

***A letter from Investors Group Financial Services Inc., Manulife Securities Incorporated, Quadrus Investment Services Ltd. and Sun Life Financial Investment Services (Canada) Inc.***

December 8, 2014

By Email: [commentonlegislation@ccmr-ocrmc.ca](mailto:commentonlegislation@ccmr-ocrmc.ca)

The Governments of British Columbia, Ontario, Saskatchewan,  
New Brunswick, Prince Edward Island and Canada

Dear Sirs/Mesdames:

**Re: Proposed Provincial Capital Markets Act**

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We are submitting the present comment letter on behalf of our respective organizations - Investors Group Financial Services Inc., Manulife Securities Incorporated, Quadrus Investment Services Ltd. and Sun Life Financial Investment Services (Canada) Inc. – to request that the rules and regulations of the proposed *Provincial Capital Markets Act* (PCMA) be drafted so as to permit incorporation of individual representatives of registered dealers and advisers.

Many individual representatives of registered dealers and advisers operate small businesses that provide financial services and advice to Canadians. While the registered dealer or adviser is responsible for overseeing the delivery of financial services by these representatives, the individual representatives hire their own staff, lease their own premises and have obligations similar to any other professional services business.

Legislation has been adopted in jurisdictions across Canada to permit many professionals and other persons in different industries that are required to be licensed to make use of a corporation to provide services. For example, medical, dental, legal and accounting professionals, amongst others, are permitted in most jurisdictions, either expressly or through the absence of a prohibition, to make use of a corporation to carry on their business. However, provincial securities act regulations and rules do not allow individual representatives of registered dealers and advisers to operate using a corporate structure.

In December 2010, a working group of provincial/territorial government officials issued a consultation paper to seek feedback on possible options for the incorporation of individual representatives of registered dealers and advisers. There was significant support for making changes to allow representatives the flexibility to operate their businesses through corporations.

In 2012, the Provincial-Territorial Council of Ministers of Securities Regulation (Council of Ministers) committed to moving forward with legislation that would permit incorporation. That same year, Saskatchewan passed legislation (*Bill 14 - Securities Amendment Act, 2011* and *Bill 65 – Securities Amendment Act, 2012*) that would allow individual representatives to incorporate their business. In August 2014, the Council of Ministers released its Annual Progress Report, in which it stated that it was continuing to consult with provincial regulators to implement a harmonized incorporation option across Canada and that it remains committed to moving forward with the incorporation project. In November 2014, Alberta introduced *Bill 5: Securities Amendment Act, 2014*, which, if passed, would allow individual representatives to incorporate their business in that province as well.

In order to enable the provinces to meet the commitment of the Council of Ministers and to reflect the above-mentioned legislation that has been passed in Saskatchewan and that is being proposed in Alberta, we ask that the PCMA legislation permit registration of representatives' professional corporations once appropriate rules and regulations have been adopted.


This is an important issue for our respective organizations. We hope that our comments are helpful to you and we would be interested in participating in any future consultations or discussions.

Yours sincerely,



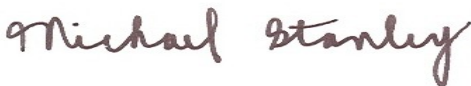
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Donald J. MacDonald  
Senior Vice-President, General Counsel  
and Secretary  
**Investors Group Financial Services Inc.**



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Rick Annaert  
President and CEO  
**Manulife Securities Incorporated**



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Michael Stanley  
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Nick DiRenzo  
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**Sun Life Financial Investment Services (Canada) Inc.**