

February 25, 2014

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John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
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and

Me Anne-Marie Beaudoin
Directrice du secrétariat
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3

Re: Response to CSA “[Notice and Request for Comment: Proposed Amendments on NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations Published December 5, 2013](#)”

Dear Sir and Madam:

I am writing this letter to comment on the referenced proposed amendments to NI 31-103. As a Dealing Representative in the Exempt market, I request that one more proposed amendment be made, that being the ability for a Dealing Representative to receive compensation to their corporation.

NI 31-103 came into being on September 28, 2009. A little over a year later, on December 20, 2010 a consultation paper was published titled “Consultation on Possible Options for the Incorporation of Individual Representatives of Registered Dealers and Advisors in Canada.” This comment period was open until February 25, 2011. A “Summary of Consultation Responses” was then published on June 2011, for which 63 formal stakeholders wrote in and 59 of them were in favor of adopting a statutory incorporation model for Dealing Representatives. The next steps were for the “working group plans to report back to the Ministers responsible for securities regulation across Canada early this summer on results of the consultation together with recommendations for proceeding.” I support these findings and recommend that NI 31-103 be amended to accommodate for incorporation of individual representatives (Dealing Representatives) of Registered Dealers and Advisors in Canada.

The benefits of Incorporation of Dealing Representatives are numerous, including more effective business, taxation and legacy planning. In particular, allowing incorporation would:

- Encourage Dealing Representatives to serve investors better through the long-term business perspective that we believe incorporation fosters;
- Assist in harmonizing the application of NI 31-103 as some provinces allow incorporation and others do not;
- Reduce the conflicts and regulatory confusion created around this issue when Dealing Representatives are registered in multiple jurisdictions; and
- Harmonize Dealing Representatives with other professional financial services categories such as MFDA and Insurance that already allow compensation to an Advisors Corporation (IIROC is the only category that currently does not allow it).

When I began in this industry in 2002, I worked for one issuer as a sales representative, and needed my own office but all the documents and marketing materials were supplied. Having gone through the EMD course and exam and the regulation of the industry in 2013, I am now working as a financial advisor and representing up to 20 different issuing companies. I not only have to read the Offering Memorandum and marketing material for each of these, I now have to print all of these documents myself in my own office

on my time and at my cost for all my clients and prospects. This is a level of work commitment that befits incorporation for the purchase and upgrade of technology, paper and other essential supplies to do the job in a professional manner. Even with incorporation, the costs remain high and the income continues to decline as the Dealers take their percentage of what often are declining commissions from the issuers.

If you would like further elaboration on my comments, please feel free to contact me at ddwatt@telus.net or 403-202-3131

Thank you for taking the time to consider this request.

Best wishes,

Don Watt