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**Re: Consultation on Proposed Amendments to National Instrument 33-109 Registration Information and Changes to Companion Policy 33-109CP Registration Information**

PFSL Investments Canada Ltd ("PFSL") appreciates the opportunity to provide our comments to the *Proposed Amendments to NI 33-109 and Related Instruments - Modernizing Registration Information Requirements, Clarifying Outside Activity Reporting & Updating Filing Deadlines* (Proposed Amendments).

**About Primerica**

PFSL is a mutual fund dealer and a member of the Primerica Financial Services Canada group of Companies ("Primerica"). Primerica is a leading distributor of basic savings and protection products that serves middle-income households throughout Canada. In addition to PFSL, our Canadian corporate group includes a mutual fund manager (PFSL Management Ltd.) and a life insurance company (Primerica Life Insurance Company of Canada). Primerica has been serving the Canadian public since 1986. Our mutual



fund dealer contracts with the largest independent mutual fund sales force in the country with approximately 7,200 Dealing Representatives and administers over \$11.5 billion of client investments, the vast majority of which serve the saving needs of middle-income Canadians. Our life insurance company contracts over 12,500 licensed life insurance agents across the country, protecting Canadian families with over \$131 Billion of term life insurance.

Primerica dedicates its efforts to providing middle-income families with access to simple yet essential products and services through one of the nation's largest and exclusive (captive) sales forces. We consider our focus on middle-income Canadians one of our company's distinguishing features since they are often overlooked by other financial service providers, particularly those providing personal advice. With this experience and a focus on preserving access to affordable financial products, we submit our comment to the CSA.

### **General Comments**

We support the CSA's efforts to provide greater clarity on the information to be submitted, to help individuals and firms (collectively, Regulated Persons) provide complete and accurate registration information and to reduce the regulatory burden of doing so, while enabling the CSA to receive information necessary to carry out its regulatory responsibilities.

The current regulations lack clarity and efficiency surrounding reporting outside activities, language on forms, and reporting time frame. The CSA's proposed targeted changes have the potential to provide relief to an overburdened registration process and to help address many of the existing regulatory inefficiencies.

Primerica supports these proposed amendments and have some comments which we hope are constructive. We have reproduced the questions from the CSA Notice dated February 4, 2021 and provided our responses to those questions below.

### **Questions**

***1. Are there other categories of Outside Activities that should be reportable to regulators? If so, please describe what categories of Outside Activities should be reportable to regulators.***

The categories of Outside Activities provide sufficient clarity, and we do not believe other categories beyond the proposed should be reported to regulators. The proposed categories will help Regulated Persons understand which Outside Activities must be reported to regulators. However, we suggest providing further clarity for **Category 6 - Specified Activities** as it would reduce the confusion that Regulated Persons may experience and reduce over-reporting. We suggest creating a detailed list of "specified activities" indicating which activities would fall under this category to help achieve this.

***2. Considering the proposed framework for reporting of Outside Activities, are there categories of Outside Activities that should not be reportable to regulators? If so, please describe what categories of Outside Activities should not be reportable to regulators.***

The proposed framework for reporting Outside Activities no longer requires volunteer work that is not related to securities or financial services or is not a position of influence to be reported. We support this



proposal but would suggest a published dynamic list of uncompensated activities relating to securities or financial services be created to help increase clarity.

***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.***

Individuals may experience potential challenges when administering the proposed reporting regime for Outside Activities as what should or should not be reported can sometimes be unclear. Some individuals may under or over report Outside Activities. However, this would cause a burden to regulators in assessing relevant and irrelevant information. We suggest a minor reform to the way the 33-109F4 is completed and submitted. There should be a mechanism to allow discretion for dealers, drawing on their experience, to include or exclude items that should or should not be reported. Further, we suggest working to ensure that Outside Activities' financial questions are written in plain English to reduce any confusion Regulated Persons may experience.

***4. Is 7 years an appropriate amount of time to report on past Outside Activities that involved raising money for an entity through the issuance of securities or derivatives or promoting the sale of an entity's securities or derivatives? Please explain your view.***

Yes, the proposed time allows for the reporting of more relevant reporting timeline. While Outside Activities beyond seven years may be deemed appropriate to the regulator, it is unlikely that an event outside seven years would have continuing relevance. The relevancy of seven years also aligns with many other subjective timelines such as Part 5 – Due Diligence and Record-Keeping, Item 16 – Financial disclosures as well as Part 8 – Legal Action.

***5. Is 30 hours per month (based upon 7.5 hours per week for four weeks) an appropriate cumulative minimum time threshold for reporting all Outside Activities? Please explain your view.***

We recommend that the number of hours be increased from 30 hours to 80 hours per month as we believe Regulated Persons can dedicate 20 hours per week to Outside Activities without compromising their ability to work for their sponsoring firm in a reasonable and acceptable manner.

***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.***

Yes, we believe amending the reporting deadline for changes to certain Outside Activities from 10 to 30 days gives Regulated Persons sufficient reporting time.

***7. Are there other positions that should be considered positions of influence? If so, please describe these positions and explain why they should be positions of influence.***

There are no other positions that should be considered positions of influence. However, we ask for further clarity on what characteristics define a position of influence. We also believe that the list of positions that is provided is sufficient, but we suggest clarifying whether this applies uniformly to all provinces or whether will provide additional positions in their respective jurisdictions.

***8. Is "susceptibility" the appropriate term to describe the impact of the influence on the individual subject to the influence? If not, please explain why not and propose alternative language.***



Susceptibility may not be the most appropriate term to describe the impact of influence as described in the Companion Policy. Rather, alternatives that may capture this proposed amendment's objective include the terms "subject to persuasion" or "easily influenced," as the word "susceptibility" may be less easily determined. Further, we believe that an "reasonableness" standard should be applied in such circumstances. Susceptibility is subjective, as with the concept of determining positions of "influence".

***9. Are there any aspects of the new rule on positions of influence that you expect will be difficult to administer? If so, please describe the difficulty.***

The response to this question provided by The Investment Funds Institute of Canada is consistent with our views on this important issue.

***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.***

Regulated Persons may find that the numerous time frames for reporting registration information can be confusing or complicated. Harmonizing all 10-day filing deadlines to 30 days can remedy this issue. However, we also believe the challenges observed with reporting Outside Activities within the proposed revised deadline can be resolved by updating the language in the proposed revisions. We recommend revising the reporting deadlines to 30 days as it provides a reasonable timeframe for Regulated Persons to report Outside Activities, while allowing for unexpected delays.

***11. Are there any other thresholds where a change in percentage ownership in the ownership chart should be reported or any thresholds where changes should not be reported? If so, please explain what other thresholds should be included or what thresholds should not be reported.***

We have no issues with this proposal; it is reasonable and would reduce the reporting frequency while maintaining relevancy. No other thresholds should be included or reported aside from the ones stated in the proposed amendments.

***16. Do the Proposed Revisions offer sufficient clarity to the registration information requirements? If not, please explain which registration information requirement remains unclear and why.***

We believe that if the final changes reflect the proposed revisions, specifically the use of plain language, there should be no issues relating to clarity. We appreciate the work done in the proposals to provide greater clarity. We have provided recommendations in this submission that may help in that regard.

***17. Are there any circumstances where the certification standard may not be met or be applicable? If so, please describe the circumstances.***

We support this proposal as the certification standard being placed at the beginning of the registration actively engages Regulated Persons, allowing them to be fully aware of the information they report. This change should reduce the administrative burdens such as multiple revisions to registration information.



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

We do not have an issue with reporting the title(s) used by Individual Registrants. Reporting and confirming proper professional designations would ensure credibility is maintained in the registration information. We currently have policies and procedures in place with respect to the use of titles and support the proposal to have the entire industry follow suit.

**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.**

Individual Registrants may need to request a copy of their Permanent Record (Form 4) from the regulator to update information if they are no longer associated with the firm. We are not required to assist individuals with Form 4 requests and therefore do not print this information for them

If the Individual Registrant wishes to become sponsored by another Registered Firm, the new Registered Firm may require the Permanent Record to conduct a suitability review prior to accepting and completing their sponsorship. The Individual Registrant may wish to request a copy of their Permanent Record for their files and for future reference from the appropriate securities commission.

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

We recommend a minimum 12- month transition period rather than 6 months. Smaller Registered Firms may have limited available resources to review and train existing Individual Registrants. Larger Registered Firms may have a much larger number of Individual Registrants that will take considerable time and effort to review and train regardless of their available resources.

The administrative burden that implementing the Proposed Amendments will place on many Registered Firms can be significantly reduced if Registered Firms are given the ability to run pertinent NRD reports such as Outside Activities on a comprehensive all Registered Individuals basis rather than single Registered Individuals.

Consideration should also be given to the number of competing and significant regulatory changes firms are required to address by year end (i.e. CFR) which are currently presenting a great deal of strain on compliance, operational and technical resources, which we would expect, will affect a firm's ability to meet a 6-month time frame.

**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**

Until such time as the CSA has finalized the Proposed Revisions, we are unable to comment on the effects of the Proposed Revisions more specifically, if there are any significant operational changes that we may need to make in order to implement such changes.



### **Other Comments**

While the CSA has not solicited feedback from Regulated Persons regarding SEDAR+, we would be remiss in not taking advantage of this opportunity to convey the importance of engaging Regulated Persons early on in the development of SEDAR+ to ensure a more effective electronic filing system is in place. The design of SEDAR+ could significantly improve reporting obligations (i.e. quality of the information being provided and time frames) and reduce regulatory burden if firms are presented with more meaningful reports, which would include, but not be limited to, Outside Activities.

### **Conclusion**

We appreciate the opportunity to provide comments on *CSA Proposed Amendments to National Instrument 33-109 Registration Information and Changes to Companion Policy 33-109CP Registration Information*. We remain open to discussion and willing to work with the CSA to ensure that the most effective revisions to registration information are established. Achieving this goal is critical to reducing regulatory burden observed and can create relief for both Regulated Persons and the regulator, while maintaining appropriate protection for investors.

Sincerely,

[Originally signed by]

John Adams, CPA, CA  
Chief Executive Officer