



ONTARIO
SECURITIES
COMMISSION

OSC Staff Notice 11-784 Burden Reduction

The OSC is seeking suggestions on ways to further reduce unnecessary regulatory burden, as provided in OSC Staff Notice 11-784.

We invite your comments on the Staff Notice through the survey below. Please note that each question has a 4000 character response limit.

Closing date: March 1, 2019

Thank you for sharing your thoughts with the OSC Burden Reduction Task Force.

* Required

1. Please provide your name. *

Jeremy Rutke

2. What is the name of your firm or company, if applicable?

3. What is your role in the capital markets? *

Registrant

4. Do you have any general comments on the topic of regulatory burden reduction related to securities regulation? If so, please enter only the legislative reference for your suggestions in the box below (for example 31-103 1.1)

- NI 31-103 12.1

5. Please use the space below to provide your general comments.

The changes to accounting rules under IFRS 16 lease accounting mean that registrants will need to carry (sometimes a lot) more working capital in order to be able to meet the CSA's working cap requirements. The accounting rule changes have had an unintended impact on working cap amounts and the increased WC being held has nothing to do with addressing any policy concerns from the regulators. At minimum, a blast from the CSA should go out to alert registrants and, we believe, that a blanket exemption should be implemented so that firms can continue to carry the same amount of working cap as they did under the old accounting rules. We are concerned that many firms will be deficient and be penalized heavily for this. All without a policy reason.

6. Are there operational or procedural changes that would make market participants' day-to-day interaction with the OSC easier or less costly? If so, please enter only the legislative reference for your suggestions in the box below.

NI 33-109 4.1(b)

7. Please use the space below to provide your suggestions for operational or procedural changes.

The current system of imposing penalties for disclosure deficiencies (for matters such as Other Business Activities) is excessively punitive and doesn't take materiality into account. For example, a minor OBA disclosure deficiency (ie a volunteer officer on an alumni association) carries with it the same \$5k penalty as a significant deficiency (ie board role of a public company) if both are 100 business days overdue. We recommend that the concept of materiality be introduced when requiring OBA disclosures, as well as when assessing penalties on these disclosures.

8. Are there ways in which we can provide greater certainty regarding regulatory requirements or outcomes to market participants? If so, please enter only the legislative reference for your suggestions in the box below.

9. Please use the space below to provide your suggestions regarding how the OSC could provide greater certainty regarding regulatory requirements or outcomes.

10. Are there forms and filings that issuers, registrants or other market participants are required to submit that should be streamlined or required less frequently? If so, please enter only the legislative reference for your suggestions in the box below.

NI 33-109 4.1

11. Please use the space below to provide your suggestions regarding forms and filings.

Currently, annual insurance policy updates require disclosure, even if the insurance policy has not changed in any material or meaningful way. We recommend requiring updated disclosure only when there is a material change to the policy (ie policy provider, terms/ deductible, etc).

12. Are there particular filings with the OSC that are unnecessary or unduly burdensome? If so, please enter only the legislative reference for your suggestions in the box below.

NI 33-109 4.1(b)

13. Please use the space below to provide your comments regarding burdensome filings.

The current requirements for disclosing Other Business Activities are unnecessarily burdensome. Where registrants are involved in certain industries (such as real estate), the number of involved entities can creep to excessive numbers very quickly, often related to nominee/ shell co's of no material securities/ Conflict of interest consequence. Similarly, family trust and personal tax planning holding structures are caught up in the current rules, with no bearing on registerable activities. We recommend rules be amended to limit required OBA disclosures to activities relevant to potential conflict of interest, or otherwise in relation to the securities industry.

14. Is there information that the OSC provides to market participants that could be provided more efficiently?

15. Are there requirements under the OSC rules that are inconsistent with the rules of other jurisdictions and that could be harmonized? If so, please enter only the legislative reference for your suggestions in the box below.

16. Please use the space below to provide your comments and suggestions around harmonization of rules.

17. Are there specific requirements that no longer serve a valid purpose? If so, please enter only the legislative reference for your suggestions in the box below.

18. Please use the space below to provide your comments and suggestions around requirements that may no longer serve a valid purpose.

19. Are there ways to enhance and improve how investors experience disclosure provided: (i) before they invest; (ii) as part of ongoing public disclosure; and (iii) by registrants?

20. Please use the space below to provide your suggestions for modernizing information provided to investors because of regulatory requirements. For example, specific areas where we could promote the use of plain language?

21. Do you have any other comments for the OSC Burden Reduction Task Force?

22. If you don't have enough space for your response to any question above, please use the space below to continue your comments. Please indicate which question these comments relate to.