

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

Attention:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
Email: jstevenson@osc.gov.on.ca

- And -

Me Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22 étage
Montreal, Québec H4Z 1G3
Via Email: consultation-en-cours@lautorite.qc.ca

22 February 2013

Dear Sirs and Mesdames:

RE: Canadian Securities Administrators Consultation Paper 33-403: The Standard of Conduct for Advisors and Dealers: Exploring the Appropriateness of Introducing a Statutory Best Interest Duty When Advice is Provided to Retail Clients (the Consultation Paper)

We, as investment advisors in the Province of Saskatchewan, appreciate the opportunity to respond to the request for comments issued on Oct 25, 2012 by the CSA in the Consultation Paper discussing the concept of introducing a statutory best interest standard in Canada.

In addition to reviewing the Consultation Paper, we have also had further discussion, by conference call, with members of the Saskatchewan Financial Services Commission and the Investment Industry Assoc. of Canada (IIAC)

In particular, in reviewing the comments recently submitted by IIAC, we find that we are in full agreement with their comments, conclusions, and recommendations.

In summary, we support their argument that, in consideration of the fact that significant changes have recently been made to the regulatory regime, which are now just beginning to be implemented, and whose effects have not yet been evaluated, the CSA should not be introducing a best interest standard with potential unintended and negative consequences for both the investing public and the industry. **IIAC's (and our) concerns with the introduction of a statutory best interest standard include – reduced choice for investors, decreased access to and affordability of advice, uncertainty of obligations, onerous compliance requirements, and increased risk and liability for advisors - all without any demonstrated benefit to the investing public. The CSA has not adequately determined the perceived deficiencies under the existing regime that would require this increased level of regulation.**

Again, as IIAC states, if there are currently deficiencies or issues of concern, these can and should be addressed through changes and enhancements to the existing regulations, rather than by imposing a vaguely defined standard of fiduciary duty.

Additionally, the concept of “best interest” is problematic and subjective, and so would be very difficult for advisors and firms to both comply to and monitor. The implication that “best interest” and “cost” are always and exactly indirectly related, is simplistic and lacking in context.

In closing, we find the IIAC comments comprehensive and thoughtful, and reflective of our own views. We would appreciate the opportunity to discuss these issues with you further.

Sincerely,

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