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W. Sian Burgess, B.A., L.L.B.
*Senior Vice-President, General Counsel,
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Sent via email to: jstevenson@osc.gov.on.ca

June 1, 2007

John Stevenson
Secretary to the Commission
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, ON M5H 3S8

Dear Mr. Stevenson:

**Re: Comments on Proposed National Instrument 11-102 *Passport System* and
OSC Notice 11-904**

We are writing on behalf of IGM Financial Inc. and its subsidiaries in response to the request for comments by the Ontario Securities Commission (the "OSC") on the proposed National Instrument 11-102 *Passport System* ("NI 11-102") and OSC Notice 11-904. We have provided similar comments to the other members of the Canadian Securities Administrators (the "CSA") under separate cover.

IGM Financial Inc. is comprised of several market participants including Investors Group Inc., Mackenzie Financial Corporation and Investment Planning Counsel Inc. These companies or their investment management subsidiaries together manage more than \$115 billion in assets. In addition, there are three dealers which are members of the Mutual Fund Dealers Association ("MFDA") and three dealers which are members of the Investment Dealers Association ("IDA") within IGM including Investors Group Financial Services Inc., Investors Group Securities Inc., MRS Inc., MRS Securities Services Inc., MRS Correspondent Corporation, Investment Planning Counsel of Canada Limited and IPC Securities Corporation. Most of these entities are securities registrants who are registered in multiple jurisdictions. As a result, our group of companies will be affected by NI 11-102 (including Ontario's decision not to participate) and we therefore take the opportunity to provide comments as requested by the OSC.

1. Improvement to Regulatory System

As an overall comment, IGM Financial Inc. is in favour of the implementation of a passport system. We applaud the efforts of the CSA to attempt to harmonize and streamline the securities regulatory system for issuers and registrants who have their securities traded or deal with clients in more than one Canadian jurisdiction. As an organization that operates in this highly regulated industry, we see substantial benefit in being able to deal with one principal regulator (at the firm level) on matters related to continuous disclosure, registration and exemption applications. We are of the opinion that the implementation of Phase I of the passport system was a positive step. However, we have found through experience that a principal regulator system based on mutual reliance has not substantially simplified the dealings with the various regulators. As a practical matter, in order to build consensus for decisions before they are circulated for opt-in, the principal regulators generally pass along most of the comments of the non-participating regulators to the industry members. The net effect is that industry members are effectively dealing with multiple regulators indirectly, rather than directly. Often the principal regulator acts more as a spokesperson for the collective group of regulators, rather than the decision maker. This can result in issues being raised late in the process, after the applicant believes matters have been settled with the principal regulator.

We prefer the approach proposed in Phase II of the passport system, where the decision of the principal regulator is binding in the non-principal jurisdictions since we believe that this will streamline regulatory decisions and improve regulatory efficiency.

2. Lack of Adoption by Ontario

As a further overall comment, we are disappointed that the CSA was unable to reach unanimous consensus on NI 11-102 and the implementation of Phase II of passport system in Canada. As noted in OSC Notice 11-904, the OSC has chosen not to adopt or support NI 11-102. We view this as a set back to the path of harmonization of securities regulation in Canada. Industry members with national operations will still be left with two separate systems to navigate.

We understand the OSC will not participate in Phase II because it wishes to further its desire for a common securities regulator. However, we encourage the OSC to participate in Phase II of the passport system, which is supported by the other 12 jurisdictions. In our view, this initiative is not contradictory to Ontario's goals. In the interests of achieving regulatory efficiency for registrants and investors alike, it would be most helpful if Ontario could join this system while still forwarding its discussions around a common regulator.

If the passport system proceeds without Ontario's participation, then we suggest that the OSC (along with the other members of the CSA) provide the industry with guidance on how these two separate regimes will be applied and interact. We would suggest that the OSC consider maintaining a mutual reliance system as the interface mechanism with the passport jurisdictions rather than agreeing to repeal all the national instruments that establish the mutual reliance system with the implementation of NI 11-102. This would

allow Ontario to opt-in to the CSA process rather than having registrants or issuers deal with two separate regulatory processes. It would be preferable to use a mechanism that the industry and regulators are familiar with, rather than creating a new system or relying on local rules until the regulators can reach common ground. Any interface mechanism will have to ensure that applications or filings can be dealt with under both systems concurrently, efficiently, and in a coordinated fashion.

3. Specific comments on NI 11-102

With those general comments in mind, we have the following specific comments with respect to NI 11-02.

a. Discretionary Change of Principal Regulator

Pursuant to sections 3.2, 4.8 and 5.3 of NI 11-102, the principal regulator of a person or company may be changed upon written notice from a securities regulatory authority or regulator. We understand from reviewing the Companion Policy to NI 11-102 that such a change could result either at the discretion of the securities regulators or upon application. A change in principal regulator that is initiated by the securities regulatory authorities could be a significant event for securities industry members. We would prefer to see NI 11-102 provide further guidance on the circumstances in which the regulators would exercise this discretion. Further, we believe that the person or company should receive notice of a securities regulators intention to exercise its discretion under 3.2, 4.8 and 5.3 and have an opportunity to respond and make submissions as to why the principal regulator should not be changed. This is a safeguard that is present in some National Instruments that require the designation of a principal regulator (see for example section 3.5 of NI 43-201).

b. Delegation to Self-Regulatory Organizations ("SROs") for Registration

Under Phase II of the passport system, we understand that SROs, such as the IDA, will continue to perform the registration functions that have been delegated to them by some securities regulators. Accordingly, under NI 11-102, IDA registrants will deal with the appropriate IDA office as principal regulator if the IDA has been delegated the firm and individual registration functions in the registrant's principal jurisdiction. It is unclear what occurs in jurisdictions where registration functions have not been delegated to the SRO. In such circumstances it may still be necessary for the registrant to deal with more than one regulator on registration matters (i.e. the SRO and the securities regulator). In order to ensure further harmonization, and to allow registrants a single point of contact on registration applications, we suggest that all the securities regulators review and consider having a uniform policy of delegation of registration functions to SROs.

c. Fees

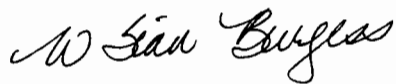
We are pleased to see that, in connection with discretionary exemptions, filers will only be required to pay application fees in the principal jurisdiction. While we understand that fees paid support the entire regulatory system, we encourage the CSA to consider whether there are further opportunities to reduce filing fees for registration matters and prospectus filings, given that non-principal regulators will no longer be required to review

all applications (as they do under a mutual reliance system) and should see their own costs reduced, at least somewhat.

Thank you again for the opportunity to provide comments on the NI 11-102 and OSC Notice 11-904. If you would like to discuss any of our comments in more detail, please do not hesitate to contact us.

Yours truly,

IGM FINANCIAL INC.

A handwritten signature in cursive script that reads "W Sian Burgess".

W. Sian Burgess
Senior Vice President, General Counsel and Chief Compliance Officer

c.c: Murray Taylor, Co-President and Chief Executive Officer, IGM
Charlie Sims, Co-President and Chief Executive Officer, IGM