Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES

Robert Christie
Chair of the Joint Forum
Chief Executive Officer &
Superintendent of Financial Services
Ontario

Debbie Lyon
Superintendent of Pensions
Manitoba

David Wild
Chair, Saskatchewan Financial Services Commission, and Superintendent of Pensions, Saskatchewan

Dennis Gartner
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Alberta Finance

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CANADIAN INSURANCE SERVICES REGULATORY ORGANIZATIONS

Gerry Matier
Executive Director
Insurance Council of British Columbia
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October 24, 2008

Dear Stakeholder:

Re: Framework 81-406; Point of sale disclosure for mutual funds and segregated funds.

We are pleased to announce that, with the approval of the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Council of Insurance Regulators (CCIR) and the Canadian Securities Administrators (CSA), the Joint Forum of Financial Market Regulators has released a paper, "Framework 81-406; Point of sale disclosure for mutual funds and segregated funds."

The Joint Forum is very appreciative of the comments received from all stakeholders on the June 2007 proposed framework. All comments were carefully considered and a number of changes were made to the framework to address issues raised and changes suggested in the comments by both investors and industry. The Joint Forum thanks stakeholders for the detailed and thoughtful feedback they have provided throughout this project.

The Joint Forum's vision for the framework is to provide investors with meaningful information when they need it most – before they make their decision to buy a fund. The framework document describes the elements of the Joint Forum's point of sale disclosure system including a new fund summary document called Fund Facts, delivery options, investor rights and the regulatory requirements for preparing, filing and delivering the document.

The framework reflects the Joint Forum's vision for a more meaningful and effective disclosure regime. It does not outline specific requirements for the new regime. Rather it sets out concepts and principles agreed upon by members of the CCIR and the CSA. This document reflects the ideas of the regulators that are members of the Joint Forum and its member associations. It does not necessarily represent the views of any government.

This paper marks the conclusion of the Joint Forum Point of Sale Project. The Joint Forum has turned the framework over to the CCIR and the CSA to begin the processes for making the necessary changes to insurance guidelines and legislation (for segregated funds) and to securities rules and

legislation (for mutual funds). Each organization will follow its usual procedures to seek public input from, and consult with, all stakeholders to implement the framework and its principles in a way that balances investor protection and market efficiency. The Joint Forum will monitor their progress, particularly to ensure harmonization between the sectors.

Attached is a short background summary of the framework. You can obtain a copy of the framework document and the backgrounder from the websites of CCIR (www.ccir-ccrra.org), certain members of the CSA (see www.csa-acvm.ca for a list) or the Joint Forum (www.jointforum.ca).

Sincerely,

ORIGINAL SIGNED BY

David Wild
Chair,
Joint Forum Point of Sale
Steering Committee

Jim Hall
Chair,
Joint Forum Point of Sale
Working Group