

John Halse
President

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The Canadian Securities Administrators

Dear Sir/Madame:

**RE: CSA Staff Request for Comment 13-401:
Request for Changes, Additions or Improvements for a Revised SEDAR System**

**Notice of Proposed National Instrument 55-102:
System for Electronic Data on Insiders (SEDI)**

The members of the Securities Transfer Association of Canada (STAC) have had an opportunity to review the above Notices and provide the following comments.

The SEDAR system has proven to be a success as it has allowed for the efficient filing and access of regulatory documents. Further, we see SEDAR enhancing the flow of information to all stakeholders as it supports an efficient securities market. We accordingly support any enhancements to the current SEDAR system that will add efficiencies. We see the introduction of SEDI as an extension of SEDAR and view its development as an enhancement to the overall regime.

However, we are concerned about the financial burden that is being placed on reporting issuers who are required to file information on SEDAR and also fund SEDI. The cost may exceed the benefits gained, particularly considering junior companies.

For example, with the realignment of the exchanges, junior companies are becoming multi-jurisdictional by virtue of their affiliation with the Canadian Venture Exchange. As a result, the companies' filing fees have increased substantially without their receiving any benefit from their newfound status. We see this as a specific issue with the introduction of SEDI, as filing fees are increased threefold for these issuers without any perceived benefit. We support initiatives that lead to an efficient national regulatory system, however, we do not believe that additional costs should arise as frequently nor should they be borne by reporting issuers on every occasion.

We are also concerned about the fact that SEDI is a system that is to provide efficient filing of insider reports, a responsibility borne by the shareholder. However, it is contemplated that the issuers bear the cost of developing SEDI. We see the issuers objecting to the implementation of SEDI as it is not their reporting obligation.

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We are generally concerned that with the additional burdens placed on companies in meeting their regulatory obligations, SEDAR II and the proposed SEDI representing two additional costs, these companies will go to other jurisdictions to seek capital, thereby weakening the overall breadth and depth of our financial markets.

In closing, our members are reviewing the operational issues arising from the current SEDAR system and will be discussing those issues at User Group meetings with CDS INC. We fully support the development of an enhanced SEDAR and similarly offer our assistance in the development of SEDI.

Sincerely,

John A. Halse
President