ACPM · ACARR
The Association of Canadian Pension Management
L'Association canadienne des administrateurs de régimes de retraite

May 29, 2003

Mr. Stephen Paglia
Senior Policy Analyst
Joint Forum Project Office
Joint Forum of Financial Market Regulators
5160 Yonge Street
Box 85, 17th Floor
North York, ON
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Dear Mr. Paglia:

Re: CSA Notice 33-402
Principles and Practices for the Sale of Products and Services in the Financial Sector (the "Notice")

The Association of Canadian Pension Management (ACPM) is the national voice of private and public sector pension plan sponsors in Canada, as well as the professional advisory firms they retain. The ACPM's 1000 members represent over 500 pension plans with total pension assets of $400 billion, representing 80 percent of Canadian pension fund assets.

ACPM's mission is to promote the growth and health of Canada's retirement income system by championing the following principles:

- clarity in pension legislation, regulation and arrangements;
- good governance and administration; and
- balanced consideration of stakeholders' interests.

We are writing in response to the request for comments on CSA Notice 33-402 (the "Notice").

There are many features of the retail market that are not applicable to the group environment because of the active role of the plan sponsor in selecting and monitoring investment options, and who, unlike intermediaries in the retail market, has no conflict of interest with the plan members in respect of this role. However, one could foresee how concerns that apply in the retail market could also apply to group plans if more of the retail features were imported.

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The ACPM supports the concept of "a consistent level of service and protection" for consumers, but reiterates that the group plan environment is different from the retail market. The possibility for increased costs (to comply with these principles and practices, when the group environment has already developed its own set of "best practices") is of concern to the ACPM. This would be of particular concern to us if the advantage to plan members of the lower costs of group plans were to be eroded by increased administration costs where the benefit was not evident.

As you are no doubt aware the Joint Forum has released its Proposed Guidelines for Capital Accumulation Plans. It is the hope of the ACPM that the Joint Forum will monitor the impact of these various regulatory initiatives to ensure that any potential overlap or duplication is eliminated.

We thank for your attention to this important matter.

Yours truly,

The Association of Canadian Pension Management

"Priscilla H. Healy"

Priscilla H. Healy
Chair, Advocacy and Government Relations Committee

cc: Stephen Bigsby
Executive Director, ACPM