



FUNDS  
MANAGEMENT INC.  
A CMA COMPANY

May 29, 2008

Via Email

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British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Registrar of Securities, Northwest Territories  
Registrar of Securities, Yukon Territory  
Registrar of Securities, Nunavut

C/O

John Stevenson  
Ontario Securities Commission  
20 Queen Street West  
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M5H 3S8

Madame Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
Tour de la Bourse  
800, square Victoria  
C.P. 246, 22e étage  
Montréal, QC H4Z 1G3

**Re: National Instrument 31-103, Registration Requirements**

Dear Sirs and Mesdames:

MD Funds Management Inc. (MDFM) appreciates the opportunity to comment on its behalf, and on behalf of some of our related entities, with respect to proposed National Instrument 31-103 that was published on February 29, 2008.

MDFM is supportive of enhancing efficiencies in the regulatory environment and modernizing, harmonizing and streamlining registration requirements across Canada. We believe this would be beneficial to clients and the Canadian capital markets.



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MDFM is in general agreement with the comments submitted to the Canadian Securities Administrators by the Investment Funds Institute of Canada (IFIC) and the Investment Counsel Association of Canada (ICAC). MDFM suggests additional clarity from the CSA regarding the following matters:

- the requirement to report Net Asset Value (NAV) adjustments. Materiality thresholds should be contemplated as part of the reporting;
- the rules pertaining to the movement of cross-provincial border clients and the registration requirements in more than one jurisdiction. The mobility exemption for dealers and advisors does not appear to reduce the regulatory burden if registration is still required in multiple provinces where clients reside; and,
- the record keeping retention requirements for “relationship records”, in particular, oral communication, between a firm and its clients. Maintaining certain client relationship records for seven years from the date the person or company ceases to be a client could be particularly onerous and costly to firms.

Additionally, MDFM recommends synergies should be contemplated by the CSA, whenever possible, across the various regulatory proposals such as the Point of Sale Disclosure (NI 81-406) and the Client Relationship Model. This will ensure a seamless transition to NI 31-103.

Yours sincerely,

Robert Kirwin  
Assistant Vice-President  
Compliance  
MD Funds Management Inc.