

IIAC Priorities 2012

IIAC works on a range of topics that members have raised as important to their firms, the financial health of their clients and the Canadian economy as a whole. From among these topics, IIAC's Board of Directors annually sets top priorities, some driven by the regulatory agenda and others by IIAC's mission: to advance the growth and development of the Canadian investment industry, acting as a strong, proactive voice to represent the interests of our members and the investing public. The 2012 priorities in IIAC's four areas of strategic focus are:

Market advancement

- Provide input to Canadian Securities Transition Office (CSTO) on the federal securities regulatory framework and organizational structure to achieve benefits of a single securities regulator.
- Promote capital gains tax reduction to encourage business investment and promote savings among Canadians.
- Engage industry to finalize phase I and initiate phases II and III of repo (Fixed Income) netting project to introduce a new central counterparty facility to the Canadian market place for managing systemic risks.
- Facilitate industry response to CSA consultation papers on OTC derivatives regulation and oversight to build competitive and sound derivatives markets.
- Promote the global adoption of a universal Legal Entity Identifier to manage better counterparty and systemic risk.
- Promote targeted retirement saving improvements to increase savings by Canadians: provide Registered Retirement Savings Plan (RRSP) to investors and employers with the same payroll tax benefits as those of defined benefit pension holders and sponsors; update registered retirement income fund (RRIF) rules to provide more flexibility in managing retirement finances; and enhance practicality of proposed federal/provincial Pooled Registered Pension Plans (PRPPs).

Advocacy

- Advocate relief for IIAC member firms and clients from withholding and reporting regulations under the U.S. Foreign Account Tax Compliance Act (FATCA) legislation.
- Engage with Canadian Securities Administrators (CSA) to amend revised Exempt Market Dealer registration category to ensure non-regulated firms carrying out dealer activities are subject to Investment Industry Regulatory Organization of Canada (IIROC) oversight.
- Provide input to CSA consultations on amendments to prospectus exemption rules, including accredited investor and \$150,000 minimum amount, to balance investor protection with efficient capital raising.
- Improve effectiveness of anti-money laundering regulations through consultation with Department of Finance to ensure adequate investor protection with the lowest compliance burden.
- Lead industry efforts on CDS implementation of the due bill tracking system to reduce inefficiencies.
- Respond effectively to federal GST review to avoid/minimize changes that will negatively impact members and their clients.
- Liaise with industry regulators to finalize stage 3 of Point of Sale measures to achieve practical and cost-effective disclosure of mutual funds.
- Work with CSA to implement "notice-and-access" to electronic proxy materials to reduce unwanted and wasteful paper mailings to clients.
- Collaborate with Ombudsman for Banking Services and Investments (OBSI), regulators and industry participants on implementing consultation recommendations to rebuild confidence in the client dispute mechanism.
- Engage Ontario Securities Commission (OSC) in its investigation of a fiduciary standard for Canada to demonstrate that the high level of disclosure and duty of client care in the Client Relationship Model (CRM) framework match the fiduciary standard established in other countries.
- Persuade Federal Government to implement workable solutions to member and investor problems caused by new RRSP and RRIF anti-avoidance provisions.
- Work with CSA to achieve effective and workable exchange-traded fund (ETF) disclosure.
- Work with IIROC to achieve a Rulebook with streamlined and easily understood compliance obligations.



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Profile and reputation

- Expand Investment Outlook Luncheon Series to eight cities across Canada.
- Raise level of engagement with members and other stakeholders (i.e. media, government, and other associations) by effectively communicating IIAC priorities and achievements to reinforce value of IIAC.
- Continue to highlight the importance of a “trusted advisor” to investors by positively positioning and enhancing profile/reputation of IIAC members and investment industry through executing and expanding “Investing Today” National Post section.
- Continue to develop and execute relevant and timely industry events, including: industry information sessions on key priorities for 2012, Investment Outlook Luncheon Series, Annual Conference, Canada/U.S. Summit, Small Dealers Conference, Winter Symposium, Industry AM seminars, and more.

Member support

- Facilitate implementation of practical IIROC CRM rules governing investor-advisor relationship through execution of compliance awareness/ education programs; development of industry templates/best practices; and presentation of technology seminars/options.
- Assist IIAC members comply with FATCA documentation and withholding requirements through education/awareness programs; working groups and industry practices; and member surveys on awareness, practices and implementation.
- Improve accuracy and effectiveness of CSA cease-trade order database.
- Achieve reasonable implementation of Montreal Bourse regulatory division Large Open Position Reporting (LOPR) requirements that meet industry standards for investor confidentiality and address system concerns.
- Provide recommendations to IIROC to promote effective surveillance tools to meet the needs of the fixed income markets.
- Provide ongoing development and implementation of industry standards, templates and/or best practices regarding new product risk assessment; cost-basis reporting; inter-firm transfer of U.S. accounts; standardized CMHC adjustable rate mortgage-backed securities calculator; and standard qualified securities lender certification approach for U.S. tax withholding purposes.
- Use government red tape reduction commitments to reduce implementation costs of tax and other regulatory changes for members.
- Facilitate efficient income trust and limited partnership issuer tax information reporting to dealer community via the member-supported online reporting service.