

June 20, 2007

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**Re: Canadian Securities Administrators ("CSA") Proposed National Instrument  
31-103 *Registration Reform Project* ("RRP")**

Brandes Investment Partners & Co. ("Brandes") is a mutual fund manager in all jurisdictions in Canada and is registered as a limited market dealer, a mutual fund dealer exempt from the requirement to join the MFDA, and an investment counsel & portfolio manager in Ontario and many other Canadian jurisdictions. Our primary role is that of a mutual fund manager, and it is from this point of view that we offer our comments on proposed National Instrument 31-103 ("NI 31-103").

Brandes supports appropriate measures to provide greater protection to investors in our funds. We also support appropriate initiatives to rationalize costs and streamline the regulatory requirements that Brandes and our Funds are subject to by virtue of our multiple registration categories and our operation in multiple Canadian jurisdictions.

In reviewing the draft legislation and formulating our opinions we have identified the following areas which we feel require additional discussion to ensure that an appropriate regulatory effect is achieved:

1. Streamlining the Requirements

We support appropriate initiatives to harmonize the myriad of regulations that an individual firm is subject to. We believe this is critical for the efficient operation of the capital markets and to avoid unnecessary and duplicative costs for our unitholders. We see this impacting Brandes and our Funds in two ways:

- a) the obligation for our firm to meet the requirements of multiple categories; and

- b) the obligation for our firm to meet the requirements of multiple regulators.

We welcome the commentary in the Companion Policy that firm solvency/capital requirements are not cumulative. However, we note that a firm like Brandes could be subject to as many as four categories of registration in each of the Canadian jurisdictions, and each of these categories have specific and significant compliance requirements attached to them. We strongly believe that clarification in the actual legislation is required to avoid “layering” of duplicative requirements for multiple categories of registration, not just in respect of capital requirements, but for all areas which overlap between the categories.

While the need for a national, harmonized solution to securities regulation is beyond the scope of the comments you have requested, we strongly believe that in order for NI 31-103 to achieve any harmonization or efficiencies for Brandes and our Funds, it needs to take effect in all Canadian jurisdictions on a coordinated basis. If only certain jurisdictions adopt the new rules, or if the jurisdictions adopt the new rules at different times, it will cause confusion and uncertainty for Brandes and our unitholders.

## 2. Compliance Regime

Brandes supports a harmonized, principles-based compliance structure for mutual fund managers. We believe that the formal codification of compliance expectations for mutual fund managers is appropriate and necessary. However, to have an effective compliance structure, we believe additional discussion around the roles of the Ultimate Designated Person (“UDP”) and the Chief Compliance Officer (“CCO”) is required. We also believe that additional discussion is required to appropriately define the proficiency requirements for the CCO role.

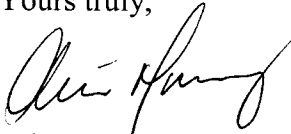
NI 31-103 defines the role of the UDP as an individual responsible for ensuring that the registered firm develops and implements policies and procedures for the discharge of the registered firm’s obligations under securities legislation and the CCO as an individual responsible for discharging the registered firm’s obligations under securities legislation. We believe that the definitions of these roles are reversed, particularly given the commentary in the Companion Policy, specifically at section 2.7, which describes the CCO as “an operating officer whose role is to manage the day-to-day operation of the compliance group” and describes compliance as the responsibility of the firm as a whole. We believe the current definition of the CCO role is actually more onerous than that imposed on the UDP, who is the firm’s Chief Executive Officer or its equivalent, and who may be the individual at a firm that is empowered to impose compliance where necessary.

Brandes supports appropriate proficiency and experience requirements that are designed to ensure that the individuals selected to perform certain functions are qualified to do so.

However, we do not believe that the proficiency requirements as described in sections 4.11 and 4.13 of the instrument achieve that in the context of mutual fund manager compliance. The exam requirements outlined are for courses that have been designed for other purposes and do not relate specifically to the day-to-day requirements of a compliance officer of a mutual fund manager. In addition, the experience requirements set out in sections 4.11 and 4.13 will exclude from consideration many qualified individuals who have been performing the mutual fund manager compliance function prior to the registration requirements, as the qualifying experience must be with a “registered” dealer or adviser, and mutual fund managers have not been “registered” previously. We believe that mutual fund manager compliance experience with an “unregistered” mutual fund manager should also count towards the experience requirements, as someone who has been performing this function for a mutual fund manager may be better qualified for the role than someone who has been employed by a registered dealer or adviser, but has never had mutual fund manager experience.

In closing, we would like to thank you for the opportunity to provide our comments on the proposed NI 31-103. We look forward to receiving the next draft of the instrument.

Yours truly,

A handwritten signature in black ink, appearing to read "Oliver Murray", written in a cursive style.

Oliver Murray  
President & CEO