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Mr. Grant Vingoe  
Chair and Chief Executive Officer  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

Dear Mr. Vingoe:

I am writing to express concerns that some of Ontario's largest financial institutions are halting sales of third-party investment products or may be unduly restricting sales of third-party investment products in certain business lines.

Some financial institutions have signaled that the measures to restrict shelf space are a response to the Client Focused Reforms (CFRs), which Ontario and other jurisdictions are implementing. However, it appears that these actions would result in a narrowing of investment products offered to investors. This practice would run counter to the underlying intent of the CFRs, which is to mitigate conflicts of interest and ensure that investors have access to the products that best serve their needs.

I am aware that you have contacted the institutions in question requesting information to better understand the changes they are implementing. I appreciate this as a necessary first step in understanding how to best protect the interests of investors and support consumer choice.

The Capital Markets Modernization Taskforce's consultations last year also raised questions regarding the practice of tied selling. Please undertake an analysis and, in your deliberations, engage with all relevant stakeholders including members of the Capital Markets Modernization Taskforce, as well as those who participated in the Taskforce's consultations.

Pursuant to Section 143.7 of the *Securities Act*, I am asking that the Ontario Securities Commission (OSC) undertake an analysis of these concerns and report back by February 28, 2022 on the OSC's findings, as well as potential recommendations.

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Enhancing the competitiveness of Ontario businesses and modernizing our capital markets are priorities for our government, with the goal of making this province one of the most attractive capital markets jurisdictions globally.

That is why, in the *2021 Budget*, the OSC's mandate was expanded to include fostering capital formation and enhancing competition in Ontario's capital markets. The latest step in this modernization was releasing the draft Capital Markets Act for public feedback, and we continue to make progress on implementing the recommendations made by the Capital Markets Modernization Taskforce.

Thank you for taking the time to consider this matter. Should you have any questions or concerns, please contact Francisco Chinchon, Assistant Deputy Minister, Financial Services Policy Division at (647) 284-6374 or [francisco.chinchon@ontario.ca](mailto:francisco.chinchon@ontario.ca).

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Bethlenfalvy". The signature is fluid and cursive, with a prominent loop at the end.

Peter Bethlenfalvy  
Minister of Finance

- c: Richard Clark, Chief of Staff, Minister's Office, Ministry of Finance
- Greg Orencsak, Deputy Minister, Ministry of Finance
- Nancy Mudrinic, Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
- Francisco Chinchon, Assistant Deputy Minister, Financial Services Policy Division, Ministry of Finance
- Shameez Rabdi, Director, Capital Markets and Agency Transformation Branch, Ministry of Finance