



TD Bank Group
TD Bank Tower
66 Wellington Street W.
Toronto ON M5K 1A2

October 6, 2021

Submitted Via Email

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Nova Scotia Securities Commission
Nunavut Securities Office
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Ontario Securities Commission
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Attention:

The Secretary
Ontario Securities
Commission
20 Queen Street West,
Toronto, Ontario M5H 3S8
comments@osc.gov.on.ca

Me Philippe Lebel,
Corporate Secretary and
Executive Director, Legal
Affairs
2640, boulevard Laurier,
bureau 400 Québec
(Québec) G1V 5C1
consultation-en-
cours@lautorite.qc.ca

Dear Sirs and Mesdames:

Re: The Canadian Securities Administrators Position Paper 25-404 – New Self-Regulatory Organization Framework

We are pleased to provide comments in response to the Canadian Securities Administrators Position Paper 25-404 – *New Self-Regulatory Organization Framework* (the "New SRO Framework"). This letter is being submitted on behalf of TD Waterhouse Canada Inc., TD Waterhouse Private Investment Counsel Inc., TD Asset Management Inc., and TD Investment Services Inc. (collectively "TD" or "we").

TD supports the CSA's introduction of a framework to consolidate the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**). Further to our previous submission on October 23, 2020, we would like to reinforce the importance of:

- principles-based approach to the new SRO rules to enable scalability for different business models and to support innovation and growth while promoting consistency in regulatory approach,
- reasonable effective date for implementation including transition periods, considering the recent pace of regulatory change, and
- further consultation on the inclusion of additional registration categories.

We further support the October 4, 2021 comment letter submitted by the Investment Industry Association of Canada.

Rule consolidation should be scalable

The businesses that IIROC and the MFDA regulate remain diverse and that diversity warrants appropriate differentiation in regulation. Such differentiation is important to preserving small retail investors' access to cost-effective investment products and services.

While some firms may anticipate consolidating their MFDA and IIROC dealers in response to the SRO consolidation, it is premature to conclude this is the case, and this should not be assumed for all. TD as well as others may find value in preserving both a simpler, lower cost mutual fund channel and a more sophisticated full-service brokerage channel. These distinct business models and their related value propositions are designed to best serve different clients' needs and objectives at different price points.

We encourage the CSA to maintain flexibility in the new SRO regime, accommodating business models that align to both the current MFDA and IIROC frameworks as well as new business models and offerings:

- Principles-based approach to the new rulebook and policies to support different business models, including scaling requirements to the complexity and risk of the products and services offered.
- Where organized as separate lines of business within a single registrant, the new SRO framework may consider areas of flexibility to allow registrants to treat each line differently, according to the specific products and services offered in each business line.

Reasonable implementation timelines

We recognize the importance of consolidating the SROs in an efficient and expeditious manner. However, firms are currently in the process of implementing a number of significant regulatory changes such as the Client Focused Reforms, IIROC plain language rules, rules to protect older and vulnerable clients, Consumer Protection Framework (which impacts bank-affiliated securities registrants), as well as various financial titling reform initiatives. While many of these changes take effect December 31, 2021, there is still considerable work during the post-

implementation period to ensure effective adoption and sustainability of the changes. Accordingly, we ask that the CSA consider the operational complexity associated with implementing these regulatory change initiatives concurrently and give careful thought to having reasonable implementation timelines and transition periods that will support a seamless transition for firms and their clients.

Additional consultation on registrants directly regulated by the CSA

Given the significant complexities and potential capital implications of moving other registration categories into the SRO model, TD supports further consultation at a later date on the inclusion of additional registration categories. We recommend that this consultation take place once the new SRO has been fully operationalized for IIROC dealers and MFDA members.

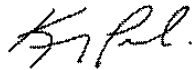
Thank you for the opportunity to provide our views and recommendations regarding the New SRO Framework. Should you require any further information please do not hesitate to contact us.

Sincerely,



Leo Salom,

Group Head, Wealth Management
and TD Insurance



Kerry Peacock,

EVP Branch Banking and Distribution Strategy