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Michelle Alexander
Vice-President and Corporate Secretary

March 1, 2019

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
comments@osc.gov.on.ca

Dear Madam,

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

The Investment Industry Association of Canada (the "IIAC or "we") appreciates the opportunity to respond to the request for comments on the OSC Burden Reduction initiative. The IIAC is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 120 IIROC-regulated investment dealer members in the Canadian securities industry[1]. These dealer firms are the key intermediaries in the Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in the public and private markets for government and corporations.

Overview

The IIAC is pleased that the OSC has established a Burden Reduction Task Force (the "Task Force"), continuing previous work by the Canadian Securities Administrators ("CSA") relating to burden reduction initiatives. We support the mandate of the Task Force to consider and act on suggestions to eliminate unnecessary rules and processes while protecting investors and the integrity of our capital markets.

The IIAC formed a Burden Reduction Working Group to respond to the Staff Notice. Members of this Working Group were comprised of small and large firms, with retail and institutional businesses, from across Canada, including subsidiaries of foreign firms. With more than 30 participants, it is one of the largest Working Groups formed by the IIAC, reflecting the level of interest in this project and our members' desire to see a reduction in the regulatory burden.

[1] For more information visit, **http://www.iiac.ca**

The IIAC has not responded to every question posed by the OSC but we have organized our comments based on the three main categories set out in the Staff Notice.

We acknowledge the Staff Notice indicates that the OSC is seeking input on "changes that the OSC could make on an interim basis in Ontario only that would assist market participants while we continue to pursue coordinated national changes." However, many of the most out-of-date and burdensome requirements arise from regulatory requirements and policies that are national in scope. For this reason, we have included many of these examples in our response. We hope that the CSA will consider these suggestions going forward as they work collaboratively to reduce the regulatory burden for capital market participants across Canada.

Operational Changes for Regulatory Branches and Offices

OSC Participation Fees

Recently, a change was made to Form 13-502F4 *Capital Markets Participation Fee Calculation,* requiring the Chief Compliance Officer ("CCO") of a firm to certify the participation fee calculation. Previously, certification attesting to the completeness and accuracy of Form 13-502F4 was made by two members of senior management. In practice, CCOs necessarily rely entirely on the Chief Financial Officers ("CFO") and their teams to calculate all the figures, which represent a firm's revenue, as CCOs do not have the adequate tools to exercise reasonable diligence in confirming the figures. If there is an error, a CCO looks to the CFO for an explanation, as a CCO does not have the ability to independently determine the completeness or accuracy of revenue figures, such as pattern changes in a firm's revenue. Officers from the finance side are better suited to manage this responsibility.

The IIAC recommends reverting to the previous requirement requiring two members of senior management or officers to sign off on participation fee calculations. This affords the firm the flexibility to identify the appropriate individuals within their organizations, whether that includes the CCO, the CFO, the Ultimate Designated Person, or others.

It should be noted that Part 5 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (*"NI 31-103") mandates that a CCO ensure that a firm is compliant with securities legislation. As such, they have ultimate responsibility for completion of that Form without having to sign a certification (which can be a cumbersome and lengthy process within large, integrated firms). In addition, the current Form is challenging for global firms to complete, as they must go through the exercise of calculating their total global revenues and then calculate the numerous deductions required in the Form[2], rather than simply requesting the revenue for capital markets activity related to Ontario. As such, we recommend that certain of the requested information in the Form be deleted to streamline and simplify the process for global firms.

[2] See page 4 of Form 13-502F4

Ten Percent Ownership Fees

Subsections 11.9(1) and 11.10(1) of NI 31-103 require IIROC members to file reports with securities commissions when an individual's ownership exceeds 10%. IIROC members currently file this information with IIROC, and the securities commissions entrust IIROC to conduct the review. However, these filings are often held up in situations where the commissions do not provide the ultimate approval in a timely fashion. Our discussions with OSC staff on the Task Force, indicate that the OSC recognizes these duplication issues and have agreed that the requirement should be reviewed.

Relief Applications

The OSC has a precedence of granting relief to firms that provide trade execution services for give-up transactions for institutional customers only. The requests can be an iterative process for both the party asking for the relief and the party granting it going back and forth with information. To reduce this administrative burden for both the member firms and regulators, the IIAC recommends that confirmations be sent out by the clearing broker only, similar to the usual conditions of the decision documents that the OSC has issued. (i.e. (a) the Filer provides trade execution services in respect of Give-up Transactions only for Institutional Customers; (b) the Filer enters into a Give-Up Agreement with the clearing broker and the Institutional Customer; and (c) the clearing broker has agreed to provide each Institutional Customer with written trade confirmations and statements of account that include information for any Subject Transaction).

Accountability for these requirements could be addressed in the Uniform Give-up agreement which is required to be executed by all three parties (i.e. client, executing broker, clearing broker). In the event that this is not feasible, the IIAC would like the OSC to consider standardizing with a view to shortening the times associated with turning around applications for exemptive relief. While we recognize that applications for exemptive relief can vary widely in their nature, to ensure efficient functioning of firms and to promote innovation in the capital markets space, we believe shortening or standardizing the turnaround time of requests for exemptions where possible would greatly enhance the operational efficiency of firms.

Risk Assessment Questionnaire ("RAQ")

The OSC sends out a Risk Assessment Questionnaire every two years. The RAQ requires firms to gather and compile data and calculations across the firms' lines of business. The questionnaire requires a significant time and resource commitment by the firms to complete given the volume and type of information being requested. We believe a significant step in reducing burden would be for the OSC to administer the RAQ every three years instead of two years, coupled with streamlining the questions and providing additional guidance or explanations for each question.

OSC Website

The OSC website is challenging and cumbersome to navigate in some areas, in particular, in respect of the built-in search function. When searching National Instruments, it would be much more helpful if the first search result was the most recent consolidated version of the instrument, as opposed to notice of

proposed amendments, notice of ministerial approval, etc. We would suggest the Task Force examine the approach taken by other regulators, such as the Autorité des marchés financiers ("AMF"), to ensure that the information on their website is easily accessible by both the industry and the public. The website of the AMF provides a good example of a more user-friendly website experience.

Compliance/Desk Reviews and Service Standards

We recommend that the OSC provide greater clarity on the scope of a review at the outset, including clarity around timelines for completion and expectations on responses. Often, firms are required to respond within 24 hours of a request, yet firms are not provided with a timeline for when these reviews might be completed. These changes would significantly enhance service level standards and assist firms in better managing resources allocated to these reviews.

In addition, for compliance/desk reviews there are challenges for firms sending, and the OSC receiving, encrypted information. Although the OSC has a portal for web-based forms, one does not exist for information requested as part of a compliance/desk review. While some material can be sent via email, firms have often encountered difficulties with the OSC accepting certain file sizes and thus, they must be sent piecemeal, which is quite cumbersome. The IIAC recommends that the OSC create a portal for material requested as part of a compliance/desk review.

Our members have observed a lack of consistent service levels across the OSC departments. While some areas are subject to service level standards or deliverables, such as prospectus review timelines, such standards do not extend to all departments. Although the OSC produced a Service Commitment document in 2014, setting out service standards and timelines, it does not appear to have been updated since then. The IIAC recommends a review of this document and an expansion of its scope to include all relevant branches and review processes at the OSC.

Monthly Suppression of Terrorism and Canadian Sanctions Reporting Obligations

CSA Staff Notice 31-352 describes the monthly reporting obligations and other requirements applicable to registrants. CSA jurisdictions apparently receive over 2600 reports per month from securities dealers and IIROC receives reports from 170 firms, so clearly the processing of these reports is a significant undertaking. These reports are required pursuant to the *Criminal Code* (Canada), the regulations pursuant to the *United Nations Act* (Canada) and other Canadian federal sanctions provisions. Our understanding is that the majority (if not all) of these filings are nil reports, therefore they do not add value in fighting proceeds of crime but create an additional layer of administration for the reporting entities and regulators.

Under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act,* firms are required to report suspicious and attempted suspicious transactions. In our view this is a more effective way of reporting to combat money laundering. It would allow firms to focus more on detecting and preventing activity and report that information when it is identified and allow the regulators to focus on less administrative tasks. We understand that while most firms will continue to do the screening, this would remove that regular monthly reporting workload (for both sides) and leverage the suspicious transaction reporting in the event something was identified.

OSC Requests for Data

In the past, the OSC has requested trade histories from clients dating as far back as 2013. These can be complex; for example, one firm indicated that the requested information contained 32 data points. Since there are no rules in place that require firms to store data history going that far back in time, they find it difficult and at times impossible, to obtain and produce the required materials. We suggest that the OSC shorten the data retention period to three years as all provinces have already reduced their limitation periods to two years as mentioned in the *Record Retention* subsection below. We also encourage the OSC to engage with firms in advance to discuss data requests to promote transparency, increase collaboration and improve engagement with market participants.

Civil Claims

Firms are required to file notices of civil claims, defences and other documents including updates as to the status of the claims against them with the OSC. Members have indicated that it is unclear as to what needs to be filed and they also feel continuous updates to civil claims are unnecessary. The IIAC believes that a materiality threshold should be introduced so that not all claims are necessarily reportable, and the frequency of updates needs to be limited to material changes in liability. This would mean that for the majority of claims, apart from the statement of claim and defence, no new document would need to be filed until the final disposition. This would reduce the burden on member firms and help provide clarity around the content and timing of filings for civil claims.

Duplication of Filings

There is an issue with duplication of filings, specifically for registrant misconduct, and as a general matter, where information needs to be filed with both IIROC and the OSC. This duplication also occurs with the filing of trade names as they are required by both IIROC and the OSC. This is time consuming and onerous for members, and we believe that the OSC should remove the requirement to file with the securities commission if the firm is currently filing with its SRO.

Rule Changes

Definitions of Institutional and Permitted Clients

The IIAC requests that the CSA harmonize the definition of a permitted client in NI 31-103 to align with the IIROC definition of an institutional customer. Section I.4(a) of IIROC Rule 2700 exempts firms from the suitability obligation when the institutional customer is also a permitted client under NI 31-103. The issue is that the definition of institutional customer means a non-individual with total securities under administration or management exceeding $10 million, whereas the definition of permitted client under NI 31-103 requires total securities under administration or management exceeding $25 million. Thus, the suitability obligation still applies to institutional clients with assets between $10 million and $25 million. We suggest that harmonizing the definitions would reduce the burden on firms while not creating any investor protection concerns as these clients are sufficiently sophisticated and capable of making their own investment decisions.

Unclaimed Property

Firms are facing situations where they are holding securities and/or account balances, often in perpetuity, and they have no ability to close these accounts. This leaves firms with thousands of accounts to maintain which have costs associated with managing account statements and filings. There are varying laws associated with the transfer of unclaimed property depending on the province. For example, Quebec will accept securities, however, other provinces will only accept cash, and many firms have no method to transfer assets to the province as those jurisdictions do not have unclaimed property legislation.

We suggest a consistent cross-jurisdictional approach to unclaimed property rather than the current piecemeal approach. We recognize that this is outside of the OSC's purview, and that Ontario does not currently have an unclaimed property regime, but we would encourage the CSA to work with their respective provincial governments to create a standard regime, which would greatly reduce the burden of monitoring and managing unclaimed property.

Electronic Delivery of Documents

While National Policy 11-201 *Electronic Delivery of Documents* ("NP 11-201") permits the electronic delivery of documents such as prospectuses, financial statements, trade confirmations, account statements and proxy-related material, it should be updated and modernized. However, the IIAC suggests that any changes introduced are technology neutral to permit flexibility as technologies evolve.

Members have indicated that the requirements are quite onerous and out-of-date, with the default being delivery in paper form. Many firms still satisfy the requirement through physical delivery for retail clients and often duplicate the process in the wholesale business (i.e. clients receive the documents both electronically and physically). While many firms receive express consent from clients and have portals where a client can log on and access documents such as account statements and tax forms, it is easier to get express consent from new clients as the provision is often built into the new client application form. However, the process becomes much more complicated for existing clients who may not have signed a document providing express consent.

Section 2.1 of NP 11-201 provides that delivery requirements can be satisfied though electronic delivery if four elements are met: notice, access, delivery of unaltered documents and evidence. The Policy states that express consent is not required but acknowledges that it enables the deliverer to meet many of the basic components of electronic delivery.

We live in a time where more than 90% of the Canadians have access to the internet which makes it ideal for a shift to a paperless economy. Any new accounts that are opened at a financial institution today have electronic statements set as the default option. Furthermore, there are thousands of older accounts that were opened at a time when electronic delivery was not an option, and it is time consuming to undertake the process to move them over to electronic delivery. We propose that a date be set and at that point electronic delivery becomes the default, which would result in not only cost savings but also enhanced instant communication with clients.

In the alternative, we suggest adopting the U.S. model of "access equals delivery". Such a standard would represent an improvement from the current situation of sending paper confirmations to clients where if clients choose to not open their mail, there is no way to know if they have read the confirmation. Portal access would provide clients access and the option to securely log on and read the documents delivered to them. It would also allow for an audit trail to determine if clients have accessed their confirmations in the event that there is a question in that regard.

Firms also face challenges with the requirement in section 2.5 *Delivery of an Unaltered Document* of NP 11-201. The challenge is that keeping the format consistent with the paper document makes it more difficult to download data. A possible solution could be to ensure the content of the e-document matches that of original paper copies, while allowing the format to be different. Institutional clients who conduct thousands of trades daily already receive electronic confirmations of their trades, but because the format is different than that outlined by the OSC/IIROC, they are also sent paper copies. This is duplicative and time consuming for the member firms as well as clients. We believe if there was an opt-out option for institutional clients, it would considerably lower the burden for members, while still communicating necessary information to clients. The reduction in paper would have a positive impact on the environment in conjunction with the increasing investor concern surrounding environmental, social and governance (ESG) factors and the need for enhanced ESG disclosures by companies as outlined in OSC Notice 11-781.

In addition, it should be made clear that once express consent is received, it pertains to **all** future documents sent to clients. Otherwise, every document that is delivered to a client, whether it is a prospectus or fund facts document or trade confirmation, would require individual express consent.

Consequently, we recommend significant amendments to NP 11-201 and/or revisions to many of the physical delivery requirements in the *Securities Act* including: physical delivery of prospectuses (s. 71(1)), recording of preliminary prospectus delivery (s. 65(2)), and delivery of trade confirmations (s. 36(1)), among others.

Normal Course Issuer Bids (NCIBs)

The rules that govern purchases under Normal Course Issuer Bids on non-recognized exchanges are governed by outdated rules under the *Securities Act,* whereas purchases made through the TSX, TSX Venture and Aequitas are subject to rules which are difficult to interpret. Given that the applicable rules require an update which should include consistency across platforms, we request that the OSC provide authority to IIROC to regulate NCIBs.

Currently, the rules apply to issuers listed on the TSX, TSX Venture and Aequitas and the measure of the NCIB activity is based on activity on that exchange, including price restrictions. In the multiple marketplace environment where firms must satisfy best execution obligations, their ability to do so is hampered by the restrictions on trading in other marketplaces.

Members have also expressed concern with respect to the single seller interpretation in the TSX NCIB rule under the block exemption. In early 2012, the TSX suggested in a Staff Notice that issuers may only use the block exemption when purchasing shares from **a single seller**, rather than from a group of sellers. This

interpretation differs from the current practice. Typically, there are multiple parties involved in every block trade transaction. These industry concerns were outlined and conveyed to the OSC in an IIAC letter dated June 2012.

We understand that the OSC is aware of these issues and is planning to address them. We expressed our interest in working with the OSC to determine next steps, such as a joint meeting with the TSX and TSX Venture.

Strip Bond Disclosure

The Strip Bond Disclosure Rule (OSC Rule 91-501) is still a requirement, however most firms have not seen a strip trade in years. The rule requires disclosure that is often provided in booklet form, similar to an Options Disclosure, and explains how strip bonds operate. For completeness, and to avoid issues later, many firms continue to send this disclosure to clients. While we acknowledge this process will likely continue, at the very least we would suggest that this complex and lengthy document be modified as most clients have difficulty with the material in its current form. Further clarity from the OSC on the content required in such disclosures will allow member firms to better relay information to their clients and will help clients make well-informed investment decisions.

Distribution Lists

Section 67 of the *Securities Act* states that any dealers distributing a security to which section 65 applies shall maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded.

In our current environment, the distribution process is manual and administrative in its existing form. Preliminary prospectuses are sent out through financial advisors from individual branches. The onus is on these branches to ultimately send the final prospectus to clients. Most clients do not pay much attention to preliminary prospectuses, and the IIAC is of the view that clients make their final decisions based on the final prospectus. Tracking distributions of a prospectus to both retail and institutional clients with the access to information in our current environment is dated and adds little benefit. Eliminating the requirement to send a preliminary prospectus and transitioning from paper delivery to an online portal where clients can access the final prospectus would streamline the method and significantly reduce the regulatory burden.

Record Retention

Firms face challenges with the requirement in section 11.6 of NI 31-103. Subsection 11.6(a) states that a registered firm must keep a record that it is required to keep under securities legislation for seven years from the date the record is created. The seven-year retention period made sense when the provincial limitation period was six years but, generally, all provinces have amended their limitation periods to two years. In light of this development, the IIAC recommends that the requirement to retain records should be shortened to three years. This would help reduce the volume of records that firms must retain, especially in the digital age where electronic records can proliferate.

Alternative Trading Systems (ATS)

ATSs that are IIROC member firms must pay fees to CIPF or OBSI since its Subscribers are all IIROC members who themselves pay CIPF/OBSI a premium. This should be considered insurance double-dipping. We suggest that this double payment regime be altered to reduce costs for member firms.

National Instrument 21-101 *Marketplace Operation* ("NI 21-101") has further requirements for ATSs, such as having an Independent System Review ("ISR") in place however, we would appreciate more clarity regarding the scope of these reviews. Although some firms have been granted exemptions from the ISR process, those who have not received such an exemption find it to be cumbersome and cost intensive.

The IIAC recommends that the OSC consider proposed changes to the ISR process in NI 21-101 to provide a level playing field for all participants. ATSs are required to file all changes via an NI 21-101 F2 Form ("F2") with the primary securities commission, which in most cases is the OSC. F2s are filed under various circumstances, including but not limited to a change on the ATS website or a back-end operational change in the way a matching engine functions without impacting vendors and subscribers. A consolidated F2 must also be filed on an annual basis. Other provinces have not only started charging ATSs annual fees but also require copies of the F2. This practice does not add value and is anti-competitive in nature. It is onerous for ATSs to file F2s with different securities commissions in other provinces and we believe a requirement to pay a fee and file with one primary securities commission would make the process more efficient.

If a proposal is released with a 30-day comment period, and assuming there are no changes at the end of the comment period, there is a 90-day implementation period which follows, out of which 60 days are allocated to system testing. If firms could limit the testing phase from 60 days to 30 days, it would provide them with more time and resources to devote to other operational efficiencies which would be in the best interest of their clients.

The IIAC also recommends that annual F2 filings only include the changes that occurred in that year to eliminate duplication to help both the regulators and ATSs.

Enhancing Investor Experience and Outcomes

Delivery of Trade Confirmations to Institutional Investors

Traders usually verify fills the same day, and confirmations are usually disregarded by clients. As such, it would be more efficient if a provision to allow institutional clients to opt out of receiving the confirmation was in place. IIROC requires trades to match to a certain percentage and even though this is not an issue with equities, with fixed income the lack of confirmations from the other side is problematic. It is very difficult for firms to monitor and maintain the level that is required by IIROC to allow firms to opt out of the confirmations. Members' concerns included the lengthy timeline for receiving exempted relief, as at times, the process can take up to a year which significantly impacts strategic initiatives of member firms.

Risk Disclosure

Risk disclosures are sometimes contradictory to the information in the offering memorandum provided to clients. The disclosure requirements are also not uniform across all exchanges. For example, when penny stocks are traded on the CSE, there is no risk disclosure requirement in place, instead there is just a suitability assessment that is required, and investors do not need to be accredited to trade such securities. In the United States, the Securities and Exchange Commission ("SEC") Rule 15g-2 is part of the Penny Stock Disclosure Rules adopted pursuant to the *Securities Enforcement Remedies and Penny Stock Reform Act of 1990.* Under Rule 15g-2 a broker/dealer must provide that customer with a *Penny Stock Risk Disclosure Document* containing the precise language and format in Schedule 15G to the Rule before effecting a transaction in a penny stock for a customer. In Canada, no such rule exists regarding trading of penny stocks.

We understand that exempt products may include a component of risk but that does not mean the entire product poses a high risk to clients. Members have concerns regarding the importance given to risk disclosures, as it is the information contained in the offering memorandum that should be given more importance, given the comprehensive content it contains.

Clients generally sign disclosure documents without reading them as they want to trade products as soon as possible. Consequently, risk disclosures for exempt products do not provide investors protection or any distinguishable benefit. The IIAC would like to recommend removal of this requirement for accredited investors because in our opinion, it does not add much value for them.

Technology Improvements for the CSA to Consider

Cease Trade Order ("CTO") Database

The CTO database is difficult to use and requires firms to undertake manual processes, as the securities commissions do not always publish the CTO with helpful common identifiers like ticker symbols and/or CUSIP/ISIN/SEDOL. There are thousands of company names, some of them similar, and they may also refer to different companies in the U.S. versus Canada. In addition, name changes and corporate actions can be difficult to track in instances where the CTO database is not updated regularly. While we understand that this is not an Ontario-specific issue, we believe that improvements can and should be made to the database. Regulators should look to the BCSC's issuers list that is very easy to search and use. The CTO database could be updated to work in the same way.

In addition, in the interim, the IIAC believes that the OSC could improve on is its own CTO database by making it more comprehensive. Sometimes there are multiple updates to a CTO where certain exemptions from a blanket CTO may be granted. Each CTO should be thorough and in plain language, such that it tells the reader what exactly is permitted and not permitted as of the date of the CTO. Having to review all the CTOs to understand what is permitted is time consuming for firms. We look forward to enhancements to these databases in the near future, as it would improve on functions such as searchability and content within the databases and better disseminate such CTOs to its subscribers.

National Registration Database ("NRD")

Again, we recognize that this is not an Ontario-specific issue but want to highlight the fact that the NRD, in its current state, is not intuitive or user-friendly, and the entire system is technologically outdated. Additionally, the NRD is not very responsive and as such, the time it takes to complete the application process can cause unnecessary delays for firms and individuals. We believe that improved functionality within the NRD that allows users to generate detailed reports with the ability to export them in commonly used formats such as pdf documents and excel worksheets would be extremely valuable to our members.

We note that the NRD User Guide is very helpful, and suggest that on an interim basis, before the NRD can be fully updated, the Guide track certain trends and metrics, such as deficient applications, and more specifically in what areas the deficiencies are concentrated. This information would allow our members to isolate these deficiencies and improve upon the current process by streamlining it.

System for Electronic Document Analysis and Retrieval (" SEDAR")

Members have concerns regarding the current state of the SEDAR filing system administered by the CSA. The website is technologically outdated, and its navigation is not user-friendly. Although the search tool functions properly, the database needs to be upgraded. As with the NRD, the IIAC believes it is important to update and modernize the SEDAR system to make it more efficient.

System for Electronic Disclosure by Insiders ("SEDI")

Members have similar concerns regarding the current state of the SEDI filing system as they do with the NRD and SEDAR. The user interface of the SEDI website is difficult to navigate and the website is technologically lagging when compared with other industry websites such as those of the SEC's Investment Advisor Public Disclosure website. As with the NRD and SEDAR, the IIAC believes it is important to update and modernize the SEDI filing system to make it more resourceful.

Ontario-Specific Improvements

Electronic Beneficiary Designations for Registered Plans

Ontario's Electronic Commerce Act and Succession Law Reform Act, as currently written, prevents holders of registered plans (RRSPs, RRIFs, TFSAs, etc.) from designating their plan beneficiaries using an electronic signature. Therefore, while Ontarians are permitted to open and transact in an RRSP/RRIF/TFSA account on-line through the services of an IIAC Member, they must download, print, sign and submit a physical copy of their beneficiary designation. This detracts from investors' on-line experience and adds unnecessary friction to the process.

The IIAC has submitted letters to the Ontario government recommending that while they are currently contemplating changes to the Pension Benefits Act that would address the above situation for pension plans held by Ontarians, we believe they should do the same for RRSPs, RRIFs and TFSAs.

While we recognize that this does not directly fall within the jurisdiction of the OSC, we would welcome and appreciate any assistance that the OSC could provide.

The Passport System

Ontario currently does not participate in Multilateral Instrument 11-102 *Passport System.* Our understanding is that Ontario indicated it did not participate as it wished to encourage the creation of a cooperative regulator. Given that the initiative is now underway, it would be beneficial for our members both inside and outside of Ontario if Ontario joined the Passport System. Despite the interface between Ontario and a member's principal jurisdiction, there is still duplication of having to deal with two separate regulators and potentially two different sets of comments. If Ontario decided to join, it would greatly reduce the burden on those members who operate interprovincially.

We would be pleased to meet with the OSC Task Force to discuss our comments in further detail and welcome the opportunity to participate in the roundtable discussion on March 27, 2019.

Sincerely,

Michelle Alexander