

DELIVERED BY E-MAIL: memberpolicymailbox@iiroc.ca

Member Regulation Policy
Canadian Investment Regulatory Organization
Suite 2000,
121 King Street West
Toronto, Ontario M5H 3T9

Re: Proposed Rule Consolidation Project – Phase 1

We thank the Canadian Investment Regulatory Organization (“CIRO”) for the opportunity to provide comments on Phase 1 of the Rule Consolidation Project (the “Consultation”). Furthermore, we support the general direction of CIRO’s proposal and recognize the value of having a consolidated set of rules for both Investment Dealers and Mutual Fund Dealers (“MFDs”).

At Sun Life, our Purpose is to help Clients achieve lifetime financial security and live healthier lives. Our Clients’ needs are at the heart of everything we do. Sun Life’s registered MFD, Sun Life Financial Investment Services (Canada) Inc., shares this Purpose, as does our new Investment Dealer business, Sun Life Canada Securities Inc.

Sun Life is also a member of the Investment Funds Institute of Canada (“IFIC”). To that end, we support IFIC’s submission in response to the Consultation. We would like to take this opportunity to reiterate IFIC’s position and provide our further input. Specifically, we agree that duplicative work efforts and extraneous costs related to implementation activities should be avoided as possible, and efforts should be made to minimize operational impact to dealer members navigating this significant regulatory shift.

Our specific comments are included in the enclosed Appendix. We thank you for the opportunity to provide input on this important initiative and we would be happy to provide further information or answer any questions should you wish.

Sincerely,



Karen Woodman, President, Sun Life Financial Investment Services (Canada) Inc.

CC:
Market Regulation Ontario Securities Commission
e-mail: marketregulation@osc.gov.on.ca

Capital Markets Regulation B.C. Securities Commission
e-mail: CMRdistributionofSROdocuments@bcsc.bc.ca

APPENDIX

Sun Life Comments on Phase 1 of CIRO's Rule Consolidation Project Consultation

Approach to Implementation and Minimizing Impact to Dealer Members

The Rule Consolidation Project is a significant development for the industry. It is important that the implementation of changes is thoughtfully managed to avoid a rushed execution of changed or new requirements and any unnecessary work and costs. We support IFIC's sentiment that phased consultations should be completed in full prior to the collective implementation of amendments.

Additionally, to provide well-rounded responses, we believe a longer comment period for the ensuing rule consolidation phases is necessary. With subsequent consultations expected to increase in complexity, more time allotted for responses will support better assessments of operational impacts and enable well-rounded feedback.

Furthermore, as MFD rules are absorbed into the IDPC rulebook, it would be helpful for CIRO to include a complete schedule of MFDA changes, inclusive of all MFDA rules. This would allow MFDs to determine differing requirements more accurately than those currently applicable to them and comment more meaningfully.

General Comments

We appreciate CIRO proactively consulting on potential changes to be introduced in subsequent phases of the Rule Consolidation Project. We defer to IFIC's submission for specific feedback on each of the six questions posed in the Consultation.

Generally, we support initiatives and amendments that increase flexibility for companies to offer relevant products and services for their clients and are suitable for their individual business structures. Hence, we agree that language, such as that described in question one regarding delegation, should be broadly permissive, with specific prohibitions called out rather than the other way around.

In addition, MFDs should be permitted to offer similar types of accounts as Investment Dealers, for their clientele, and subject to the compliance requirements applicable to those accounts, should they choose. Similarly, MFDs should have the ability to classify, if they so desire, clients as Institutional or Retail, but not be mandated to do so.

Finally, we want to reiterate IFIC's position that impacts should be minimized for MFDs that opt to continue operating as they have and should not be subject to requirements they would not otherwise have been subject to outside of this project.