April 27, 2022

VIA EMAIL

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director
Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Email: consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames:

Re: CSA Notice and Request for Comment – Proposed Amendments to National Instrument 41-101 General Prospectus Requirements, National Instrument 81-101 Mutual Fund Prospectus Disclosure, and Related Proposed Consequential Amendments and Changes and Consultation Paper on a Base Shelf Prospectus Filing Model for Investment Funds in Continuous Distribution – Modernization of the Prospectus Filing Model for Investment Funds

TSX Inc. (the "**Exchange**" or "**we**") welcomes the opportunity to comment on the notice and request for comment published by the Canadian Securities Administrators ("**CSA**") on January 27, 2022 entitled "*Proposed Amendments to National Instrument 41-101 General Prospectus Requirements, National Instrument 81-101 Mutual Fund Prospectus Disclosure, and Related Proposed Consequential Amendments and Changes and Consultation Paper on a Base Shelf Prospectus Filing Model for Investment Funds in Continuous Distribution – Modernization of the Prospectus Filing Model for Investment Funds* (the "**Request for Comment**"). Capitalized terms used in this letter and not specifically defined have the meaning given to them in the Request for Comment.

The Exchange is part of TMX Group Limited, a company that is focused on supporting and promoting innovation, capital formation, good governance and financial markets in Canada and globally through its exchanges, including the Toronto Stock Exchange and the TSX Venture Exchange for equities, and the Montreal Exchange for financial derivatives. The Exchange is a globally recognized, robust stock exchange that lists growth-oriented companies with strong performance and track records, and is a top-ranked destination for global capital.

The interests of the CSA and the Exchange are aligned. It is vital to our clients and to all investors that the capital markets in Canada remain fair, efficient and competitive. Our business relies on our customer's continued confidence and participation in Canada's capital markets. We believe that achieving the right balance between investor protection and regulatory burden is essential to creating an environment where companies and the Canadian economy can grow and successfully compete on an international level. The Exchange is very supportive of regulatory initiatives to reduce the regulatory burden on all market participants without impeding the ability of the CSA to fulfill its regulatory responsibility to protect investors. We therefore applaud the CSA for continuing to consider options to reduce the regulatory burden for all market participants, including investment fund issuers (each a "**Fund**").

Proposed Amendments - Stage 1

Lapse Date Extension for Funds in Continuous Distribution

The Exchange welcomes measures to simplify, streamline and eliminate duplicative information in the prospectus and related documents for Funds in continuous distribution. We believe that the current prospectus filing and delivery model for Funds in continuous distribution is burdensome as duplicative key information about the Fund must be disclosed in the prospectus and related documents each year, requiring considerable time and cost expenditures, often without a corresponding value to the investor or the market.

The Exchange supports the CSA's proposal to extend the lapse date ("**Lapse Date**") for Funds in continuous distribution from 12 months to 24 months to allow Funds in continuous distribution to file their *pro forma* prospectuses every two years rather than each year. This change in Lapse Date will reduce the time and expense incurred to prepare and file the annual prospectus and will allow Funds to re-allocate these resources, every other year, to other aspects of the business, and could result in reduced costs for investors. Further, we understand that most investors currently rely on the Fund Facts or ETF Facts to make an informed investment decision, rather than the annual prospectus. We further believe there will be no negative impact to investor protection given securities laws (e.g. National Instrument 81-106 *Investment Fund Continuous Disclosure*) require Funds to disclose all material changes and thus investors will continue to be informed of material changes and prospectus amendments in a timely manner. We believe that the Lapse Date amendment strikes the correct balance of reducing regulatory burden without compromising investor protection.

For similar reasons, the Exchange supports the proposed amendments to the filing process for the Fund Facts and ETF Facts, allowing those documents that do not contain any material changes since the most recently filed Fund Facts or ETF Facts, as the case may be, to be made public automatically without being subject to a prospectus review process. Such an amendment will be more efficient for both Funds and the CSA, and TMX Group is in favor of regulators taking a pragmatic, risk-based approach to regulation.

Repeal of the 90-Day Rule for Investment Funds

The Exchange is also supportive of repealing the requirement to file a final prospectus no more than 90 days (the "**90-Day Rule**") after the issuance of a receipt for a preliminary prospectus for a Fund as it strikes the balance between reducing regulatory burden without compromising investor protection. It is sometimes the case that a Fund will not be able to meet this 90-Day Rule and must file an application for exemptive relief with the applicable securities regulator. This exemptive relief application often results in unwarranted costs for the Fund as preliminary prospectuses for Funds do not contain any material financial information that would be considered outdated after 90 days and investors do not often rely on the preliminary prospectus when making investment decisions. In our view, the importance of reducing the regulatory burden on Funds by repealing the 90-Day Rule outweighs the potential value of keeping the 90-Day Rule for the investor and the market.

We appreciate the opportunity to respond to the Request for Comment. Should you wish to discuss any of the comments with us in more detail, we would be pleased to respond.

Yours truly,

"Loui Anastasopoulos"

Loui Anastasopoulos

CEO, Toronto Stock Exchange and Global Head, Capital Formation