

27 July 2000

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Division, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

and

Claude St Pierre, Secrétaire
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 17th Floor
Montreal, Québec H4Z 1G3

Re: Proposed National Instrument 81-104 - Commodity Pools and Companion Policy

Dear Sirs:

The Canadian Advocacy Council (CAC) of the Association for Investment Management and Research (AIMR)¹ is pleased to respond to the request for comments of the Canadian Securities Administrators (CSA) regarding the above-noted Instruments. The CAC represents members of

¹ The Association for Investment Management and Research is a global, nonprofit organization of over 413,000 investment professionals in 70 countries. Through its headquarters in Charlottesville, Virginia and more than 9705 Member Societies and Chapters throughout the world, AIMR provides global leadership in investment education, professional standards, and advocacy programs.

AIMR and its Member Societies and Chapters across Canada. The CAC is comprised of portfolio managers and other investment professionals from across Canada who review new regulatory, legislative, and standard setting developments affecting AIMR's Canadian membership of over 5,400 members.

Comments

Part 4 of the National Instrument sets out proficiency requirements for salespersons and supervisors of dealers selling commodity pools. It requires completion of the Derivative Fundamentals Course or any relevant SRO requirements. We suggest that this section be expanded to also include individuals who have passed the Level I exam of the CFA Program, or in the alternative, individuals who have earned the Chartered Financial Analyst™ (CFA) designation. Attached for your information are copies of the CFA Program Study Guide brochures for Levels I, II, and III, which illustrate the extensive coverage of derivative securities in the CFA Program.

The CFA Program has been recognized by the British Columbia Securities Commission in sections 15.5(b) and 16.4(b) of Local Policy Statement 3-22 as being equivalent to the value of the Canadian Futures Exam for the purpose of managing portfolios or providing investment advice on exchange contracts and forward contracts. In addition, the CFA Program is being recognized by the Ontario Securities Commission in section 2.3 of Proposed Rule 91-504 ((2000) 23 OSCB 51) as sufficient proficiency for trading in OTC Derivatives, and as an alternative to obtaining *all* of the Derivatives Fundamentals Course, the Options Licensing Course, and the Futures Licensing Course.

We appreciate the opportunity to comment on this issue. If you have any questions or would like additional information, please do not hesitate to contact Don Gordon at 604.609.6114 or Philippa Hughes at 804.951.5332.

Sincerely,

/s/ Donald A. Gordon

Donald A. Gordon, CFA
Canadian Advocacy Council

/s/ Philippa P.B. Hughes

Philippa P.B. Hughes, Esq.
Associate, Advocacy