

**Dealer Member Name:** GF Securities (Canada) Company Limited

**Date:** October 22, 2020

**To:** Alberta Securities Commission; British Columbia Securities Commission; Ontario Securities Commission.

### **Comments on some questions in the CSA Consultation Paper**

#### **Consultation Questions on Duplicative Operating Costs for Dual Platform Dealers**

**Question 1.1:** What is your view on the issue of duplicative operating costs and the stakeholder comments described above?

We agree that for dual platform Dealers, potentially it would significantly reduce costs related to compliance, operation, technology system and other fee by the consolidation. From the industry perspective, the saved cost could be reinvested in some innovation field and client service.

#### **Consultation Questions on Structural Inflexibility**

**Question 4.1:** What is your view on the issue of structural inflexibility, and the stakeholder comments described above?

We agree that evolving business models are limited by the current regulatory structure. Under IIROC platform, a mutual fund only representative still have to complete the same proficiency requirements as a full securities RR. It limits an investment dealer from developing a limited-license mutual fund only business model. To do so, a new mutual fund dealer needs be created with extra compliance, operation, technology, and admin cost. It also limits the client in mutual fund dealer to access broader range of services and products such as ETF. The clients must open a new account with a new investment firm and likely another advisor.

By consolidation of IIROC with the MFDA, it would benefit from the removal of barriers to add limited-licensed mutual fund business model to IIROC only dealer firm.

#### **Consultation Questions on Investor Confusion**

**Question 5.1:** What is your view on the issue of investor confusion, and the stakeholder comments described above?

We agree that, from the investors' perspective, having multiple regulators involved in the regulation of similar products, it would cause the confusion for investors, including the investor protection fund coverage, complaint resolution, and multiple registration categories and titles. The consolidation will solve the issue.