



Friday, August 29, 2025

By Email: [tbaikie@osc.gov.on.ca](mailto:tbaikie@osc.gov.on.ca)

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**Re: OSC Notice of Request for Comments - Proposed Amendments to OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions and Proposed Changes to Companion Policy 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, issued on June 5, 2025.**

The **Canadian Independent Finance and Innovation Counsel (CIFIC)** appreciates the opportunity to provide comments to the Ontario Securities Commission (OSC) regarding its proposed amendments to Rule 48-501 (the Proposed Amendments).

The Canadian Independent Finance and Innovation Counsel represents more than 40 national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CRO-regulated Investment Dealers in the Canadian securities industry.

## Amendments to Rule 48-501 - Trading During Distributions, Formal Bids, Share Exchange Transactions

The Proposed Amendments state the following with respect to prohibitions on short selling of securities:

The Proposed Amendments prohibit any person or company who made a short sale of a security during the period commencing five business days prior to pricing of a prospectus offering or private placement of the same class of securities sold short from buying securities in the offering unless an exemption is available.

The purchase of securities in the offering is prohibited even if

- (i) the short seller had no prior knowledge of the offering,
- (ii) the offering did not constitute a “material fact” or “material change” (either, material information) concerning the issuer, and
- (iii) the short sales had no impact on the market price of the securities sold.

### Industry’s view

Overall, the Investment Dealers we represent believe the Proposed Amendments are reasonable and well-conceived. In particular, we believe the carve-out for at-the-market (ATM) distributions is appropriate, given the unique operational realities associated with these types of offerings. We are referring to the following section in the Proposed Amendments:

The Proposed Amendments also do not apply to bona fide open-market purchases of securities sold in an at-the-market distribution as the purchaser would not have knowledge of the identity of the seller.

### Additional Monitoring Required

The Investment Dealers we represent are seeking more information on the type of oversight that will apply to trading activity executed prior to the five-business-day window.

We believe the period before the five-business-day window should be closely monitored to ensure that no market participants are attempting to circumvent the intended safeguards of the rule.

We trust that appropriate enforcement actions will follow if any evidence of market manipulation emerges, and efforts will be made to preserve market integrity.

Thank you for considering our comments on this important proposal.

As always, we are available to discuss the content of this submission further, address any concerns you may have, or provide additional information as needed. Your feedback is invaluable to us, and we are committed to ensuring that we all achieve our objectives effectively and efficiently.

Please feel free to contact me at [annie@cific.co](mailto:annie@cific.co) with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

*A. Sinigagliese*

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