



October 15, 2007

Neil Mohindra
Acting Policy Manager
Joint Forum Project Office
5160 Yonge Street
Box 85, 17th floor
North York, ON
N2N 6L9
E-mail: jointforum@fSCO.gov.on.ca

Dear: Sirs/Mesdames:

Re: **Proposed Framework 81-406 *Point of Sale Disclosure for Mutual Funds and Segregated Funds* - Public Comment**

The Mutual Fund Dealers Association of Canada (“MFDA”) is the national self-regulatory organization (“SRO”) for mutual fund dealers. We are writing in response to your invitation to provide comments on proposed Framework 81-406 *Point of Sale Disclosure for Mutual Funds and Segregated Funds* (“81-406”) published by the Joint Forum of Financial Market Regulators (“Joint Forum”) on June 15, 2007.

As a national SRO, the MFDA fully supports the efforts of the Joint Forum in seeking to develop clear and concise point of sale disclosure for mutual funds and segregated funds. We believe that, for the most part, proposed 81-406 adopts an approach to point of sale disclosure that is fair and reasonable for both investors and industry participants. We do, however, have some practical concerns and additional areas for your consideration and these are set out in our comments below.

Delivery of the *Fund Facts* Document

Currently, as recognized by proposed 81-406, sales of mutual fund units are made in person, by telephone and via the internet. In our view, delivery of the *Fund Facts* document should not impede the ability of investors to make purchases and execute trades promptly in each of these circumstances. As you are aware, a very significant number of mutual fund sales are made by telephone. For sales made by telephone, proposed 81-406 contemplates delivery of the *Fund Facts* document either by hand, fax, mail or electronically, before point of sale or by fax or electronically, at point of sale. With respect to the delivery options available at point of sale for sales made by telephone (by fax or electronically), we have two concerns. First, we note that not all investors who purchase mutual fund units by telephone will be able or want to receive the *Fund Facts* document electronically or by fax. Second, investors should be able to make their purchases by telephone and execute their trades at the same time (i.e. not have to wait until they

receive the *Fund Facts* document) as it is, in our view, neither reasonable nor practical to require investors who are purchasing mutual fund units by telephone, to have to wait until they receive this document in the mail to execute their trades. Accordingly, we believe that the methods of delivery for sales made by telephone should include an option that would allow investors to elect to receive the *Fund Facts* document by mail after they make the purchase by telephone. As a practical matter, we believe that the *Fund Facts* document would be sent to the investor along with their trade confirmation.

We think that this approach is more in accord with the reality of how a substantial percentage of mutual fund sales are made by telephone.

Requirement to Deliver the *Fund Facts* Document on Subsequent Purchases

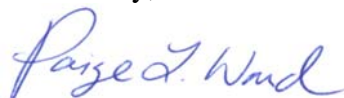
We believe that the requirement to deliver the *Fund Facts* document on subsequent purchases is reasonable. However, we think that it would be appropriate to amend this requirement so that delivery on a subsequent purchase is not required if the investor has received the *Fund Facts* document in the past six months and there have been no material changes to the document during this period of time.

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We would be pleased to discuss our comments with you and provide such further particulars as might be helpful in your work going forward.

Thank you, in advance, for considering our comments.

Yours truly,



Paige L. Ward
Director of Policy & Regulatory Affairs