Global Foreign Exchange Division
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TO:

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON, M5H 3R3, Canada
Via Email: comments@osc.gov.on.ca

March 1, 2019

Re: Burden Reduction (OSC Staff Notice 11-784)

Dear Sir/Madam,

The Global Foreign Exchange Division ("GFXD") of the Global Financial Markets Association appreciates the opportunity to provide comments to the Ontario Securities Commission ("OSC") on its Staff Notice on "Burden Reduction" ("Staff Notice"), seeking suggestions on ways to further reduce unnecessary regulatory burden in Canada.

The GFXD was formed in co-operation with the Association for Financial Markets in Europe ("AFME"), the Securities Industry and Financial Markets Association ("SIFMA") and the Asia Securities Industry and Financial Markets Association ("ASIFMA"). Our members comprise 25[1] global foreign exchange ("FX") market participants collectively representing nearly 80%[2] of the FX inter-dealer market.

We appreciate the OSC taking the initiative to consult on ways to reduce regulatory burden while protecting investors and the integrity of Ontario's markets. The FX market is the world's largest and most liquid financial market, and the effective and efficient exchange of currencies

[1] Bank of America Merrill Lynch, Bank of New York Mellon, Bank of Tokyo Mitsubishi UFJ, Barclays, BNP Paribas, Citigroup, Crédit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Lloyds Bank, Mizuho, Morgan Stanley, Nomura, Royal Bank of Canada, Royal Bank of Scotland, Scotiabank, Société Générale, Standard Chartered Bank, State Street, UBS, Wells Fargo and Westpac.

[2] According to Euromoney league tables.

underpins the world's financial system.[3] Sovereign entities, central banks and other government-sponsored entities rely on the FX market being well-functioning and liquid, and corporations and investors regularly participate in the market for important operational needs: to reduce risk by hedging currency exposures; to convert their returns from international investments into domestic currencies; and to make cross-border investments and raise funding outside home markets.

Given the importance of efficient cross-border regulation for the FX market, we wish to express our support for the comments made by the Canadian Bankers Association ("CBA") in their March 1, 2019 response to the Staff Notice under the heading "Market Regulation: Supervisory Cooperation in Respect of Regulating Financial Market Infrastructures (FMIs)".

We also agree with the CBA that, in order for the efforts to be truly successful, other Canadian Securities Administrators ("CSAs") should be encouraged to undertake similar exercises in order for the CSAs to implement reforms in a harmonized manner across Canada.

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We are grateful for the opportunity to share our views in this letter. Please do not hesitate to contact Victoria Cumings on 212-313-1141, email vcumings@gfma.org should you wish to discuss any of the above.

Yours sincerely,

James Kemp
Managing Director
Global Foreign Exchange Division, GFMA

[3] As reported by the Bank for International Settlements in their 'Triennial Central Bank Survey: Foreign Exchange Turnover in April 2016,' trading in FX markets averaged $5.1 trillion per day in April 2016, with over 77% of FX activity executed by market participants across five global jurisdictions, see http://www.bis.org/publ/rpfx16.htm.