

BY E-MAIL

April 7, 2004

TO: Commission des valeurs mobilières du Québec
Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission

ATTENTION: Mr. John Stevenson, Secretary - Ontario Securities Commission
and
Denise Brosseau, Secretary - Commission des valeurs mobilières du Québec

Dear Sirs:

We wish to thank the Canadian Securities Administrators (CSA) for the opportunity to provide comment on proposed National Instrument 31-101 - Requirements under the National Registration System and Proposed National Policy 31-201 - National Registration System.

We have reviewed the proposal and provide the following comments:

Benefit restricted to firm registration

The advantages to firms electing to use the NRS system seems limited to firms, and not individuals seeking registration in additional jurisdictions, however, firms who are already registered in all Canadian jurisdictions would gain no advantage using the NRS, with the exception of filing amendments.

In some instances the NRS appears to duplicate work rather than streamlining the process. One example of this is outlined in Proposed National Policy 31-201 Subs. 4.2 (3) which states that:

"material which cannot be filed through the NRD website should be filed in paper format with the principal regulator only, however, filers should also concurrently send in paper form to all non-principal regulators a letter describing the nature of the application and identifying the jurisdictions in which it is submitted, accompanied by copies of Form 31-201F1 and the application form, as well as the applicable fees. "

Opt-in/Opt-Out Requirement

We have concerns that the process which requires non-principal regulators to opt-in/opt-out twice for each application as detailed in the Proposed National Policy 31-102 - Subs. 5.1, 5.2, 6.1, 6.2 and 6.3 with a 5 business day window in each instance, would delay the approval process rather than reducing turnaround times.

We are also concerned that applications submitted to principal regulators through the NRS would be processed before non-NRS applications due to the 5 business day opt-in/out-out response deadline.

NRD submissions for additional jurisdictions

Currently, individual applications filed through NRD for non-resident applications are submitted directly to the applicable jurisdiction where the registration is sought, reviewed and approved by same regulator.

The NRD system has significantly reduced the time spent to prepare and file applications for non-resident registration and with the exception of Quebec there are very few instances where additional documentation would need to be provided specific to each jurisdiction. The turn around time for approvals has improved tremendously in the last few months.

NRS submissions

NRS applications would be routed to both principal regulator AND non-principal regulators and non-principal regulator must Opt-in (within 5 business days) before the principal regulator can recommend granting registration and again (within 5 business days) after being notified and agreeing with recommendation must elect to Opt-in before the principal regulator can issue registration documents.

There is significant "duplication" by multiple regulators in the proposed NRS.

We also see an additional burden placed on the registration staff in those jurisdictions with the largest number of registrants for whom they are designated "principal regulators" , potentially resulting in delays to non-NRS submissions.

Substance and Purpose

Non-principal regulators having 5 business days to decide whether to opt-in/opt-out upon initial receipt of application and another 5 business days to again opt-in/opt-out after principal regulators recommendation, appears to contradict the "substance and purpose" of the NRS to establish a mutual reliance review system.

While we support any initiative of the CSA to eliminate or minimize duplication in processes and requirements and harmonize requirements across jurisdictions we do not feel that the proposed National Policy 31-201 will accomplish this without considerable amendments.

One recommendation we would make is to reduce the opting in/opting out requirement to only being applicable after the principal regulator has notified the non-principal regulator(s) of its intent to grant, refuse or impose terms and conditions on registration sought.

Again, thank you for the opportunity to provide comments on the National Registration System. Please feel free to contact the undersigned at (905)306-8645 should you have any questions regarding our comments.

Yours truly,

Judy Nicholson
Manager - Securities Registration Dept.
Edward Jones