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British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
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
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

M^e Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Re: CSA Notice and Request for Comments – Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1 (the “Proposed Amendments”)

We are pleased to provide comments on behalf of Investors Group Inc. (“IG Wealth Management”) on the Proposed Amendments. We are thankful for the CSA’s efforts to reduce regulatory burden and strongly support this important initiative.

Our Company

IG Wealth Management is a diversified financial services company and one of Canada’s largest managers and distributors of mutual funds, including the exclusive distributor of its own products.

We are part of IGM Financial Inc., which is a member of the Power Financial Corporation group of companies.

We carry out our distribution activities through our subsidiaries Investors Group Financial Services Inc. and Investors Group Securities Inc., which are members of the MFDA and the Investment Industry Regulatory Organization of Canada (“IIROC”), respectively. IG Wealth Management also carries out insurance advisory services through I.G. Insurance Services Inc. We are committed to comprehensive planning delivered through long-term client and advisor relationships. The company provides advice and services through a network of advisors, whom we call “Consultants”, located across Canada to over one million clients. As at November 30, 2019, IG Wealth Management has assets under management of approximately \$90 billion.

General Comments

We fully support the CSA’s efforts to eliminate undue regulatory burden and streamline regulatory requirements. The CSA’s current focus on burden reduction presents the opportunity to provide streamlined, focused disclosure to investors as well as cost savings for investment fund managers and investment funds that will lead to reduced costs for investors.

While we generally support the Proposed Amendments, we also see further opportunity to enhance the efficiency of the industry, while maintaining investor protection. It is from this viewpoint that we provide the following, specific feedback on the Proposed Amendments.

Specific Comments on the Proposed Amendments and the CSA’s Burden Reduction Initiative

(i) Consolidation of the Simplified Prospectus (SP) and the Annual Information Form (AIF)

We support the proposal to consolidate the SP with the AIF. Consolidation provides the opportunity to eliminate duplicative disclosure and present streamlined information to investors. While the Proposed Amendments eliminate duplication across the SP and AIF, we believe the proposals must go further.

We strongly encourage the CSA to further review the proposed form of SP to remove any information that is not material and pertinent to an investor’s purchase decision. Removal of this type of information will focus the disclosure to the most salient points, increasing the disclosure’s readability and making it easier for investors to understand. In particular, we recommend removing any information which is:

- duplicative in nature and already provided to investors in accordance with other regulatory disclosure requirements (i.e. provided in Fund Facts, investor statements, etc.);
- not relevant to an investor’s decision to purchase. For example, disclosure of single investors owning more than 10% of a fund. What is more pertinent to an investor is disclosure of the risks that may be associated with a large redemption. We question the relevance of this information especially when weighed against the costs involved in producing it;
- standard to all investment funds and not specific to the investment fund being contemplated for purchase by an investor (i.e. valuation of portfolio securities). This type of disclosure could instead be included on the investment fund’s designated website; and

- provided at a point-in-time, such as “top ten investments” in the Fund Facts. Information that is provided on a point-in-time basis can instead be included on the investment fund’s designated website.

With respect to the CSA’s specific question on prospectus amendments, we strongly encourage flexibility be maintained allowing the investment fund manager to determine how to best effect the amendments (either by simple amendment or a amended and restated document). Simple amendments are often easier for investors to read and are more efficient and cost effective for investment funds. Requiring a prospectus, which is no longer the point of sale document, to always be amended and restated would increase regulatory burden for investment funds without benefit to the investor.

We also encourage the CSA to relax the form requirements of the new SP to permit variation in the disclosure and allow for more flexibility in disclosure provided to investors (currently available for disclosure in the AIF). This flexibility will permit an investment fund to provide investors with other information or disclosure it feels necessary, that is outside of the strict form requirements of the SP.

Investment funds must also have adequate time to prepare the new form of SP. We recommend that the proposal take effect at least 12 to 18 months from final publication. Investment funds can thereafter adopt the changes in their next renewal. This will allow an orderly and smooth transition for funds in current distribution.

(ii) *Extension of the prospectus lapse date*

Today, the Fund Facts is the key point of sale document that provides investors with all of the information necessary to make an informed purchase decision. Accordingly, we suggest the annual renewal process only be required for the Fund Facts document, and the renewal process for the SP be extended to no less than 3 years. Investor protection will not be compromised as the National Instrument 81-106 *Investment Fund Continuous Disclosure* regime will ensure investors are informed of all material changes and that disclosure is kept current through the amendment process.

(iii) *Designated Website & Access Equals Delivery*

In our experience, investors are frequently turning to fund manager websites as a key source of information for their potential and current investments.

To further reduce burden, we strongly urge the CSA to use the designated website as the platform to effect the delivery of all regulatory documents (“Access Equals Delivery”), including Fund Facts, Financial Statements and Management Reports of Fund Performance (MRFPs). Opt-in rates, for IG Wealth Management mutual fund Financial Statements and MRFPs, are approximately 2%. The printing and mailing costs for these documents are approximately \$300,000 annually. Access Equals Delivery will provide a significant costs savings that will also benefit the environment through reduced printing and mailing. Investor protection will not be reduced as investors will still be able to access required disclosure, and can always request it from the fund manager if preferred.

Also, as suggested above, we encourage the CSA to further consider what non-material disclosure can be removed from the new form of SP and other regulatory documents and instead be disclosed on the fund’s designated website.

(iv) *Minimize Filings of Personal Information Forms (PIF)*

We strongly support the CSA's proposal to eliminate PIF requirements for specified individuals. We would also recommend the following to further reduce regulatory burden:

- remove the requirement to refile a new PIF every 3 years and only require material updates be made to the original PIF that was filed;
- streamline the PIFs so that an update to a specific firm's information also applies to the applicable executive officers or directors of such firm, so that multiple PIFs with the same firm information do not need to be filed. This will reduce duplicative information and reduce burden for the executive officers and directors of the related firm; and
- consider online filings for PIFs, similar to the process for the Form 3 of the TSX. To the extent possible, align the forms with the exchanges to increase consistency.

We would also urge the CSA to further reduce administrative burden by eliminating the requirement for SEDAR Form 6 in s. 4.3(3) of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR).

(v) *Codification of Exemptive Relief*

We applaud the codification of the relief contemplated in the Proposed Amendments. We strongly encourage the CSA to seek opportunities to further improve the exemptive relief process and codify routinely granted relief more quickly. We strongly suggest the CSA consider granting codified relief that has been provided to investment funds multiple times in a given period (i.e. more than twice in 2 years). As an example, the U.S. Securities and Exchange Commission has adopted a similar approach and have established an expedited review process for substantively identical applications for relief that have previously been granted.

With respect to the CSA's current proposal to codify the Fund Facts delivery relief, we strongly suggest the codification be applied to *all* purchases where the investor is not submitting a purchase order. If a purchase is not initiated by an investor and does not require investor consent or instruction, the delivery of Fund Facts in that case should not be required. This is particularly relevant and needed for model portfolio programs as well as discretionary accounts. Proceeding on this basis will eliminate the need for exemptive relief and significantly reduce regulatory burden.

To maintain flexibility and to ensure regulatory burden is reduced, investment funds must be permitted to rely on previously granted relief (and rely on the new codified relief in the future). Relief orders are often fact specific, requiring investment funds to go back and analyze past relief to ensure it falls within the perimeters of the new codified version, will create more burden not reduce burden for investment funds who have existing relief.

(vi) *Continuous Disclosure*

In the next stages of the CSA's burden reduction initiative, we strongly encourage the CSA to further review the current disclosure regime for investment funds with a critical lens focused on the key elements of disclosure that are meaningful for investors of investment funds, and the removal of any historic disclosure requirements that are not tailored to investment funds and were intended for other securities (i.e. corporate issuers).

As part of the CSA's ongoing process to eliminate regulatory burden, we suggest the following:

- eliminate the requirement to provide investors with financial statements, as evidenced by the low opt-in rate by investors. Financial Statements could alternatively be made available on the investment fund's designated website;
- eliminate the requirement to file a material change report (which is duplicative in nature) and allow investment funds to rely on the prospectus amendment and press release;
- revisit the form requirements for annual and interim MRFPs to significantly streamline the form to make it more relevant for investors; and
- create a new form of information circular which is tailored to investment funds and engage further with industry for ongoing feedback and dialogue.

Conclusion

We thank you for the opportunity to provide comments on the Proposed Amendments. Please feel free to contact me at [REDACTED] or [REDACTED], if you require additional information. We would be pleased to engage further with you on this important initiative.

Yours truly,

IG Wealth Management

[REDACTED]

Rhonda Goldberg
Executive Vice President & General Counsel
IGM Financial Inc.