe these circumstances.

As noted above, to ensure accuracy of the file there must be an effort to move away from physical forms and instead focus on machine to machine delivery of digitized filings. Digitization of the process will decreased cost of compliance, improved registrant access and improved oversight.

20. What are your views on the transition plan for the proposed amendments to NI 31-103 relating to positions of influence?

We do not foresee any issues with achieving the implementation of changes based on noted dates.

21. Are there any significant operational changes that you need to make in order to implement the Proposed Revisions? If so, please describe these operational changes.

As part of the process, we will need to update language and certain fields on our system. We expect such changes could be implemented for our clients on our system within the implementation period. We do not foresee any issues to achieve the noted implementation date.

Thank you for the opportunity to share our views. We look forward to see how the Proposal is implemented.

Yours truly,

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