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Alberta Securities Commission
Financial and Consumer Affairs
Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services
Commission (New Brunswick)

Superintendent of Securities, Department of Justice and Public
Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

c/o
The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416 593-2318/comments@osc.gov.on.ca

Madame Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, rue du square Victoria, 22e étage, C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514-854-6381/Consultation-en-cours@autorite.amf.ca

Dear CSA Members:

Re: Proposed Amendments to National Instruments 81-102 *Investment Funds* and 81-104 *Commodity Pools*

Please accept this response of the Canadian Capital Markets Association¹ (CCMA) to the Canadian Securities Administrators (CSA) request for comments on amendments proposed on April 27, 2017 to National Instrument 81-102 *Investment Funds* (NI 81-102), with a consequential amendment to National Instrument 81-104 *Commodity Pools* (NI 81-104) (the Proposed Amendments). The amendments are to shorten the standard settlement cycle for conventional mutual funds from three to two days after the date of a trade, that is, from T+3 to T+2. We agree with the rule change to confirm two-day settlement for conventional mutual funds in Canada effective September 5, 2017 (or a later date in the highly unlikely situation that the U.S. deems a postponement necessary). Also, we appreciate the CSA's guidance to those manufacturing and distributing such funds on the regulatory expectation that these

¹ The CCMA is a national, federally incorporated, not-for-profit organization, launched in 1999 to identify, analyze and recommend ways to meet the challenges and opportunities facing Canadian and international capital markets. Its mandate is to communicate, educate and help co-ordinate the different segments of the investment industry on projects and initiatives spanning multiple parts of Canada's capital markets. Participating under the CCMA's co-ordinating umbrella are investment dealers, custodians, asset managers, investment fund manufacturers and mutual fund dealers; marketplaces, clearing agencies and other securities infrastructure entities; back-office service providers and vendors; industry associations; and other stakeholders. More information is available at www.ccm-acmc.ca.

entities will adopt a T+2 settlement cycle given the move to a T+2 settlement standard in equity and medium and long-term debt markets.

We recommend that the Proposed Amendments proceed as quickly as possible, ideally to be implemented before September 5, 2017. If this is not possible, it should be as soon as possible afterwards, with the clear understanding that the guidance communicates the regulatory expectation that conventional mutual funds transition to a T+2 settlement cycle on September 5 of this year (or, although unexpected, such later date as the U.S. may determine).

Thank you very much, on behalf of the CCMA, for the ongoing efforts of the CSA and its constituent members to support adoption of a T+2 securities settlement cycle in Canada at the same time as in the U.S. marketplace. Should you have any further questions, please do not hesitate to contact me.

Yours sincerely,



'Original signed by Keith Evans'