

# RAYMOND JAMES®

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Canadian Securities Transition Office/  
Le Bureau de transition canadien en valeurs mobilières  
address

**Sent by Email to:** commentonlegislation@ccmr-ocrmc.ca

**Re:** Comments on Legislative Framework for the Cooperative Capital Markets Regulatory System

Raymond James Ltd. (Raymond James) is pleased to have the opportunity to comment on the proposed legislative framework for the Cooperative Capital Markets Regulatory System (CCMRS). Raymond James is a full service investment dealer registered in all the provinces and territories in Canada. It is a member of both the Investment Industry Regulatory Organization of Canada (IIROC) and the Investment Industry Association of Canada ("IIAC"). Raymond James provides both an employer and employee relationship model and a principal and agent relationship model for its various registered representatives. In both platforms, we are committed to excellence in both service and putting our clients first.

We commend the efforts and progress made towards establishing a cooperative system. A cooperative system should, among other things, better facilitate the raising of capital for issuers from both domestic and international investors through more integrated markets based on a single set of regulations. We are encouraged that British Columbia, Saskatchewan, Ontario, New Brunswick and Prince Edward Island have signed the Memorandum of Agreement. We are disappointed that the other provinces and territories (non-participating) have not. The benefits of a cooperative system will not be fully achieved without the other non-participating provinces and territories cooperating in this long awaited and worthwhile initiative. We are concerned that the intended efficiencies will not occur without the full cooperation and participating of all provinces and territories.

A Raymond James' representative participated in the IIAC's working group reviewing the draft proposed legislative framework. As such, we support the submission and comments made by the IIAC on behalf of the investment dealer industry.

We note that the uniform provincial *Capital Markets Act* (PCMA), proposed for enactment by each participating province and territory, has not included any statutory provisions to permit incorporation. We consider this a missed opportunity. We think that it is an opportune time to create a statutory framework to permit the incorporation of dealer/advisor representatives. Raymond James strongly supports legislative changes to allow the incorporation of individual representatives of registered dealers and advisers in Canada. We note that the provinces of Saskatchewan, Quebec and Alberta have taken steps in this direction. We understand that the Council of Ministers has committed to

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do so by the fall of 2015. We think it is important that individuals be able to use alternative business structures such as corporations to attain the tax benefits these structure offer in the delivery of investment advisory services, similar to other professionals. It would level the playing field among representatives dealing in certain securities such as those who are members of the MFDA. The MFDA amendments to Rule 2.4.1 permitting the redirection of commissions from an individual to an MFDA representative's corporation has been accepted as a business structure that does not compromise investor protection.

Canada's capital markets form part of a dynamic, innovative and successful industry, powering the Canadian economy. Overall we strongly support the Cooperative System. It should foster more efficient capital markets in Canada. It will facilitate the raising of capital within participating provinces and territories from both domestic and international investors. Canadian securities regulation based upon a uniform legislative framework and one set of regulations will provide a better platform for an integrated market to make Canada more internationally competitive.

We look forward to reviewing the proposed regulations when published for comment.

Yours truly,

RAYMOND JAMES LTD.

Per:



Paul D. Allison  
Chairman and Chief Executive Officer