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**RE: CSA Position Paper 25-404 New Self-Regulatory Organization Framework**

**About PFSL**

PFSL Investments Canada Ltd. (“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 to middle-income households throughout Canada. In addition to PFSL, our Canadian corporate group includes a mutual fund manager (PFSL Fund 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 7,400 Approved Persons (“APs”) and administers over \$14 billion of client investments, the vast majority of which serve the saving needs of middle-income Canadians. Our life insurance company contracts over 11,700 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 the distinguishing features of our company since they are often overlooked by other financial service providers, particularly those providing personal advice. We submit our comments to the CSA based on this experience and with a focus on preserving access to affordable financial products and advice.

### **New SRO Implementation Process**

We believe that the SRO model of regulation of the investment industry should emphasize and promote appropriate and efficient market regulation that is tailored to retail investors. Self-Regulatory Organizations are better able to identify trends that may impact investors and adjust their regulatory approach accordingly. We agree that establishing and operationalizing the new SRO model in two phases will help ensure an efficient transition. The use of an integrated working group will be helpful in transitioning existing organizations into the new SRO.

### **Registration Categories**

We believe it is important to maintain a funds registration category (mutual funds, ETF's) for dealers and for advisors (currently MFDA Approved Persons). This distribution channel has demonstrated its importance in serving investors of all means, particularly those with more modest amounts to invest. Further, the channel provides greater access to advice for new investors, combined with personal advice to help achieve their financial goals.

Proficiency requirements, including continuing education, should be commensurate with the required product knowledge of each registration category and should be streamlined and harmonized where possible to minimize red tape.

### **Fees and Allocation of Costs**

The development of the new fee model and allocation of costs will be a complex undertaking. With this in mind, we strongly encourage industry consultation while this model is under development.

### **Leverage Ongoing Related Projects**

While the CSA intends to consolidate the databases and harmonize with insurance regulators through the SEDAR+ project, we would like to emphasize that this is an opportunity to address the shortcomings of the current NRD database. In particular, the input required for registration information, public disclosure, and disciplinary information is burdensome and can be streamlined. We also hope to have a support framework for the new system and encourage collaboration with industry to ensure the new database is designed to increase efficiency for both regulators and industry. We would be pleased to assist in this effort.

### **Conclusion**

We believe that the following outcomes are critical in establishing the new SRO framework and will promote efficiency and reduce regulatory burden. More importantly, these principles will protect access and confidence for all investors:

- A consistent approach to retail investor protection;
- Regulatory oversight commensurate with investors' needs and products being sold;
- Maintaining current funds dealer and advisor registration categories;
- Maintaining fees at current levels, or ideally passing along savings from efficiencies achieved so that serving modest investors does not become uneconomical; and



- The ability for both dealers and advisors to move to more complex product registration categories by obtaining supplemental proficiencies.

We appreciate the opportunity to provide comments on CSA Consultation Paper 25-404. We remain open to working with the CSA, the MFDA and IROC to help ensure that the right regulatory model is established. Arriving at the right SRO structure will be critical in ensuring that Canadian investors continue to have confidence in the industry. It is equally critical in ensuring that the industry remains competitive and able to continue serving investors with different budget and savings needs.

Sincerely,

*[Original Signed by]*

John A. Adams CPA, CA  
Chief Executive Officer