

CSA Staff Notice and Request for Comment 25-305
Application for Approval of the New Investor Protection Fund

May 12, 2022

1. Background

Following extensive public consultations, the Canadian Securities Administrators (**CSA**) published [CSA Position Paper 25-404 – New Self-Regulatory Organization Framework](#) (**CSA Position Paper**), recommending amalgamation of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**) into a single self-regulatory organization (**SRO**) in order to provide a framework for efficient and effective regulation in the public interest, including an enhanced governance structure, improved investor protection and education, and strengthened industry proficiency. The CSA also recommended in the Position Paper to amalgamate the two current compensation / contingency funds, the Canadian Investor Protection Fund (**CIPF**) and the MFDA Investor Protection Corporation (**MFDA IPC**), into a single compensation / contingency fund, known at this time as New IPF, which will be independent from the new SRO. The SRO amalgamation and related request for comment are addressed in a separate notice (CSA Staff Notice and Request for Comment 25-304).

CIPF and MFDA IPC have been working collaboratively to amalgamate their operational activities into the New IPF and have made representations on behalf of the New IPF for its approval and acceptance as a compensation / contingency fund by the securities regulators in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon (**the Regulators**).

The Regulators are publishing for comment the following documents:

- **Appendix A** – Application for approval and acceptance of the New IPF (**Application**), which includes the below schedules:
 - Schedule 1** – Draft By-Law Number 1 of the New IPF
 - Schedule 2** – Draft Coverage Policy
 - Schedule 3** – Draft Claims Procedures
 - Schedule 4** – Draft Appeal Committee Guidelines
- **Appendix B** - Draft Approval Order for the New IPF setting out the terms and conditions of approval as well as reporting requirements for the New IPF. Following the comment process and resolution of any issues, each Regulator will issue a substantially similar order approving or accepting the New IPF.
- **Appendix C** – Draft Memorandum of Understanding (**MOU**) among the Regulators regarding oversight of the New IPF. The MOU includes detailed protocols for the review and approval of amendments to the New IPF by-laws, certain policies and the agreement with

the New SRO, and procedures for performance of periodic oversight reviews of the New IPF.

The Autorité des marchés financiers (**AMF**) is publishing simultaneously for comments its proposed transition plan for mutual fund dealers registered in Québec (**Québec MFDs**) and their registered individuals. Québec MFDs will not be required to contribute to the New IPF's Mutual Fund Dealer Fund in respect of customer accounts located in Québec and those accounts will not be eligible for coverage by the New IPF. However, Québec MFDs will continue to contribute to the Québec financial services compensation fund, as required by law, and their clients will continue to be eligible for the payment of indemnities by this fund¹.

2. Approval of the New IPF

The Application, published below, outlines how the New IPF will comply with the terms and conditions of the draft Approval Order.

3. Comment Process

We are seeking comments on all aspects of the New IPF Application and related documents. Please submit your written comments on or before June 27, 2022. If you are not sending your written representations by email, please send us an electronic file containing submissions provided (in Microsoft Word format).

Please address your submission to all of the CSA as follows:

Alberta Securities Commission

Autorité des marchés financiers

British Columbia Securities Commission

Manitoba Securities Commission

Financial and Consumer Services Commission of New Brunswick

Office of the Superintendent of Securities, Digital Government and Services,
Newfoundland and Labrador

Office of the Superintendent of Securities, Northwest Territories

Nova Scotia Securities Commission

Office of the Superintendent of Securities, Nunavut

Ontario Securities Commission

Prince Edward Island Office of the Superintendent of Securities

Financial and Consumer Affairs Authority of Saskatchewan

Office of the Yukon Superintendent of Securities

¹ Please see the following for additional details: <https://lautorite.qc.ca/en/general-public/compensation-and-deposit-protection/submit-a-claim-to-the-fonds-dindemnisation-des-services-financiers>

Please send your written representations only to the addresses below. Your written representations will be forwarded to the other CSA member jurisdictions. Your comments relating to the schedules will also be shared with CIPF and MFDA IPC.

The Secretary
Ontario Securities Commission
20 Queen Street West 22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax : 514- 864-638
Email: consultation-en-cours@lautorite.qc.ca

Certain CSA jurisdictions require publication of the comments received during the comment period. All written comments received will be posted on the websites of each of the ASC at www.albertasecurities.com, the AMF at www.lautorite.qc.ca and the OSC at www.osc.gov.on.ca. Please do not include personal information directly in written representations to be published and state on whose behalf you are making the submission.

Questions

If you have any comments or questions, please contact any of the CSA staff listed below.

Doug MacKay
Co-Chair – CSA Working Group
Special Advisor, Capital Markets Regulation
British Columbia Securities Commission
604-899-6609
dmackay@bcsc.bc.ca

Joseph Della Manna
Co-Chair – CSA Working Group
Manager, Market Regulation
Ontario Securities Commission
416-204-8984
jdellamanna@osc.gov.on.ca

Sasha Cekerevac
Manager, Market Oversight
Alberta Securities Commission
403-297-7764
sasha.cekerevac@asc.ca

Jean-Simon Lemieux
Analyste expert

Autorité des marchés financiers
514-395-0337, ext. 4366
jean-simon.lemieux@lautorite.qc.ca

Liz Kutarna
Director, Capital Markets
Financial and Consumer Affairs Authority of
Saskatchewan
306-787-5871
liz.kutarna@gov.sk.ca

David Shore
Senior Legal Counsel, Securities
Financial and Consumer Services Commission
(New Brunswick)
506-658-3038
david.shore@fcnb.ca

Paula White
Deputy Director, Compliance and Oversight
Manitoba Securities Commission
204-945-5195
paula.white@gov.mb.ca

Chris Pottie
Deputy Director, Registration & Compliance
Nova Scotia Securities Commission
902-424-5393
chris.pottie@novascotia.ca