

CAC Member Report to Local Board January 18, 2017

The CAC met on the phone on January 10th.

Since the December report, the CAC provided comments on the following consultations (all letters can be seen on the CAC website, www.cfaadvocacy.ca)

- AMF Regulation respecting real estate prospectus and registration exemptions (filed December 23, 2016)

About the proposal

The Regulation seeks to prescribe and simplify the framework governing certain real estate distributions by proposing a prospectus exemption in respect of the sale of real estate investment contracts that include a real right of ownership in an immovable and a mandatory or optional rental management agreement. The related Policy Statement includes guidance on particular factors that may trigger the registration requirement in respect of the sale of real estate investment contracts.

Overview of the Council's comments

The Council supports the enhanced clarity provided by the Regulation and commends the AMF for its very helpful guidance as to the meaning of an «Investment Contract». Nonetheless, it notes that it remains important to harmonize, to the extent possible, all capital raising exemptions across Canadian jurisdictions.

The CAC is actively working on a response to the following consultations:

- CSA Consultation Paper 81-408 – Consultation on the Option of Discontinuing Embedded Commissions (due June 9, 2017)

About the proposal

The Consultation Paper seeks input on:

- the potential effects on investors and market participants of discontinuing embedded commissions, including on the provision and accessibility of advice for Canadian investors, and business models and market structure;
- potential measures that could assist in mitigating any negative impacts of such a change, if a decision is made to move forward; and
- alternative options that could sufficiently manage or mitigate the identified investor protection and market efficiency issues.

Reminder:

All letters can be seen on the CAC website, www.cfaadvocacy.ca

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Michael Thom, CFA
Chair, Canadian Advocacy Council