

## CANADIAN SECURITIES ADMINISTRATORS' NOTICE 33-304

CSA Distribution Structures Committee Position Paper

The Canadian Securities Administrators ("CSA") are publishing the Position Paper of the CSA Distribution Structures Committee (the "Committee"). The CSA established the Committee in 1997 to develop policy positions to address the regulatory issues that have arisen due to changes that are occurring in the manner in which securities firms structure their businesses to facilitate the commercial provision of securities trading and advising services to the public. The Committee is comprised of representatives of the securities commissions of British Columbia, Alberta, Saskatchewan, Ontario, Québec and Nova Scotia.

An important underlying principle of the Paper is that the positions put forward are intended to apply, subject to the observations below regarding Québec, to members of all existing and proposed self-regulatory organizations ("SROs"). The positions set out in the Paper are expected to form an integral part of the rules proposed by the new Mutual Fund Dealers Association ("MFDA"). The CSA intend to work closely with the MFDA and other SROs to implement the positions set out in the Paper.

In Québec, the introduction of the regulatory regime in Bill 188 provides for a sharing of responsibility between the Commission des valeurs mobilières du Québec ("CVMQ") and the Bureau des services financiers. Consequently, the CVMQ must apply the positions discussed in the Paper by taking into consideration current practices related to the distribution of financial products other than securities, as well as existing legislative provisions.

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