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British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Ontario Securities Commission
L'autorité des marchés financiers
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Department of Government Services and Lands, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, ON M5H 3S8

Dear Sirs:

**Re: PROPOSED AMENDMENT TO AND RESTATEMENT OF
NATIONAL INSTRUMENT 55-101**

Ontario Teachers' Pension Plan ("Teachers") is an independent corporation responsible for investing \$75.7 billion in assets and administering the pensions of Ontario's 155,000 elementary and secondary school teachers and 93,000 retired teachers. Teachers' is one of Canada's largest institutional investors, with significant equity and debt investments in many Canadian reporting issuers.

We have reviewed the proposed amended National Instrument 55-101 – Exemption from Certain Insider Reporting Requirements ("NI 55-101") from several perspectives - as an active institutional investor that reviews and relies on the accuracy and timeliness of others' insider reporting, that is obliged from time to time to file its own insider reports concerning substantial investments, and that has a considerable number of senior officers (as defined in securities legislation).

We are generally in favour of the proposed amendments. However, we have the following specific comment on NI 55-101.

Clause (c) of the definition of “insider” in section 1 of the Securities Act (Ontario) provides that every senior officer of a “company” that is itself an insider of a reporting issuer is an insider of that reporting issuer. Section 2.4 of NI 55-101 would provide an exemption from the insider reporting requirement only for a senior officer of “a reporting issuer or a subsidiary of the reporting issuer” in respect of securities of an “investment issuer” (a second reporting issuer that the first reporting issuer is an insider of). **We believe that section 2.4 should be extended so that a senior officer of a company that is not a reporting issuer would be exempt from the insider reporting requirement in respect of securities of an “investment issuer”, so long as that senior officer meets conditions equivalent to those set out in subsections 2.4(b) and (c).**

We do not believe that there is a reasonable basis upon which an exemption of this type should be available for the senior officers of a company that is a reporting issuer, but not also available for the senior officers of a company that is not a reporting issuer. Whether or not the senior officer’s employer is a reporting issuer (or an insider of a reporting issuer) should not be determinative of the issue of whether or not the senior officer should have to report as an insider in respect of reporting issuers in which his or her employer is an insider.

Exempting senior officers of companies (rather than only of reporting issuers) would increase the likelihood of achieving the principal benefits associated with NI 55-101 - focusing the insider reporting requirement on insiders who routinely have access to material undisclosed information, increasing market efficiency by not obscuring the trading activities of “true” insiders with a large volume of unwarranted insider reports, and significantly reducing the regulatory burden associated with unwarranted insider reporting requirements (we note that these are cited in the Notice of Proposed Instrument for NI 55-101 as the three principal benefits associated with the proposed changes to NI 55-101). Requiring disclosure of transactions by senior officers of a company (but not those of a reporting issuer) could in fact mislead investors, by causing investors to take incorrect inferences based on trading by supposed “insiders”. So long as such a senior officer is not in the ordinary course receiving, or provided access to, information as to undisclosed material facts or changes relating to the reporting issuer and is not in any other capacity an insider of the reporting issuer, we believe that the policy rationale for insider reporting requirements does not extend to such a senior officer.

If you have any questions concerning this comment, please contact me.

Yours truly,

Michael Padfield
Senior Legal Counsel, Investments