



BY EMAIL

March 11, 2024

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Re: Rule Consolidation Project – Phase 2

Investia Financial Services Inc. (Investia) and iA Private Wealth Inc. (iAPW) (together, iA Wealth) appreciate the opportunity to comment on Phase 2 of the Rule Consolidation Project (Phase 2 Proposed DC Rules) of the Canadian Investment Regulatory Organization (CIRO) published by Notice on January 11, 2024 (the Phase 2 Notice).

Investia is a mutual fund dealer and exempt market dealer registered with the Autorité des marchés financiers and a dealer member of CIRO registered as a mutual fund dealer. iAPW is a dealer member (Dealer Member) of CIRO that is registered as an investment dealer, mutual fund dealer and derivatives dealer.

Investia and iAPW focus on creating and preserving wealth for Canadians by working with independent advisors. We believe strongly in the critical role of the advisors and their delivery of advice to Canadian investors. To that end, our dealers offer an open and comprehensive product shelf to provide our advisors with the flexibility to create personalized advice solutions.

Comments

iA Wealth supports harmonization and appreciates that CIRO's goal is to deliver efficient and effective regulation in our industry. iA Wealth would like to ask for clarification and share thoughts about certain aspects of the Phase 2 Notice.

In its comments, iA Wealth has been guided by the following principles:

- Like dealer activities should be regulated in a like manner.
- Regulatory arbitrage between investment dealers and mutual fund dealers should be eliminated.
- Rules should be sufficiently flexible to permit a spectrum of business structures and offerings.
- Where appropriate and practical, principles-based rules that are scalable and proportionate to the different types and sizes of dealers and their respective business models should be adopted.
- Reviews, audits and examination of dealers should be consistent in the interpretation and application of the rules, regardless of business model.

Timeline and implementation

As set out in our comment letter on the Phase 1 Proposed DC Rules, we continue to seek further clarification and consideration of the plan for implementation of the CIRO Dealer and Consolidated (DC) Rules is required. A phase-by-phase implementation process would make it more challenging to provide meaningful holistic commentary and may result in confusion in the application and interpretation of the DC Rules. Additionally, the proposed implementation process could result in unexpected operational and technology costs to Dealer Members as a later rule change may impact decisions made at an earlier stage.

With respect to the comment periods for each phase, iA Wealth suggests that a comment period of 90 days be provided for phase 3 of the proposed DC Rules and that a comment period of 120 days be provided for phases 4 and 5 of the proposed DC Rules in order to ensure that Dealer Members can meaningfully engage in the consultation process and involve all relevant stakeholders within the Dealer Member.

iA Wealth requests that CIRO allow a reasonable amount of time for Dealer Members to implement operational and technology changes that may arise out of the DC Rules.

Phase 2 Notice Questions

We agree with the responses provided by Investment Fund Institute of Canada (IFIC) in their comment letter. While we support the principle of aligning rules for mutual fund and investment dealers for like activities, we would request that CIRO consider taking a scaled approach to the Phase 2 Proposed DC Rules based on the firm's business model. For example, a mutual fund dealer whose business is comprised almost exclusively of mutual fund sales may have proportionate controls in place to deal with the limited listed security exposure related to ETFs.

Conclusion

iA Wealth appreciates the opportunity to provide comments on the Phase 2 Proposed DC Rules and we are available to discuss our responses in greater detail with you. We look forward to providing our feedback to future phases.

Yours sincerely,

Investia Financial Services Inc.

A handwritten signature in black ink, appearing to read "Louis H. DeConinck".

Louis H. DeConinck
President

iA Private Wealth Inc.

A handwritten signature in blue ink, appearing to read "Stéphan Bourbonnais".

Stéphan Bourbonnais
Chief Executive Officer