



THE INVESTMENT  
FUNDS INSTITUTE  
OF CANADA

L'INSTITUT DES FONDS  
D'INVESTISSEMENT  
DU CANADA



Federation of Mutual Fund Dealers  
Fédération des courtiers en fonds mutuels



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES



PORTFOLIO MANAGEMENT  
ASSOCIATION OF CANADA  
Advancing Standards™

October 8, 2019

Delivered By Email: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca), [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission of New Brunswick  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Registrar of Securities, Northwest Territories  
Registrar of Securities, Yukon Territory  
Superintendent of Securities, Nunavut

Dear Sirs and Mesdames:

**RE: National Systems Renewal Program**

The Investment Funds Institute of Canada, the Federation of Mutual Fund Dealers, the Investment Industry Association of Canada and the Portfolio Management Association of Canada (collectively, “we” or the “associations”) are writing on behalf of our members regarding the Canadian Securities Administrators’ (CSA) National Systems Renewal Program (NSRP).

The CSA has identified the renewal of its national filing systems to provide a secure, web-based filing and disclosure system for the marketplace and investors as a key priority for the 2019-2022 business plan. This priority is echoed in the priorities of various provincial regulators.

Our members look forward to the implementation of a renewed system to improve the user experience. The goal of improving market participants’ filing experience as well as offering investors better access to disclosure information is commendable. Building a system with improved features, such as a browser-based interface and enhanced search capabilities, will improve the experience of all stakeholders.

An integrated national filing and disclosure system presents an opportunity for burden reduction. Collaboration with market participants is critical to realizing this opportunity<sup>1</sup>. As key users of the

---

<sup>1</sup> This was included in our submissions to the CSA’s consultation on proposed National Instrument 13-103 [System Rule] and the proposed repeal and replacement of Multilateral Instrument 13-102 System Fees for SEDAR and NRD.

national filing and disclosure systems, our members can offer valuable feedback and insight on opportunities to improve the functionality and efficiency of the systems.

### **Potential for regulatory burden reduction**

Renewing the national filing systems with a modern, easy-to-use, flexible system that meets both current and future needs brings the potential for regulatory burden reduction through an improved filing experience for market participants. This can create significant operational efficiencies for regulators, firms and registered representatives.

The National Registration Database (**NRD**) provides a good example of the need for the systems renewal project. The current NRD system requires many manual processes within firms in order to provide the same information in multiple fields. The system also does not provide for easy retrieval or search capabilities. Improvements in its functionality can result in the efficient exchange of information between regulators and market participants. Enhancements in the search capabilities can also benefit investors who utilize the National Registration Search tool on the CSA website to verify registration status and disciplinary history before investing.

### **Importance of industry input**

In determining the specifications for the renewed system, which is funded through user fees paid by the industry, it is imperative that the CSA collaborate with industry stakeholders to build functionality that gives market participants access to their own data. Market participants are well-positioned to help the CSA identify opportunities for improvement by providing the user perspective.

Early engagement can assist the CSA in creating a renewed system that is responsive to the needs of both the regulators and market participants. Industry stakeholders can add significant value at each phase, beginning at the systems specifications and development stages of the NSRP through to user functionality testing prior to launch. Collaboration with industry stakeholders is also necessary to validate the security of the renewed system with respect to privacy and cybersecurity considerations.

### **Necessity for ongoing progress updates**

Adoption of renewed systems will have a material impact on market participants. As this important project has been anticipated since 2016, we encourage the CSA to improve the transparency of the project by providing frequent progress reports on the cost and status of the NSRP.

### **Conclusion**

The NSRP has the potential to provide significant benefits to regulators, market participants and investors. It can streamline workflow processes and identify areas of compliance risk for both regulators and market participants. Investors can benefit from improved search capabilities and ease of access to relevant information. Through close collaboration with all stakeholders, the renewed system is more likely to be a system that meets this potential.

---

See for example IFIC submission <https://www.ific.ca/wp-content/uploads/2019/07/IFIC-Submission-CSA-Proposed-NI-13-103-System-Replacement-Rule-and-Proposed-Repeal-and-Replacement-of-MI-13-102-System-Fees-for-SEDAR-and-NRD-July-29-2019.pdf/22828/>, and PMAC submission: <https://pmac.org/wp-content/uploads/2019/07/PMAC-submission-on-CSA-National-Systems-Renewal-and-System-Fees.pdf>

Our members acknowledge that the NSRP is a formidable undertaking that will require considerable cooperation to ensure the best possible outcome for all stakeholders. As such, we would like to stress that our associations and members are available to support this project as it moves forward.

We would be pleased to provide further information or answer any questions you may have. Please feel free to contact any of the undersigned.

Yours sincerely,



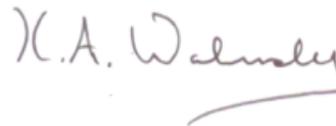
Minal Upadhyaya  
Vice President, Policy & General Counsel  
The Investment Funds Institute of Canada



Matthew Latimer  
Executive Director  
Federation of Mutual Fund Dealers



Susan Copland  
Managing Director  
Investment Industry Association of Canada



Katie Walmsley  
President  
Portfolio Management Association of  
Canada