

**13.1.2 Summary of Public Comments Respecting
MFDA Application for Amendment and
Restatement of its Recognition Order**

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RESPECTING
MFDA APPLICATION FOR AMENDMENT AND
RESTATEMENT OF ITS RECOGNITION ORDER**

On December 12, 2003, the Ontario Securities Commission published for public comment the MFDA's application to amend and restate its recognition order. The MFDA application was published in Volume 28, Issue 26 of the Ontario Securities Commission Bulletin, dated December 12, 2003.

The public comment period expired on January 12, 2004.

Two submissions were received during the public comment period:

1. The Investment Funds Institute of Canada ("IFIC")
2. The Federation of Independent Mutual Fund Dealers (the "Federation")

Copies of comment submissions may be viewed at the offices of the MFDA, 121 King Street West, Suite 1600, Toronto, Ontario by contacting Laurie Gillett, Membership Services Manager, (416) 943-5827.

Both IFIC and the Federation expressed support for the proposed housekeeping amendment in section 14 of the terms and conditions of MFDA recognition which would extend the transition period for MFDA Rule 2.4.1 to December 31, 2006 in the provinces of British Columbia, Ontario and Saskatchewan. IFIC noted that the proposed three-year suspension of MFDA Rule 2.4.1 is a matter of particular significance to its members since the Rule, if it comes into force, would effectively prohibit individual mutual fund salespersons from receiving the benefits of incorporation. The Federation submitted that if Rule 2.4.1 were not suspended, the impact would be extremely disruptive to the industry and especially prejudicial to the business of financial planners primarily due to adverse tax consequences.