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Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
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**RE: RESPONSE TO REQUEST FOR COMMENTS – PROPOSED AMENDMENTS
TO NATIONAL INSTRUMENT 31-103**

We welcome the opportunity to provide this submission on behalf of BMO Financial Group's Private Client Group in response to your request for comment on the proposed amendments to National Instrument 31-103 ("NI 31-103"). BMO's Private Client Group provides integrated wealth management services in Canada and the United States, serving a full range of client segments, from mainstream to ultra-high net worth, as well as select institutional markets, with a broad offering of wealth management products and solutions.

First, we wish to commend the CSA for proposing to grant additional exemptions to members of self-regulatory organizations (SROs) where the SRO rules adequately address the same

regulatory risks that NI 31-103 covers. We support and applaud all efforts to streamline, harmonize and avoid duplication regarding requirements that SRO members are subject to.

Secondly, we wish to commend the CSA for continuing to be open to requests for an individual to be registered as Chief Compliance Officer (“CCO”) for multiple firms. We believe it is entirely appropriate and sensible that a CCO be permitted to act for multiple related firms, and we believe a centralized CCO can further rather than detract from regulatory policy objectives.

Having a centralized CCO can streamline compliance processes across related firms, create economies of scale and promote a unified approach to risk management. A common, centralized and global compliance system can put in place highly effective preventive and detective controls across all member firms by drawing from the experiences, practices and successes of multiple entities, and discourages firms from addressing compliance matters and implementing risk mitigation practices in isolation. Moreover, firms would have access to tools that could help them respond to compliance issues more quickly, confidently and efficiently than if the firm were addressing issues in a compliance vacuum.

Centralized compliance oversight can also create specialized expertise that would otherwise not be available or able to develop. Functional specialization, and creating expertise and efficiencies furthers regulatory policy objectives and is consistent with the best interests of investors. In large and diverse organizations, like BMO Financial Group or a government agency, there are benefits to having a single group head providing consistent guidance and oversight to all functional areas.

Setting up an appropriate compliance system involves a registered firm considering the size and scope of its operations, including products, types of clients, risks and compensating controls, and any other relevant factors. NI 31-103CP suggests that a large registered firm with diverse operations may require several divisional heads of compliance reporting to a CCO dedicated entirely to a compliance role. We believe that, analogously, related firms with specialized yet integrated operations can implement an effective compliance system through divisional heads of compliance for each firm reporting to a centralized CCO. Rather than operating as a single firm with diverse operations, valid business reasons may exist to structure those multiple operations into distinct legal entities. Separate entities may be established to meet certain regulatory requirements, to specialize in a certain activity or to focus on a particular client segment. Enterprises that structure their operations in this manner can establish a strong and efficient compliance core, and the fact that different legal entities happen to be attached to an otherwise integrated wealth management operation should not detract from that.

We thank the CSA for their continued consultation with industry stakeholders in relation to NI 31-103. Should you have any questions please feel free to contact the undersigned.

Yours truly,



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cc. *Darcy M. Lake, Chief Compliance Officer, BMO Private Client Group*