



February 3, 2017

Delivered By Email: cpiroli@iiroc.ca

Mr. Charles Piroli
Investment Industry Regulatory Organization
of Canada
Suite 2000
121 King Street West
Toronto, Ontario M5H 3T9

Dear Mr. Piroli:

RE: Proposed Guidance on Order Execution Only Services and Activities

This letter is being provided by The Investment Funds Institute of Canada (IFIC) on behalf of its Members in respect of the Investment Industry Regulatory Organization of Canada's (IIROC) proposed guidance regarding order execution only (OEO) services offered by IIROC dealer members, as set out in IIROC Notice 16-0251 "Guidance on Order Execution Only Services and Activities" and accompanying Appendix A.

We offer no comment on IIROC's assessment as to whether any specific tool or service constitutes an investment recommendation. We reiterate the investment fund industry's support for the value that investment advice provides in helping investors achieve their financial goals. Furthermore, any investment recommendation should be accompanied by a robust suitability and Know-Your-Client (KYC) process.

Investors who choose to invest without advice, through online channels, should certainly be offered appropriate tools and services to allow them to do so, but an investment recommendation is neither expected nor provided in those channels.

The investment fund industry is responding to important new CSA proposals to increase the standard of care, strengthen suitability and enhance the KYC process. A proposal that would allow OEO registrants to make investment recommendations without also providing suitability and KYC should be considered in the broader context of regulatory reform.

* * * * *

Thank you for the opportunity to provide our comments. Should you have any questions or comments or wish to discuss these comments please contact me by email at rhensel@ific.ca or by phone at 416-309-2314.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

By: Ralf Hensel
General Counsel, Corporate Secretary and Vice President, Policy