

May 26, 2014

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### **Re NI 81-101 Request for comments - Transition Period**

IFS TECH owns and operated the Point of Sale Solution [www.fundfacstpos.ca](http://www.fundfacstpos.ca), we welcome the opportunity to comment on the considerations regarding the **Transition Period** required for the implementation of stage 3 of Point of Sale reform and will provide what we believe are suggestions and solution that could help with a smooth implementation industry wide.

We are of the view that the technology exists for the smooth transition over a 1 year period of publication. Dealers would need to allow for 3-4 weeks to integrate, test and roll out an appropriate solution. In most cases the existing technologies could allow dealers to connect in days however, time would be required to integrate with back office and compliance solutions. A period of 3-6 months is much too short given the number of firms and the amount of advisors that would have to be trained on how to integrate these new processes into their businesses.

### **IMPACT ON THE SALES PROCESS**

A period of a year would allow firms to prepare and train advisors on changes to the sales process, for example the use of Fund Facts pre sale may require that advisor use a tablet or laptop in order to electronically retrieve Fund Facts. For advisors unfamiliar with technology this will require some training, fortunately there are very intuitive solutions for the delivery of Fund Facts that will require very little training. Typically, advisors use fund information such as fund profiles to explain the key features of a fund to investors. They will need to get comfortable with this new process.

We are of the view that dealers should use the implementation of Stage 2 and begin the process of early adoption by having their advisors use the Fund Facts pre sale as this technology currently exist. This will reduce the transition period significantly as they would have sufficient time to adjust to the new process, especially given the fact that pre-sale delivery is the ultimate goal.

### **IMPACT ON COST**

With respect to cost, we are not of the view that a longer of shorter transition period will have any significant impact on cost. The amount of time required for and implementation falls within a 4-8 week window on average and will depend on the degree to which dealers will seek to automate the compliance reporting and tracking components to interact with the specific delivery solution. For the most part, a well designed solution should allow for easy connectivity via an API that will allow the data to be transferred seamlessly.

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### **SYSTEM IMPLICATIONS**

Dealers will have a number of choices in how they will implement a solution to deliver Fund Facts. In some cases dealers may choose to purchase a Software as a service (SaaS) which may provide a low cost low maintenance solution. They may choose to modify existing back office system for a cost, this may take more time as back office solutions can be very complex. Certainly, a shorter transition would be easier if firms used a SaaS solution as they come turnkey requiring only connection to the compliance solution. Changes to back office solutions would require more time and would work best with a longer transition period.

Dealers will also need to consider how the changes to the sales process will impact their systems on a whole. Advisor may require secure laptops and tablets; in addition the concept of Bring Your Own Device (BYOD) may cause other issues for firms as Advisors typically will prefer one device over another. Dealers may be required to make changes to their IT policy and make changes to support a range of devices. These changes may require more time to implement however, we are still of the view that dealers should adopt early and begin the transition now.

### **SINGLE SWITCH-OVER DATE**

Given the impact of RRSP investing and tax filling on Advisors we are of the view that the period between January to June should be avoided as a single switch over period as advisors would not have time to handle their normal work load plus a transition to the new process at the same time. This also supports the case for early adoption after June 13, 2014, as firms would be able to slowly test the systems that are available for pre-trade delivery and scale the implementation to include all their advisors.

Yours truly,

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