October 23, 2020

SUBMITTED VIA EMAIL

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

Attention:

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
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M^{e} Philippe Lebel, Corporate Sec.
and Executive Director, Legal Affairs
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To Whom it May Concern:

Re: CSA Consultation Paper 25-402 *Consultation on the Self-Regulatory Organization Framework* (the "Consultation Paper")

Aviso Wealth Inc. ("Aviso Wealth") appreciates the opportunity to provide comments with respect to the Canadian Securities Administrators' (the "CSA") Consultation Paper 25-402 *Consultation on the Self-Regulatory Organization Framework*.

Aviso Wealth is an integrated wealth management company which includes an IIROC dealer, Credential Qtrade Securities (CQSI); two MFDA dealers, Credential Asset Management and Qtrade Asset Management; an Investment Fund Manager, NEI Investments; and an insurance agency. Aviso Wealth is owned 50% by Desjardins and 50% by the Provincial Credit Union Centrals and The CUMIS Group Limited (Co-operators Life Insurance Company).

Aviso Wealth occupies a unique place in the wealth management landscape. We partner with the majority of credit unions across Canada to provide wealth management services to their members. At present, this network comprises over 1,700 active branch locations in all urban centres and many rural locations, with CQSI having approximately 500 IIROC registered representatives ("Registered Representatives") and our MFDA dealers having approximately 2,400 mutual fund representatives ("MF Representatives"). We partner with credit unions because they do not wish to operate their own dealer, and do not have the scale required to do so. An integrated wealth management platform supports our credit union partners' wealth initiatives by providing the tools, training and products required to enhance and differentiate their members' wealth management experience. A consolidated SRO will further allow for integration of wealth management for our credit union partners and our shared clients.

Of the 1,782 active coast-to-coast branch locations across our credit union network, 81% reside *outside* the large urban centres (Toronto, Montreal, Ottawa, Vancouver, Calgary, Edmonton, and Winnipeg). Through their partnership with Aviso Wealth as their dealer, credit unions serve many smaller and rural communities across Canada that otherwise may have limited local access to investment advice. Credit unions serve all members in their communities, regardless of wealth level, thereby helping bridge the advice gap by ensuring more Canadians have access to advice.

The representatives and, in turn, clients of these credit union branches would benefit greatly from the clarity, simplicity and efficiencies gained through a single SRO. A consolidated SRO would also provide material benefits to Aviso Wealth that would accrue to our entire credit union network. It would allow us to consolidate all our representatives under one dealer and provide a streamlined client service experience while maintaining an uncompromising level of investor protection. These benefits are outlined in more detail below.

General

We support the review of the current regulatory framework which includes the Investment Industry Regulatory Organization of Canada ("IIROC") and the Mutual Fund Dealers Association of Canada ("MFDA"): collectively, the self-regulatory organizations ("SROs"). The current SRO regulatory framework in Canada requires investment dealers to be members of IIROC and mutual fund dealers to be members of the MFDA, except in Québec where mutual fund dealers are directly regulated by the Autorité des marchés financiers ("AMF"). The current regulatory framework with both the MFDA and IIROC has been in place for over twenty years and, in that time, the delivery of financial services and products has continued to evolve.

Much has been written about the effectiveness of regulation in Canada and the fractured nature of regulation due to responsibility residing at the provincial and territorial levels. Each of the provincial and territorial regulatory authorities has its own priorities and programs, which has caused concern over the nature and effectiveness of Canada's financial industry. Having two major SROs, which substantially conduct the same activities, significantly reduces the effectiveness of financial services regulation in Canada.

The Consultation Paper poses the question of whether a merged SRO should govern all retail-facing products and services such as portfolio managers, exempt market dealers ("EMDs"), and scholarship plan dealers ("SPDs").

IIROC and the MFDA both have published their recommended ideal structure for what a new Canadian SRO should look like. The IIROC proposal is a straight merger of IIROC and the MFDA. The MFDA proposal is more complicated and includes: an IIROC and MFDA merger; all currently CSA-regulated retail-facing entities (portfolio managers, EMDs, SPDs, etc.); and the transfer of the IIROC surveillance group to the CSA.

Regarding the MFDA's recommendation that all retail-facing activities should fall under a new SRO, Aviso Wealth's view is that this may be a reasonable framework, but requires a deeper analysis to understand its impacts. Our view is that this would be much more complex to implement than a strict IIROC/MFDA merger and would require a longer time frame to be successfully launched. We therefore do not support this model; however, we would take the approach that it could be implemented as a second phase.

Aviso Wealth's position

Aviso supports a single SRO that regulates retail-facing securities dealers and mutual fund dealers. We support a model that is simple, continues to protect investors, and can be implemented in the near term. In the event that the CSA develops an entirely new SRO structure without leveraging existing frameworks, there could be years of debate before any tangible action is taken, and this would be to the detriment of both the financial industry and investors.

A single SRO has many potential benefits for clients and advisors, for Aviso Wealth and its credit union partners, and for the industry.

Client benefits

Clients would be served more efficiently and effectively. In the case of a client who has invested in mutual funds and proposes to invest in individual securities, they would no longer be required to switch dealers in order to be serviced by a different representative with increased proficiency, or to stay with their representative who increases their proficiency. For example, a client could switch between a MF Representative and a Registered Representative without having to fully repaper the account, receive a new account number, familiarize themselves with new policies applicable to their account, become used to different account statements, agree to new account terms, etc. The administrative complexity, time and cost of closing accounts, transferring assets and opening new accounts is burdensome for both clients and dealers.

Clients will continue to be well protected by a consolidated SRO. Clients' understanding of the regulatory system in Canada will be enhanced through a single, simplified complaint resolution and investor protection process. We believe there will be far less investor confusion because the process, systems, and paperwork will be the same. We believe that the simpler it is for the investor, the more it will support financial literacy and public confidence in the system in Canada.

In our evaluation, there will be no investor protection issues if a single SRO is approved by the CSA. Both MF Representatives and Registered Representatives will continue to be proficient and effective in transacting in suitable products and services on behalf of their clients. A single SRO will continue with strong corporate governance, solid oversight programs, and an appropriate rule-making framework.

Advisor benefits

A single SRO benefits Advisors because it will give them the opportunity to transition more seamlessly from being a MF Representative to a Registered Representative who may offer more complex products and services. This provides Advisors with area simpler career path and does not cause them to leave their firm, and possibly their clients, when changing registration categories.

Industry benefits

We understand that a merged SRO will sustain the regulations and operating processes that exist today. However, we vigorously support the idea that a new SRO is an opportunity to embrace fresh thinking to enhance and optimize the regulatory approach. The industry requires a nimbler, future-looking, and supportive regulatory framework to meet the needs of the investing public. The new SRO is not about maintaining legacy ways but about meeting the ever-changing needs of the Canadian investor.

The current SRO regulatory framework does not reflect the recent transformations in the capital markets driven by technological innovation and client preferences. It has been clear for some time that there is a pressing need to align the evolving integration of financial advice and products with an integrated regulatory structure. Regulation should reflect clients' needs and their desire for "one-stop access" to financial services, and should not be based on transactions or products.

A new SRO is an opportunity for the industry and the public to have a consistent approach in regulating certain matters and to be forward-thinking when looking at the evolution of advice in Canada.

Dealer benefits

One SRO would result in cost savings for our credit union partners and for Aviso Wealth. Instead of operating their wealth business activities under two regulatory entities, credit unions can operate with one set of administrative processes, under just one regulatory entity. The cost of running two platforms is substantial and unnecessarily burdensome.

Expected cost savings for credit unions and for Aviso Wealth relate to elimination of duplicative costs in legal, regulatory, tax, operations, compliance, and technology matters. The cost savings, which will increase over time, will allow us and our partners to invest further in our business, improving the client experience as we do. Further, we would be able to improve client access to the right representative and service offering at each point in their investing lifecycle within a model that is highly risk controlled for the client and the firm.

Aviso Wealth would have a greater ability to keep up with the accelerating pace of change in technology advancements, as well as operational and compliance demands. These changes require significant investments of time and capital, and the pace of change will only increase. In our view, making these investments across multiple dealers is unnecessarily duplicative and economically untenable. Running separate dealers imposes a burden on Aviso Wealth, our credit union partners and our clients.

A single SRO would allow us to operate one dealer platform and focus our efforts and improvements and future growth plans. We expect that these efficiencies and savings would allow Aviso Wealth to ensure that our resources are dedicated to areas such as client support and product and system innovation.

Conclusion

The current SRO framework requires immediate action be taken. Aviso Wealth supports the CSA's consideration of this issue. We would be pleased to respond to any questions that you may have in respect of our comments. We also have asked and obtained support from our credit union partners in connection to our comment letter. We have attached their signed support to this letter.

Thank you for considering our submission.

Yours truly,

[redacted]

William (Bill) Packham President & CEO	Alexandra Williams Senior Vice President, Head of Service, Operations and Compliance	Wanda Frisk Senior Vice President, Head of Credit Union Wealth Management