



June 27, 2022

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Superintendent of Securities, Department of  
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Nova Scotia Securities Commission  
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Labrador  
Registrar of Securities, Northwest Territories  
Yukon Territory Superintendent of Securities,  
Nunavut

Delivered to

The Secretary  
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Me Anne-Marie Beaudoin  
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Autorité des marchés financiers  
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[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Dear Sirs/Mesdames,

**RE: CSA Staff Notice and Request for Comment 25-304, Application for Recognition of New Self-Regulatory Organization & CSA Staff Notice and Request for Comment 25-305, Application for Approval of New Investor Protection Fund**

We are writing in response to CSA Staff Notice and Request for Comment 25-304, Application for Recognition of New Self-Regulatory Organization (“SRO”) and CSA Staff Notice and Request for Comment 25-305, Application for Approval for New Investor Protection Fund (“IPF”).

Leede Jones Gable (“LJG”) is a national independent, employee-owned investment dealer and is regulated by IIROC. LJG takes an active interest in regulatory initiatives and actively participates in several industry regulatory bodies.

We support the CSA’s efforts to establish the new SRO and new IPF in Canada. LJG would like to contribute the following comments.

Pointing to Appendix A – Application for recognition of the SRO from CSA Staff Notice and Request for Comment 25-304, *Application for Recognition of New Self-Regulatory Organization*, with relation to the section on Fees, we have noted that the fees imposed must be, “equitably allocated and proportionate to Members’ activities.” For most non-bank owned investment dealers, the main benefit should come from the synergies of running one regulator, with one board, management team, etc. resulting in cost savings to the member organizations. We suggest that a cross-section of dealers is involved in determining how the fees are allocated. This approach was employed in the past such as when the IIROC New Integrated Fee Model was introduced in 2009.

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From the Financial Viability section of the same document where it states, "the costs relating to the amalgamation of IIROC and the MFDA and start-up of the New SRO are being borne by IIROC and MFDA." The primary beneficiaries of the amalgamation are the entities (banks and large insurance companies) that operate dual platforms, for IIROC and MFDA business will be able to consolidate the two businesses on a single platform and realize significant internal savings. Therefore, the merger costs should be allocated to this group.

Similarly, in Appendix A for CSA Staff Notice and Request for Comment 25-305, *Application for Approval of New Investor Protection Fund* under point 5b(iii) and 5c(i), where it discusses the methodologies applied to fees and an equitable allocation among SRO Members, entities previously operating dual platforms will realize significant internal savings and should therefore bear the merger costs and any cost savings should be fairly distributed across the membership.

As we have stated in previous submissions, we are supportive of the single SRO as it which will provide a clearer, fuller picture of how the investment industry is adapting to changes in the industry and support timely consistent updates to regulation as needed.

We appreciate the opportunity to comment on this matter. If you have any questions or further inquiry, please feel free to contact us.

Sincerely,  
**Leede Jones Gable Inc.**



Jim Dale  
Chief Executive Officer