



February 27, 2024

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Financial and Consumer Affairs Authority of Saskatchewan (FCAA)
Manitoba Securities Commission
Nova Scotia Securities Commission
Nunavut Securities Office
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Ontario Securities Commission
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Dear Sirs/Mesdames:

RE: CSA Notice and Request for Comment – Registered Firm Requirements Pertaining to an Independent Dispute Resolution Service – Proposed Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Proposed Changes to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations dated November 30, 2023 (the “Proposed Framework”)

We appreciate this opportunity to provide commentary to the Canadian Securities Administrators (CSA) with respect to the newly Proposed Framework, which includes an independent dispute resolution service (IDRS) having the authority to issue binding final decision-making power. We also understand that while the CSA continues to receive and consider valuable commentary from industry participants, the Saskatchewan government has already tabled Bill 150, a key element of which grants the FCAA, our principal regulator, the ability to designate an IDRS with binding final decision-making power.

Considering the above, we ask that as this framework is adopted in Saskatchewan and potentially across Canada that the CSA and the designated IDRSs, expected to be the Ombudsman for Banking Services and Investments (OBSI) in most jurisdictions, remain cognizant of the probable increase in operational and compliance related costs for dealers and advisors. The financial burden of expected increases in membership fees, insurance premiums, and the need for more complex complaint handling processes are even more impactful for smaller firms, which may unintentionally lead to reduced competition in securities markets through consolidations and firm closures.

Statutory Right of Appeal

We believe the right to appeal final decisions, above \$100,000 for instance, is fundamental to the dispute resolution process. A statutory right to appeal provides process confidence to market participants by

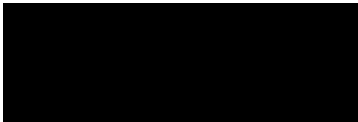
allowing for an opportunity to extend the proceedings beyond the initial “ombuds-service investigator” and subsequent “senior decision-maker”. Further to this, by omitting the right to appeal, an undue level of authority is placed with one or two individuals for making decisions in an often-ambiguous environment that could ultimately decide the fate of smaller firms.

Appeal Timeframes

Finally, given the options of 30, 60, or 90 days, timelines for recommendations becoming final decisions and the post-decision period should prioritize efficiency and be 30 to 60 days in length. Having a dispute resolution process that is both effective as well as cost-efficient would benefit all parties involved.

We appreciate the opportunity to provide our input and trust that the members of the CSA will consider our commentary.

Regards,



Kyle Touet, CFA
Chief Compliance Officer