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**RE: CSA Staff Notice and Request for Comment 25-304 *Application for Recognition of New Self-Regulatory Organization***

**About PFSL Investments Canada**

PFSL Investments Canada Ltd. (“PFSL”) is a mutual fund dealer and a member of the Primerica Financial Services Canada group of Companies (“Primerica”). Primerica is a leading distributor of basic savings and protection products to middle-income households throughout Canada. In addition to PFSL, our Canadian corporate group includes a mutual fund manager (PFSL Fund Management Ltd.) and a life insurance company (Primerica Life Insurance Company of Canada). Primerica has been serving the Canadian public since 1986. Our mutual fund dealer contracts with the largest independent mutual fund sales force in the country with 7,200 Approved Persons (“APs”) and administers over \$14 billion of client investments, the vast majority of which serve the saving needs of middle-income Canadians. Our life insurance company contracts over 11,500 licensed life insurance agents across the country, protecting Canadian families with over \$131 billion of term life insurance.

Primerica dedicates its efforts to providing middle-income families access to simple yet essential products and services through one of the nation’s largest and exclusive (captive) sales forces. We consider our focus on middle-income Canadians one of the distinguishing features of our company since they are often overlooked by other financial service providers, particularly those providing personal advice.

We submit our comments to the CSA based on this experience and with a focus on preserving access to affordable financial products and advice.

**Qualifications, training and supervision**

We appreciate the clear and concise articulation of language surrounding qualifications, training and supervision CSA has proposed. That being said, the final requirements of the new SRO should reflect and maintain the registration categories that currently exist.

### **Development of the new SRO Rulebook**

We commend CSA on their efforts to establish the new SRO by leveraging existing policies and rules to ensure an efficient transition. While there are few legal or compliance changes proposed as the new SRO will adopt existing MFDA rules and by-laws, developing the rulebook for the new SRO is an essential part of the merger process. Extensive stakeholder consultation should be conducted as part of creating these rules.

### **Process for Approvals and Ongoing Projects**

We support CSA's decision to maintain the registration and approval process for individual dealing representatives and approved persons. While there are no proposed changes to the NRD filing process for firms indicated, we would like to take this opportunity to reiterate some shortcomings of the NRD database. Specifically, the input required for registration, public disclosure, and disciplinary information is burdensome and can be streamlined. It is understood that CSA intends to consolidate the databases and harmonize with insurance regulators through the SEDAR+ project. We hope to have a support framework for the new system and encourage collaboration with the industry to ensure the new database is designed to increase efficiency for regulators and the industry. We would be pleased to assist in this effort.

### **Fees and Fee Structure**

The basis for assessing fees to members has yet to be developed. Extensive consultation on fees should be conducted to ensure business models are not adversely impacted by the change to the fee calculation.

### **Quebec Distinction**

Schedule 4 provides a brief outlook into the structure of the Quebec district, which discusses reporting, approvals, and significant coordination with the AMF. We wish to ensure that the Quebec district is harmonized with the functionality of the new SRO. More specifically, the current mechanisms regarding qualifications, approvals and supervision should be maintained. Where necessary, these elements should be improved through efficiencies rather than unnecessarily raising standards.

### **Conclusion**

We believe the following outcomes are critical in finalizing the new SRO framework and will promote efficiency and reduce the regulatory burden. More importantly, these principles will protect access and confidence for all investors while ensuring a smooth transition.

- A consistent approach to retail investor protection;
- Regulatory oversight commensurate with investors' needs and products being sold;
- Maintaining current funds dealer and representative registration categories;
- Maintaining fees at current levels, or ideally passing along savings from efficiencies achieved so that serving modest investors does not become uneconomical; and
- The ability for both dealers and advisors to move to more complex product registration categories by obtaining supplemental proficiencies.



We appreciate the opportunity to provide comments on CSA Consultation Paper 25-304. We remain open to working with the CSA, the MFDA and IIROC to help establish a suitable regulatory model. Arriving at the proper SRO structure will be critical in ensuring Canadian investors continue to have confidence in the industry. It is equally important to ensure that the industry remains competitive and able to continue serving investors with different budget and savings needs.

Sincerely,

*[Original Signed by]*

John A. Adams CPA, CA  
Chief Executive Officer  
Primerica Financial Services Canada