

**For Immediate Release
January 10, 2017**

Canadian Securities Regulators Seek Input on Potential Impacts of Discontinuing Embedded Commissions

Toronto – The Canadian Securities Administrators (CSA) today published for a 150-day comment period CSA Consultation Paper 81-408 – *Consultation on the Option of Discontinuing Embedded Commissions* (Consultation Paper), which seeks input on the option of discontinuing embedded commissions and the potential impacts of such a change on Canadian investors and market participants.

Evidence gathered by the CSA suggests that the payment of embedded commissions raises investor protection and market efficiency issues. This suggests a need to consider transitioning to direct pay arrangements, where the investor directly pays the dealer’s compensation.

“To address the investor protection and market efficiency issues that have been raised regarding embedded commissions, we believe that transitioning to direct pay arrangements must be considered and evaluated,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “This is a consultation process, and we are mindful of the need to carefully assess potential impacts before making a decision.”

Given the broad potential impacts of the policy option discussed in the Consultation Paper, the CSA is holding a longer than normal comment period. The CSA welcomes feedback on the Consultation Paper, which includes 36 consultation questions. Comments should be submitted in writing on or before June 9, 2017.

Some CSA members also plan to hold in-person consultations in 2017 to facilitate additional feedback. The CSA will consider the feedback it receives through both the written comment process and in-person consultations before deciding on an appropriate policy response.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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