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VIA EMAIL [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
Toronto, ON  
M5H 3S8

Dear Sir or Madam:

**RE: OSC Staff Notice 11-784 Burden Reduction**

The Great-West Life Assurance Company (“**Great-West Life**”) notes with interest Ontario Securities Commission (OSC) Staff Notice 11-784 and applauds efforts to identify and eliminate unnecessary regulatory burden. We appreciate this opportunity to suggest rules and processes that could be streamlined without compromising investor protection or the integrity of markets.

Great-West Life’s purpose is to improve the financial, physical, and mental well-being of Canadians. Together with its subsidiaries, London Life Insurance Company and The Canada Life Assurance Company, Great-West Life serves the financial security needs of more than 13 million people across Canada. We operate in every province and territory, with over 11,000 employees and 23,000 distribution partners. Annually, we pay more than \$2.4 billion in life insurance claims, as well as 58 million health and dental claims and more than \$800 million in annuity payments. Great-West Life is a wholly owned subsidiary of Great-West Lifeco Inc., which also has operations in the United States and Europe, with approximately 23,000 employees worldwide and over \$1.3 trillion in consolidated assets under administration. Great-West Life also has several subsidiaries that are firms registered to deal or advise in securities, including Quadrus Investment Services Ltd., GLC Asset Management Group Ltd. and Excel Private Wealth Inc.

The matters that we would like to raise for consideration reflect the experience of Great-West Life’s registrants.

**Form 33-109F5 – Filings Triggered by Specified Affiliates**

In order to deal or advise in securities in Canada, a firm is required to file a Form 33-109F6 *Firm Registration* (“**Form F6**”), which includes information about both the firm and its “specified affiliates”. Whenever the information in a firm’s Form F6 changes, that firm is required to file an update

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via Form 33-109F5 *Change of Registration Information* (“**Form F5**”) within 10 or 30 days, depending on the change. Failure to file a Form F5 within the required time can result in late fees.

The very broad nature of the questions on the Form F6 can result in a firm needing to submit numerous Form F5s throughout the year. This is particularly the case for firms that are part of groups of entities as such firms may be required to submit frequent Form F5s about their affiliates, notwithstanding the fact that those affiliates are not themselves securities registrants or have any material impact on the business of the firms.

For example, where a Canadian firm is a subsidiary of a parent company that also owns a European entity, the firm and the European entity would be “specified affiliates” for the purposes of Form F6. Given this, certain events involving the business of the European entity, including where it obtains securities or certain non-securities registrations or is disciplined by a financial regulator, will require the firm to make a Form F5 filing. This is despite the fact that the changes to the European entity’s business may not involve or have any impact on any Canadian securities regulator, the firm or any Canadian investors.

Further, as reportable changes to the business of the firm’s specified affiliates generally need to be filed within 10 days, and those specified affiliates may not themselves have any filing requirements under Canadian securities law, a firm is effectively required to monitor its specified affiliates for such changes. This monitoring requirement becomes increasingly onerous as the complexity of a firm’s corporate group increases.

The requirement for firms to update information about their specified affiliates can also result in an inefficient duplication of filings where those specified affiliates include other firms. For example, a minor shift in the ownership percentage of a firms’ parent company would result in each firm in the corporate group needing to file an updated organizational chart via a Form F5.

To reduce the filing burden on firms, we would suggest the OSC work with the Canadian Securities Administrators (CSA) to revise National Instrument 33-109F6 *Registration Information* as follows:

- Eliminate the requirement to file a Form F5 where a change to the information provided in a firm’s Form F6: (i) involves a specified affiliate; and (ii) would not be viewed as material by a reasonable investor. Some of the regulatory burden could also be reduced by allowing firms to file an annual Form F5 with respect to information that involves their specified affiliates.
- Allow firms in corporate groups to make a single Form F5 filing, rather than requiring each firm submit a separate Form F5 for the same change.

### **Acquisition Filings**

Under section 11.9 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”), firms are required to make a filing to their primary securities regulator at least 30 days before acquiring 10% or more of the voting securities of a securities registrant. The primary purpose of this filing is to allow securities regulators to determine if the acquisition will result in any conflict of interest or impede a firm’s ability to meet its securities-related obligations.

While section 11.9 of NI 31-103 appears on its face to only apply to acquisitions that are made directly by Canadian firms, the OSC takes the position that it applies to all acquisitions that are made by a Canadian securities registrant or its affiliates. This can result in a firm needing to make a filing even in those cases where neither the affiliate making the acquisition nor the entity being acquired have any business or property in Canada.

These filings can be time consuming, delay the closing of an acquisition and impose on firms the expense of obtaining the advice of outside counsel.

Given the foregoing, we would recommend that the OSC reinterpret the obligation in section 11.9 of NI 31-103 to align with the plain wording of that section, or work with the CSA to amend section 11.9 of NI 31-103 so that it only applies where a firm is making an acquisition directly, or where an acquisition could reasonably result in a conflict of interest. Alternatively, the OSC could produce a fillable form to enable firms to quickly submit only the necessary information and without the need for outside counsel.

### **Filing Fees**

The OSC imposes late filing fees of \$100 per business day for any document that is not submitted within the specified notice period. These late filing fees result in dealers dedicating a significant amount of time to meet filing deadlines that are not necessarily imperative. We suggest that the OSC review the items listed in NI 33-109 for which it imposes late filing fees, and extend the notice period on items for which it does not require immediate notice.

### **Reviews and Sweeps**

We suggest a consistent approach both within the OSC, and between the OSC and other regulators, on the timing and coordination of reviews and sweeps. Coordinating reviews and sweeps will assist dealers by reducing the number of overlapping requests for information, and the number of information requests received in a period.

### **Blanket Exemptive Relief**

We also support amending the *Securities Act* (Ontario) to allow the OSC to issue blanket exemptive relief. Providing blanket exemptive relief on common matters – for example, for the delivery of fund facts on a rebalancing - would reduce the number of individual exemptive relief applications dealers are required to make, and the OSC is required to review.

### **Statement Complexity**

We support providing key information to investors, however we are also supportive of initiatives to control the complexity and length of client statements. The ultimate clarity to clients should be considered with respect to statement content. Consideration should be given to allowing the suppression of individual transaction details which currently create the great length of client statements, particularly in active accounts with multiple funds. Adding additional content to the statement should be offset by reducing other elements, if such details can be retrieved online. This may enhance the readability and actual reading of the statement by investors.

Thank you once again for the opportunity to participate in this important effort to reduce the regulatory burden facing registrants. We are hopeful that these efforts will be successful thereby improving the competitiveness of Canadian business. We look forward to the continuation of this process and stand ready to discuss any of the points raised herein. Please note our interest in participating in the March 27, 2019 roundtable where we would propose to speak to this matter.

Regards,



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