

May 14, 2019

BY EMAIL

Robert Day, Senior Specialist Business Planning
Ontario Securities Commission
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Dear Sirs/Mesdames:

**Re: OSC Notice 11-785 – Statement of Priorities – Request for Comments
Regarding Statement of Priorities for Financial Year to End March 31, 2020
(the “Draft Statement”)**

The Canadian Advocacy Council¹ for Canadian CFA Institute² Societies (the CAC) appreciates the opportunity to provide comments on the Draft Statement.

We support the focus of the Ontario Securities Commission (the “OSC”) in the Draft Statement on promoting confidence in Ontario’s capital markets. As we have commented in the past, finalizing the client focused reforms and addressing conflicts arising from embedded commissions are in our view paramount to moving the dial on improved investor protection, and we look forward to the revised proposals dealing with these issues. We continue to remain strongly in favour of requiring registrants who provide advice to clients to abide by a best interest standard.

The Draft Statement did not explicitly reference the OSC/CSA’s ongoing review of the proficiency requirements for registrants. In connection with certain of the proposed client focused reforms, particularly with respect to KYC obligations which may in future require a portfolio-level analysis, higher proficiency standards and improved analytical tools may be needed. This should be addressed as part of the OSC’s priorities while working on the client focused reforms and should be considered as part of the necessary training for registered individuals. We believe enhanced proficiency requirements may help registrants better identify conflicts of interest and help put investor interests first.

¹ The CAC is an advocacy council for CFA Societies Canada, representing over 17,000 Canadian charterholders, of the 12 Member Societies across Canada. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC.

²CFA Institute is a global, not-for-profit professional association of over 166,000 investment analysts, advisers, portfolio managers, and other investment professionals in 163 markets, of whom more than 159,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also includes 152 member societies in 74 markets. For more information, visit www.cfainstitute.org.

We agree with the reference in the Draft Statement that OBSI's role as the independent dispute resolution service will help achieve better results for investors. We look forward to any concrete measures that can be taken by the OSC to further strengthen OBSI's decision making authority.

The OSC's focus on regulatory burden reduction is also a very positive step for both industry participants and investors. We believe there are opportunities to streamline regulation while still maintaining protection for investors. For example, as set out in our prior comments on the regulatory reduction survey, it would be helpful for market participants if the legislation, rules and guidance on the OSC's website could be easier to find, and with respect to National Instruments, presented in a consolidated format rather than by amendment. These changes could perhaps be made in conjunction with the transition to the CMRA, where the instruments and local rules are already under consideration.

We encourage all of the initiatives in the Draft Statement related to data driven governance and analytics, as regulation should in part be based on evidence that new rules are required to deal with a demonstrative regulatory issue. We are also interested in whether the OSC's investor behavioural biases research will result in any specific or targeted policy action in the near future. We recognize that in addition to data driven regulation based on past events, regulators must undertake, to the extent possible, to stay ahead of systemic industry issues and thus the technology that is being developed must support predictive analytics as well.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at cac@cfacanada.org on this or any other issue in future.

(Signed) *The Canadian Advocacy Council for
Canadian CFA Institute Societies*

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