

March 20, 2019

By E-Mail

Ontario Securities Commission

Attention:

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto ON M5H 3S8
comments@osc.gov.on.ca

Dear Sirs/Mesdames:

Re: OSC Staff Notice 11-784 – Burden Reduction

This letter is in furtherance to our firm's response to OSC Staff Notice 11-784 – *Burden Reduction* dated January 14, 2019. We would like to clarify one of our proposed suggestions for possible ways to reduce unnecessary regulatory burdens.

With respect to our suggested rule changes relating to Derivatives, we had suggested that the registration regime for over-the-counter derivatives be harmonized with National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") rather than creating a separate registration regime.

On further reflection we have determined that the wording put forward in our response letter regarding that point could be misconstrued to imply that registration requirements should be applied to all market participants in the same manner as what has been done for registration of securities market participants (i.e. anyone in the business of trading in OTC derivatives should be required to register as a dealer and anyone in the business of advising in respect of OTC derivatives should be required to register as an adviser). This was not the intent of our suggestion. Consistent with the overall objective of the OSC's Task Force to find ways to reduce regulatory burdens, we would not suggest increasing such burdens by extending registration requirements for OTC derivatives to a broader group of market participants. Nor were we suggesting that the securities registration regime is appropriate for the OTC derivatives market. Our suggestion for harmonization was strictly with respect to the implications of registration. Any requirements should line up with the existing requirements for dealers and advisers that are already registered such that satisfying those should, to the extent possible, also satisfy any requirements relating to OTC derivatives. This would help to prevent duplicative regulation of

entities that are already subject to extensive regulation.

We reiterate our strong support of the overriding objective of the OSC to eliminate unnecessary, inefficient and overly burdensome rules and procedures while protecting investors and the integrity of our capital markets.

We would be happy to discuss any of the above with you by phone or e-mail.

Yours truly,



Torys LLP