



September 11, 2014

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Paige Ward
General Counsel, Corporate Secretary and Vice-President, Policy
Mutual Fund Dealers Association of Canada
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Toronto, Ontario M5H 3T9

Kate Holzschuh
Senior Legal Counsel, Capital Markets Regulation Division
British Columbia Securities Commission
701 West Georgia Street P.O. Box 10142, Pacific Centre
Vancouver, British Columbia V7Y 1L2

Dear Ms. Ward & Ms. Holzschuh:

RE: Proposed Amendments to MFDA Rules 2.8.3 (Rates of Return), 5.3 (Client Reporting) and 5.4 (Trade Confirmations)

We are writing to provide you with comments on behalf of the Members of The Investment Funds Institute of Canada ("IFIC") with respect to the *Proposed Amendments to MFDA Rules 2.8.3 (Rates of Return), 5.3 (Client Reporting) and 5.4 (Trade Confirmations)* ("Proposed Amendments").

IFIC is the national association of the Canadian mutual funds industry. Our Members include fund managers and distributors, and industry service organizations (including accounting, legal and other service providers) support IFIC's work as affiliates. Investment fund managers sponsor, manage and administer funds, and dealer and broker firms distribute funds' securities to investors.

Comment on July 15, 2015 Inception Date

Our main concern with the Proposed Amendments is with the inception date of the performance report. MFDA Policy No. 'X' Performance Reporting (the "Policy") has been written to conform with subparagraph 14.19(1)(e)(i) of *National Instrument 31-103: Registration Requirements and Exemptions* that requires firms to use July 15, 2015 as the inception date for the performance report if an account was opened before July 15, 2015 and the firm does not have reliable information for all deposits, cash and securities.

In our view July 15 is not a client-friendly date and is not in-line with most industry participants' current reporting practices. Clients are accustomed to end dates corresponding to end of month periods and not mid-month periods. We recommend that two additional options be introduced for the inception date of the performance report. We recommend that industry members have the flexibility to align the inception date of their performance report with their last system build or system integration prior to July 15, 2015. The second additional option would be for firms to select a January 1, 2016 inception date so that they can align the inception date with the first performance report for firms that want to use a December 31, 2016 year-end performance report for their clients' first performance report. The current date of July 15, 2015 should nevertheless be maintained as an option as some firms already may have begun systems development using the July 15, 2015 date.

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Clients will benefit from the opportunity to receive performance reporting information in a format they are accustomed to. As the July 15 date impacts other sections of the Policy we request that the relevant sections of the Policy be amended to incorporate our recommended flexibility.

Conclusion

We request that the amendments described above be made to the Policy as these changes will improve disclosure to clients and avoid investor confusion.

Thank you for providing us with an opportunity to comment on the Proposed Amendments. Should you have any questions or wish to discuss these comments, please contact me directly by phone at 416-309-2314 or by email at rhensel@ific.ca.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Ralf Hensel
General Counsel, Corporate Secretary and Director of Policy