

Sent via e-mail to: jstevenson@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

October 19, 2009

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
Nova Scotia Securities Commission
Office of the Attorney General, Prince Edward Island
Financial Services Regulation Division, Consumer and Commercial Affairs Branch, Department of
Government Services,
Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

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

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Re: CSA Notice and Request for Comments on Point of Sale Disclosure Implementation

Manulife Securities Incorporated, Manulife Securities Investment Services Inc. (collectively “Manulife Securities”), and Manulife Mutual Funds (a division of Elliott & Page Limited) are pleased to provide comments relating to the implementation rules with respect to point of sale disclosure for mutual funds.

We continue to support the underlying concept of the Joint Forum Framework *Point of sale disclosure for mutual funds and segregated funds* published on October 24, 2008 and have been an industry participant during the development of the framework and, more recently, during the consultations regarding the proposed implementation rules.

Manulife Securities and Manulife Mutual Funds endorses and supports the detailed comments that are being provided by the Investment Funds Institute of Canada regarding the implementation and disclosure

requirements for mutual funds. We would, nevertheless, like to take this opportunity to reiterate our fundamental concerns on certain aspects of the disclosure framework, particularly in regards to the requirements imposed on delivery requirements.

Although there has been progress to alleviate some of the concerns contained in the Joint Forum Framework, there are still a number of proposed implementation rules that will be problematic. In particular, we note the following:

- a) the implementation rules for pre-delivery may make it extremely difficult to monitor and track the delivery requirement differences between a client-initiated transaction where the client can waive the receipt of the fund facts prior to execution of the mutual fund transaction;
- b) advisor-recommended transactions where no waiver is permitted; and
- c) the proposal by the CSA to perhaps amend the rule to allow delivery of the fund facts document in those instances where the investor expressly communicates they want the purchase to be completed immediately and it is not practicable for the dealer to deliver or send the fund facts document before the purchase is completed.

The extra layer of complexity at the time of an initial mutual fund sale will increase the risk of the transaction not meeting the requirements as set out in the implementation rules and therefore increase liability for the dealer. For example, it is unclear what is considered “sufficient evidence” to show that a dealer has directed an investor to the material that would enable a “reasonable investor” to link it to the specific Fund Facts or what would constitute the type of situation where it would not be practicable for the dealer to deliver or send the Fund Facts document before the purchase is completed. Due to the existing suitability obligations that are already in place for the dealer in a mutual fund sale, we believe that these requirements are unnecessary.

Further, the proposed rules for pre-delivery as set out in the instrument are likely to frustrate the investor who wants to immediately complete a trade and will likely raise issues with respect to delays in processing transactions if there is a rigid requirement for the Fund Facts to be delivered at or before point of sale in order for the requested trade to be carried out. We recommend that the delivery obligations be met by allowing the dealer to deliver the Fund Facts with the trade confirmation in these situations.

Manulife also recommends that flexibility be given to manufacturers to permit the consolidation of mutual fund information on a single Fund Facts document where there are multiple series or classes of the same fund, provided that the information remains in a simple, accessible and comparable format. Similarly, the bundling of Fund Facts from the same manufacturer should be permitted without limitations, both in paper and electronic formats, where the same disclosure principles are met.

We support the idea of a staged implementation approach of the rules and allowing sufficient time for dealers and manufacturers to ensure compliance with the new rules while still providing consumers with early access to the simplified disclosure benefits of the Fund Facts document. We would ask that consideration be given to the implementation timelines for the similar Fund Facts document for segregated funds, and to align where at all possible. Many advisors are licensed to sell both securities and insurance products, so introducing similar sales disclosure documents concurrently would be beneficial.

We look forward to working with the CSA and industry associations to further enhance the sales process that will meet the needs of our consumers.

Thank you for providing us with an opportunity to provide comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Clive Anderson', with a stylized flourish at the end.

Clive Anderson
Vice-President & Chief Counsel
Individual Wealth Management