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July 11, 2013

Delivered By Email

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
secretary@cftc.gov

Dear Ms. Jurgens:

RE: Draft Final Guidance Regarding Compliance with Certain Swap Regulations (RIN 3038-AD85)

On behalf of the Members of The Investment Funds Institute of Canada¹ I am writing to you on an urgent basis to request that the December 21, 2012 Exemptive Order on cross-border application of the Dodd-Frank Act provisions on swaps be extended beyond its scheduled expiry date of July 12, 2013.

We understand that the Commission is considering the adoption of Final Guidance in place of the Exemptive Order. Unfortunately, as it is currently set out, there are significant problems with the draft Final Guidance which we believe will result in serious unintended consequences to non-U.S. collective investment schemes and investment funds. Our primary concern is with the draft definition of U.S. Person and how it could capture non-U.S. funds:

- using a “principal place of business” test (a completely unworkable test in the context of investment funds),
- due to a fund having a U.S. sponsor or adviser, or
- due to a fund having a majority of U.S. Persons, regardless if it is publicly traded.

These issues can only be resolved through careful and proper consultation with the global funds industry.

Furthermore, in light of the Commission’s announcement today of its agreement on a common Path Forward with the European Union, which relies on “substituted compliance” and regulatory collaboration, we encourage the Commission to engage in discussions with key regulators in other jurisdictions to proceed in a similar manner to ensure a coordinated and consistent approach.

¹ The Investment Funds Institute of Canada (“IFIC”) is the national association of the Canadian mutual funds industry. Our members comprise investment fund managers that sponsor, manage and administer funds, and dealer and broker firms that distribute funds’ securities. Many industry service organizations (including accounting, legal and other service providers) participate in and assist us with our regulatory work. As of June 2013, the mutual fund industry in Canada represented about CAD \$921 billion in total assets under management in highly-regulated, publicly offered mutual funds.

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As a matter of utmost priority, we urge the Commission to extend the Exemptive Order to permit more time for dialogue with international regulatory and industry representatives to ensure the Final Guidance meets the collaboration objectives expressed in the Commission's Path Forward announcement.

Referring to the May 28, 2013 letter of Steven Maijor and Jonathan Faull of the European Commission, Directorate General Internal Market and Services, we support their request for an extension in the Exemptive Order for such time "until international principles on cross-border swap rules have been agreed by G20 Leaders and implemented in our respective jurisdictions."

It is vital that our industry have the opportunity to provide input and dialogue to ensure the Final Directive is effective and workable for collective investment vehicles and funds; only a reasonable extension to the existing Exemptive Relief affords the opportunity for such engagement.

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We thank you in advance for considering our request. Please do not hesitate to contact me directly, or Ralf Hensel, General Counsel and Director of Policy (Fund Manager Issues) at rhensel@ific.ca if you have any questions or require any further information at this time.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



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