



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI  
President & Chief Executive Officer

April 13, 2020

Ms. Rozanne Reszel, CEO  
and  
Ms. Debra Hewson, Chair  
Canadian Investor Protection Fund  
100 King Street West, Suite 2610  
Toronto ON M5X 1E5

Dear Rozanne and Debra:

**Re: CIPF Fees – Relief**

The COVID 19 pandemic has had unprecedented and wide-ranging effects on all aspects of the financial industry. As the entity entrusted to provide protection to eligible clients of member firms suffering losses, CIPF is in a unique position to understand the stress placed on key sectors infrastructure of the financial and investment industry that ensure capital continues to flow and investors are able to access and manage their assets during these uncertain times.

Canadian investment dealers provide this critical function, ensuring investors and businesses are able to meet the demands of their retail, corporate and institutional clients navigating these crisis-prone markets. Our member firms, including large and small dealers across the industry, have made ongoing operational adjustments to mitigate the heavy blow of the COVID-19 crisis on their businesses, and anticipate further adjustments as the crisis evolves in coming weeks and months.

During this time of exceptional market stress, we request your Board of Directors to explore means of supporting the investment industry through a reduction of CIPF fees, taking into account that the CIPF assessment takes into account the client net equity of the firms, which has decreased significantly, and therefore may justify a reduction in the “insurance premium” aspect of CIPF fees. Although fee discounts and waivers represent a sacrifice, these unprecedented difficult times make a strong case -- both to support the intermediation efforts of investment dealers in a crisis period, and to help these dealers to retain existing personnel and infrastructure at individual firms to contribute to a solid economic rebound once the post-peak stage of the pandemic has passed.

You should know similar requests for temporary fee waivers or discounts and moratoriums on fee increases, have been made to other market participants, including IIROC, the Canadian marketplaces and CDS, in order to ease the burden on dealers during this unprecedented set of circumstances, and help ensure that the industry emerges from this challenging period strong and intact.

Thank you for considering our request. We look forward to your reply and will be pleased to discuss this further with you at your convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read "J. Mann". The signature is written in a cursive style with a long, sweeping underline.