



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

January 28, 2015

**By mail and email**

Barbara Amsden,  
Managing Director  
Investment Industry Association of Canada  
11 King Street West,  
Suite 1600  
Toronto, ON  
M5H 4C7

[bamsden@iiac.ca](mailto:bamsden@iiac.ca)

Dear Ms Amsden,

Thank you for your letter dated December 20, 2014 requesting certain changes in the requirements set out in the Client Relationship Model Phase 2 amendments to NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) and in corresponding amendments to Member Rules of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) (the CRM2 Amendments).

I am writing to you on behalf of the CSA Chairs to let you know that after careful consideration of your letter, we have reached these decisions:

1. The coming into force date of the requirement for registered dealers and registered advisers to deliver reports on charges to clients and on investment performance will remain July 15, 2016. However, firms that report for the calendar year 2016 will not be required to include comparative data from 2015 in their investment performance reports. They will be able to base their first investment performance reports on 2016 information alone.
2. The CRM2 Amendments applicable to registered dealers and registered advisers that are currently scheduled to come into force as of July 15, 2015 will instead come into force as of December 31, 2015.
3. The definition of “book cost” will not change. Registered firms that wish to provide tax-adjusted cost information to their clients can do so as supplementary information.

The CSA remains committed to the objectives of the CRM2 Amendments, particularly the importance of providing clients with information about the costs and performance of their investments. In our view, these decisions represent reasonable steps to address the concerns expressed in your letter without compromising the objectives of the CRM2 Amendments.

CSA staff will work with IIROC staff and MFDA staff to prepare appropriate instruments to give effect to these decisions.

Again, thank you for your letter.

Sincerely,

*“Bill Rice”*

William S. Rice, Q.C.  
CSA Chair,  
Chair & Chief Executive Officer, Alberta Securities Commission

Copy:

Ms Brenda Leong  
Chair & Chief Executive Officer, British Columbia Securities Commission

Mr. Don Murray  
Chair, The Manitoba Securities Commission

Mr. Peter Klohn  
Chair & Chief Executive Officer, Financial and Consumer Services Commission of New Brunswick

Mr. Don Boyles  
Deputy Superintendent of Securities, Service Newfoundland and Labrador

Mr. Gary MacDougall  
Superintendent of Securities, Northwest Territories Securities Office

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Chair, Nova Scotia Securities Commission

Mr. Louis Arki  
Superintendent of Securities, Nunavut

Honourable Howard I. Wetston , Q.C.  
Chair, Ontario Securities Commission

Ms Katharine Tummon  
Superintendent of Securities, Office of the Attorney General , Prince Edward Island

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President & Chief Executive Officer, Autorité des marchés financiers, Québec

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Chair, Financial and Consumer Affairs Authority of Saskatchewan

Mr. Fred Pretorius  
Superintendent of Securities, Yukon

Mr. Andrew Kriegler  
Chief Executive Officer, IIROC

Ms Karen McGuinness  
Senior Vice President, Member Regulation, MFDA