



**Royal
Mutual
Funds Inc.**

320 Front Street West, 4th Floor
Toronto, Ontario M5V 3B6

Friday, September 17, 2004

Brenda J. Benham
Project Head, New Legislation Project
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Dear Ms. Benham:

**Re: BC Notice 2004/33 – Proposed Fee Schedule for the
New Securities Act (British Columbia) (the “Notice”)**

We appreciate the opportunity to provide our comments to the British Columbia Securities Commission (the “BCSC”) in connection with the Notice. This letter is submitted on behalf of Royal Mutual Funds Inc. (“RMFI”). RMFI is a member of the Mutual Fund Dealers Association of Canada (“MFDA”).

We note that the proposed fee schedule outlined in the Notice specifically relates to the BCSC’s proposed firm only registration regime. In light of NR# 04/37 published on August 27, 2004 indicating that the BCSC will not proceed at this time with the firm only registration system, we are seeking confirmation that the fees specified in the Notice are those that the BCSC intends to apply to market participants going forward.

We also note that the BCSC is proposing that the temporary registration fee exemption for MFDA members currently available under Section 29 of the *Securities Regulation* will be eliminated. As is outlined in the Notice, the purpose of the temporary fee reduction was to offset the higher fees that the MFDA charged its members to repay the financing it required to cover its startup costs. We acknowledge that the MFDA has now paid off its startup financing earlier than anticipated and that the original purpose of the fee exemption has been met. However, it should be recognized that since 2003 the MFDA registration fees have increased by approximately 40 per cent.

Accordingly, we believe that the elimination of the BCSC's fee exemption may have a material impact on MFDA members, and we would ask that you consider this further in your assessment of an appropriate fee structure for such dealers.

We would be pleased to discuss our comments further with you. If you have any questions, please do not hesitate to contact me.

Yours sincerely,



Russell Purre
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Royal Mutual Funds Inc.
(416) 955-2590

cc: Stacey Blyth - RBC, Regulatory Compliance/Policy
Gary Tamura - RBC, Senior Counsel
Laurie Gillet - MFDA