



**INVESTMENT DEALERS
ASSOCIATION OF CANADA**

JOSEPH J. OLIVER
President and Chief Executive Officer

April 21, 2006

Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

Attention: John Stevenson, Secretary

Dear Sirs/Mesdames:

Re: Request for Comments – Proposed Amendment to Rule 31-502 – *Proficiency Requirements for Registrants*

Further to your request for comments regarding the proposed amendments to Rule 31-502 – *Proficiency Requirements for Registrants*, dated February 24, 2006 (the “Proposed Amendments”), the Investment Dealers Association of Canada (“IDA”) has reviewed the Proposed Amendments and herein provides its comments.

The IDA is in full support of the Proposed Amendments, which remove the limits on the number of restricted representatives an investment dealer may employ. As the financial viability of the Mutual Fund Dealers Association (“MFDA”) is no longer a concern, there is no reason to limit the number of restricted representatives in investment dealers. The limitation is an unnecessary and costly restriction on IDA member firms, and perpetuates an uneven playing field that currently exists between MFDA and IDA member firms with respect to the use of restricted representatives.

The IDA is also of the view that consideration should be given in due course to removing the requirement in section 2.1(6) of the rule for restricted representatives to increase their proficiency within 270 days from the date that registration was granted. The IDA is not aware of any public interest reason to prohibit the employment by an investment dealer of a salesperson licensed in the salesperson (restricted) category to sell mutual funds. IDA



members currently supervise the sale of \$170 billion of mutual fund products. We have no doubt this activity can be safely carried out by our members employing restricted license salespeople.

This issue is not urgent but should be reviewed at an appropriate time.

Sincerely,

Joseph J. Oliver