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NOTICE AND REQUEST FOR COMMENT ON PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 31-103 **REGISTRATION REQUIREMENTS,
EXEMPTIONS
AND ONGOING REGISTRANT OBLIGATIONS**
AND TO
COMPANION POLICY 31-103CP **REGISTRATION REQUIREMENTS,
EXEMPTIONS
AND ONGOING REGISTRANT OBLIGATIONS**

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(2nd Publication)

Cost Disclosure, Performance Reporting and Client Statements

http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20120614_31-103_proposedamendments.Htm

I will be brief. These proposals are positive and I support their implementation without undue delay. The industry can give the project adequate resources and priority, eighteen months is more than reasonable for nearly all but the smallest firms.

Timeline for implementation: is far too long. Securities regulators have known about the issues and shortcomings for a long time. Much has been written by top

outside analysts. The proposed 2016 implementation date for performance reporting on the investment industry is inexplicable should expedited. As the Canadian population is aging and many have seen their investments go up in smoke, it should be a priority. 18 months seems like a reasonable period for them to comply for all but the smallest firms. Individuals are another matter as they are often below the radarscope. Non-compliant dealers should be prohibited from declaring or advertising that they provide investment advice and their staff and agents prohibited from using the term "advisor". A fine per delinquent account should be levied for procrastinators beyond the 18th months for non-compliance.

Transparency: Needs significant improvement. Expenses, compensation, exchange rates, surcharges, and more should be set out clearly and individually both in dollar terms and as a percentage. Sometimes information is given in basis points, MER and other acronym terms that the average investor does not understand, but dollars they do.

Know Your Client: This form is simplistic and needs improvement. It should be mandatory. These are often rushed through and give investors limited time to consider or perhaps consult family and friends about investment goals. Penalties for failure to complete in full or in part should be levied. There should also be a requirement to update annually as people's circumstances and expectations can change easily within a year given current economic conditions. If there is a Power of Attorney containing financial instructions, it should be on file along with contact information.

THERE SHOULD ALSO BE A 'KNOW YOUR ADVISOR/DEALER' FORM SO THAT POTENTIAL CLIENTS CAN EVALUATE THEIR COMPATIBILITY. This should include any history of client complaints to any organizations dealing with investment issues e.g. IDA, OBSI, OSC. Names don't have to be given for privacy reasons, but the cases should be part of the advisor/dealer individual record. If not, there should be a centralized database so that the public can see the track record.

Many of us get cold calls from the investment subsidiary of our banks. They have access to our banking accounts and consider us fodder for 'financial planning'. When I ask for a written statement of their track record, they can be selective and provide the good ones. ALL of their history should be available for scrutiny by potential clients.

Reporting the 12 WORST months of funds and stocks they've recommended or are recommending, during last 5 years should also be mandatory, along with other data as to why and compensation received, MER despite poor performance. It is utterly insufficient not to provide this information and to explain it away a 'poor market conditions'. This should be required of all dealers/advisors or posted online.

Canada has excessively high MERs for no explicable reason.

Plain English: The financial industry is full of acronyms and even when spelled out in full are mysteries to most. Definitions should be mandatory as well as how they work.

Statements: These are often a mass of paper showing individual holdings within an account or fund. While a summary may be provided, there should be some simple required reporting requirements. E.g. initial investment, current market value, annual/quarterly changes and more with explanations of changes. Sometimes bar charts are used. Some read right to left, others left to right. Most of us read left to right and years are set out that way. If used, there should be a standard format, including dollar value with each bar, including date of the dollar valuation [current, year end, adjusted by some index?]

I have worked for many years on public consultation. Comments and submissions were often carefully summarized and balanced on the issues in the final reports, including a summary of those totally in favour, pros totally opposed and those with comments/suggestions. Individual submissions were publicly accessible, more so with the net. Names can be edited for privacy, but should be available for completeness and transparency.

You have permission to publish this submission in its entirety.

I trust you will consider my comments given my time, experience and earnest interest in improving Canada's investment industry.

Sincerely, Christine Lucyk