



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA

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February 10, 2003

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

Re: Proposed Amendments to Ontario Securities Commission (“OSC”) Rule 31-502 – Proficiency Requirements for Registrants, OSC Rule 31-505 – Conditions of Registration and OSC Rule 35-502 – Non-Resident Advisers (“Proposed Amendments”)

General

The Investment Funds Institute of Canada (“IFIC”) appreciates the opportunity to offer comments on behalf of its members with respect to the OSC’s Proposed Amendments.

IFIC is the member association of the investment funds industry in Canada and its membership includes 72 fund management companies sponsoring 1,956 mutual funds, 98 dealer firms selling mutual funds, and 60 affiliates representing law, accounting and other professional firms.

IFIC members currently manage assets representing almost 100% of all open-end mutual funds in the country. IFIC member funds manage \$391.3 billion in assets (representing nearly 95 per cent of the industry) in over 53.2 million unit-holder accounts.¹

Our submission to the OSC, dated January 9, 2002 canvassed the concerns of our members at length. We are pleased with the responsiveness of the OSC to the issues that were raised in our letter and commend the OSC for its initiative in

¹ Note: figures representing membership and assets under management by IFIC members are current as at December 31, 2002.

putting forth a proposal that, in our estimation, will address the long-standing concerns of our members in a meaningful way.

We note that the existing proficiency requirements for compliance officers of Investment Counsel/Portfolio Managers ("IC/PM's") have not been removed. Instead, the OSC has opted to supplement the existing requirements with alternatives that would allow for proficiency requirements to be met through either specified industry experience or a combination of such experience and prescribed professional qualifications.

We believe this to be a sound approach to addressing the concerns that have been raised by the industry. We are of the opinion that the Proposed Amendments are both practical and appropriately flexible in recognizing the broad combination of skill sets that can be usefully employed in fulfilling compliance functions.

We are pleased to support the Proposed Amendments and thank the OSC once again for its efforts.

Yours truly,

Original Signed by John Mountain

John Mountain
Vice-President, Regulation