

October 5, 2016

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission of New Brunswick  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Registrar of Securities, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Registrar of Securities, Nunavut

**Sent via email to:**

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Ontario Securities Commission  
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Me Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
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Dear Sirs/Mesdames:

**Re: Client Relationship Model Phase 2 Amendments - Investor Protection Fund Disclosure**

We are pleased to provide comments on the proposed amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("31-103CP"), National Instrument 33-109 *Registration Information* and related forms. Kindly note that our comments are restricted to section 14.14.1 *Additional statements* of NI 31-103.

Proposed new subsection 2.1 under section 14.14.1 *Additional statements*, as described in NI 31-103, appears to address CIPF's primary concern that it is not in the interest of



investors or market participants more generally for a non-CIPF Member to provide description about CIPF coverage on client statements.

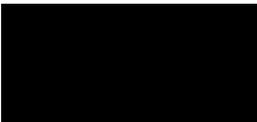
Specifically, the concern we have communicated in the past relates to non-Member firms being required to state within a separate non-Member account statement whether the securities described in the statement are covered by an investor protection fund and, if so, the name of the fund. This requirement becomes a concern to CIPF in circumstances where a non-Member has trading authorization over client assets but a Member has the client's assets in custody. The non-Member is required to provide information to a client regarding the client's holdings, but as CIPF has asserted in the past, Members provide disclosure about CIPF coverage on client account statements and therefore, it is not appropriate or necessary for non-Members to provide CIPF-related disclosure on non-Member client account statements.

We are pleased to note that CIPF's concern has been addressed by the addition of section 2.1, which exempts a firm from making investor protection fund-related disclosure where client securities are held or controlled by a Member.

We appreciate the opportunity to provide comments with respect to these amendments, and look forward to discussing these matters further with you as required.

Yours very truly,

**CANADIAN INVESTOR PROTECTION FUND**



Rozanne Reszel  
President & Chief Executive Officer

**Copy to:** Ilana Singer, Vice-President & Corporate Secretary, CIPF  
Debra Foubert, Director, Compliance & Registrant Regulation, OSC  
Marsha Gerhart, Vice President, Member Regulation Policy, IIROC

