



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA
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BY MAIL & E-MAIL: info@tfmsl.ca

October 31, 2005

Task Force to Modernize Securities Regulation in Canada
Suite 1600
121 King Street West
Toronto, Ontario
M5H 3T9
Attn: Thomas Allen, Q.C.

Dear Sirs/Mesdames:

Re: Modernizing Securities Legislation in Canada

The Investment Funds Institute of Canada (“IFIC”) is the Member association for the Canadian investment funds industry. Member firms include Canadian mutual fund managers administering over \$554 billion in assets on behalf of Canadian investors, mutual fund distributors and related professional and supporting firms.

We have reviewed and are generally supportive of the Mandate of the Task Force. We believe that our capital markets are currently over-burdened by regulations that ultimately do little to protect the interests of investors. We also believe that a modern and streamlined system of regulation would go a long way to benefiting Canada's economy. However, any effort to modernize securities regulation in Canada must, as a matter of first principles, recognize and seek to meaningfully reflect the fact that mutual funds are generally more straightforward and often less risky, due to mandatory portfolio diversification, than other investment products. To this end, a concerted effort must be made to ensure that regulation (particularly with respect to advice giving and proficiency) is specific to and appropriate for the product being regulated.

We would appreciate the opportunity to present our views to you in person. Accordingly, we ask that you place us on the agenda for the stakeholder consultations that will be taking place in Toronto on December 8, 2005.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

By: **Original signed by John W. Murray**

For: Hon. Thomas A. Hockin
President & Chief Executive Officer