May 10, 2007
John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
By e-mail: jstevenson@osc.gov.on.ca

Re: Proposed National Instrument 31-103

Dear Sir:

I am writing to you in response to the request for comments on the Proposed Instrument NI-31-103. As a mutual fund investor in Ontario with no government or company pension plan, I rely exclusively on my investments for my future retirement.

I would like to express my concern regarding additional costs the proposed instrument will impose on mutual funds and small independent investment firms that are currently registered as ICPM's. I believe that increasing regulation is harmful to me as an investor because it increases the cost of doing business and reduces competition by deterring new advisors.

Specifically:

Section 4.14
I believe that the current working capital level requirement is sufficient for firms that do not hold investor money and use third party custodians. Increasing the required level of working capital would hit the boutique fund industry particularly hard.

Section 4.18
Insuring assets of a fund that has a quality third party custodian does not provide any material additional benefit for me; it only increases the funds' cost that will inevitably be passed on to me and reduce my returns. The text as proposed will require double insurance.

Your invitation to the May 14-15 information session held by the CSA in Toronto introduces NI-31-103 as: *"The Rule…will create a flexible registration regime leading to administrative efficiencies and reduced regulatory burden for registrants."*

The effect of the two above sections on my investment will be contrary to your stated intent. Therefore, I ask you to reconsider these points or at least allow for the flexibility of informed opting-out.

Respectfully,

Andras Borbely
Toronto
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