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Delivered By Email: FIPBmandatereview@ontario.ca

Expert Advisory Panel – FSCO/FST/DICO Mandate Reviews
Ministry of Finance
Financial Institutions Policy Branch (FIPB) &
Income Security & Pension Policy Division
Frost Building North, Room 424
95 Grosvenor Street, 4th Floor
Toronto, Ontario
M7A 1Z1

Dear Sirs:

**RE: Review of the Mandates of the Financial Services Commission of Ontario,
Financial Services Tribunal and the Deposit Insurance Corporation of Ontario
(the “Mandate Review”)**

We are writing to provide comments on behalf of the Members of The Investment Funds Institute of Canada¹ in response to the Mandate Review being conducted by the Expert Advisory Panel.

Our comments relate primarily to the review of the mandate of the Financial Services Commission of Ontario (“FSCO”). We believe this review provides a valuable opportunity to consider, in the name of consumer protection, the formal adoption of enhanced cooperation between and harmonization across all financial service regulators including the new Capital Markets Regulatory Authority as it is implemented and becomes operational.

As we noted in our response to FSCO’s draft 2015 Statement of Priorities, FSCO is but one part of a broader regulatory environment that includes other federal and provincial regulators, as well as industry and consumer stakeholders from Ontario and around the world. Consumers have access to a variety of financial services products spanning banking, insurance, pension and securities regulatory frameworks. They are not choosing from among those products within different silos based on regulatory structure, nor are they necessarily aware which regime regulates which particular product or the individual that is recommending the product.

¹ The Investment Funds Institute of Canada (“IFIC”) is the voice of Canada’s investment funds industry. IFIC brings together 150 Canadian fund managers, distributors and service providers to foster a strong, stable investment sector where Canadian investors can realize their financial goals. The organization is proud to have served Canada’s mutual fund industry and its investors for more than 50 years.

Nevertheless consumers expect similar levels of regulatory protection between similar financial products, especially if they appear to be very similar. Where two substitutable products are equally suitable for the consumers' purposes, the products' regulatory regimes should not be the determinative criteria.

Consumer appetite and consumption of financial products across the regulatory spectrum is readily apparent in the following extract from Investor Economics' Household Balance Sheet:

The Household Balance Sheet for Canada

In millions of dollars

	Dec 2014 Canada	% of Financial Wealth
Total assets	11,556	
Financial assets	6,352	
Currency in circulation	69	
Financial wealth	3,605	
Deposits and substitutes	1,267	35.1%
Savings and chequing deposits	667	
Of which premium savings deposits	322	
Short-term paper	29	
Short-term investment funds	30	
Money-market mutual funds	27	
Money-market ETFs	0	
Money-market Seg Funds	3	
Fixed-term deposits	541	
Fixed income	203	5.6%
Long-term investment funds	1,300	36.0%
Long-term mutual funds	1,091	
Long-term ETFs	77	
Long-term Seg Funds	132	
Equities	828	23.0%
Other financial assets	7	0.2%
Private mortgages and equity in private business	742	
Pension plans	1,722	
Life insurance protection reserves	213	
Real assets	5,205	
Real estate	4,600	
Residences	4,149	
Other real estate	452	
Consumer durables and other real assets	605	
Total liabilities	1,921	
Household credit	1,895	
Installment loans	233	
Credit cards	108	
Revolving loans	277	
Of which HELOCs	207	
Residential mortgages	1,278	
Other liabilities	26	

Source: Investor Economics

We observe that securities regulators in various jurisdictions, including the members of the Canadian Securities Administrators, have started to guide regulatory reform with a focus on the investor experience, and how to ensure that experience is consistent and beneficial. Following on this approach, it is appropriate that the Panel consider the consumer experience as a guiding principle throughout its work and embrace regulatory harmonization and cooperation, not only as a consumer protection principle – in order to reduce or eliminate opportunities for regulatory arbitrage - but also to enhance the consistency of the consumer experience.

We thank you for considering our comments. We would be happy to elaborate on them in a meeting with the Panel. Please feel free to contact me at jdelautentiis@ific.ca or (416) 309-2300, or Ralf Hensel, IFIC's General Counsel, Corporate Secretary and Vice President, Policy at rhensel@ific.ca or (416) 309-2314.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

A handwritten signature in black ink, appearing to read 'J. De Laurentiis', written in a cursive style.

By: Joanne De Laurentiis
President & CEO