



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA
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March 1, 2006

Autorité des marchés financiers
Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Financial Services Commission

c/o John Stevenson
Secretary to the Commission
Ontario Securities Commission
20 Queen Street West, Suite 1903
Box 55 Toronto, ON M5H 3S8

-and-

c/o Me Anne-Marie Beaudoin
Directrice du Secrétariat
Autorité des marchés financiers
Tour de la Bourse
800, Square Victoria
C.P. 246
Montréal (Québec) H4Z 1G3

Dear Sirs/Mesdames:

Re: Proposed Amendments to NI 31-101 *National Registration System* and NP 31-201 *National Registration System*

We are writing to you on behalf of The Investment Funds Institute of Canada (“IFIC”) and its Members to provide our comments on the proposed amendments to National Instrument 31-101 *National Registration System* and National Policy 31-201 *National Registration System* (together referred to as the “NRS”) released by the Canadian Securities Administrators (“CSA”) on November 25, 2005.

IFIC is the national association of the Canadian investment funds industry. IFIC’s membership includes fund managers representing nearly 100% of the \$587.3 billion in mutual fund assets

under management in Canada¹, retail distributors of investment funds and affiliates from the legal, accounting and other professions.

IFIC supports initiatives such as the NRS which aim to streamline Canada's securities regulatory system. However, we believe that the proposed amendments that would require a firm filer to designate the location of their head office as their principal jurisdiction is incongruent with the concept of mutual reliance and distinct to the spirit of the NRS. We submit that a true mutual reliance system requires participating jurisdictions to rely on each other, and as such, a firm filer's principal jurisdiction choice should not be mandated.

A firm should be able to consider the location of its management, operational headquarters, business offices, workforce and clientele when assessing its choice for principal jurisdiction. These are legitimate business reasons which firms should be able to assess when designating a jurisdiction other than the location of the firm's head office to be the firm's principal jurisdiction. The firm's principal jurisdiction should be chosen at the discretion of the firm, and this choice should not be dictated to be the location of the firm's head office.

We acknowledge that under specific circumstances, the proposed amendments permit a firm to designate a jurisdiction other than the jurisdiction of the filer's head office to be its principal jurisdiction. However, this designation will only be permitted in exceptional circumstances, and the firm will be required to justify its choice.

The CSA have stated that the proposed amendments will reduce the time and costs of a firm filer associated with determining its principal jurisdiction². However, we believe that the amendments will require an increase in time, and an increase in cost, for filings for firms who wish to choose a principal jurisdiction other than the jurisdiction of the firm's head office since their choice will be required to be rigorously defended.

We look forward to the opportunity to discuss these matters with you further. Please contact the undersigned by email at jmurray@ifc.ca or by telephone at (416) 363-2150 Ext. 225; or Stacey Shein, Legal Counsel, by email at sshein@ifc.ca or by telephone at (416) 363-2150 Ext. 238, should you require further information or wish to discuss our comments.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

"Original signed by John W. Murray"

By: John W. Murray
Vice President, Regulation & Corporate Affairs

¹ As at January 31, 2006 – source IFIC Member Statistics.

² (2005) 28 OSCB 9528.