



For the attention of:
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

Mr Gordon Smith
British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
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Luxembourg, 21st May 2008

Dear Sir or Madam:

We note with interest OSC's current proposals on the revision, in particular, of National Instrument 45-106. As the world's largest multilateral lending institution, the European Investment Bank (the "EIB") has closely observed, and, to a limited extent, participated in the growth of Canada's Maple bond market over the last few years. A detailed study of our issuance prospects for the Canadian market suggests that, inter alia, certain regulatory and practical hurdles limit appetite for and widespread domestic distribution of EIB's debt securities, ranging from a lack of inclusion within appropriate indices to (most relevantly for OSC) non-classification as specified debt (in 2.34).

By way of background, the EIB was created in 1958, as an integral part of the treaty that founded the European Union (EU). The EIB was formed as the term financing arm for the EU to promote EU integration and assist in a balanced level of development across the EU member countries. The EIB is headquartered in Luxembourg and is 100% owned by the 27 current member states of the EU. The Board of Governors of the EIB comprises of the Ministers of the shareholding countries (in practice, the Ministers of Finance - for details see the EIB's Statute, available at http://www.eib.org/attachments/general/statute/eib_statute_2007_en.pdf).

The key objective of the EIB is to provide long term finance to support EU development. It is a legally autonomous and self financing institution. Its sole source of funding, outside of shareholder funds, is through the issuance of bonds in the international capital markets. The EIB is one of the largest non-sovereign issuers of such bonds globally. Currently, our annual funding program is in the region of EUR 50-55bn.

We note from section 2.34 of the Proposed Amended and Restated NI 45-106 that suitably-rated debt issued by certain foreign government-guaranteed entities and supranational institutions will continue to benefit from prospectus exemption. We feel that this opportunity could be used to also help bring Canada's treatment of issuance from government-owned institutions more into line with international treatment. As you will be aware, when assessing credit-worthiness, rating agencies and investors globally tend to ascribe as much (if not more) weight to the robustness of supranationals' sovereign ownership and capital structure as they do to the existence of a government guarantee. The manner in which our securities are traded in all markets in which we already have a regular presence testifies to the fact that this belief is very widely shared.

To summarise, therefore, we would impress upon OSC that, as it stands, the current proposal for the revision of NI 45-106 does not remove one of the significant barriers that EIB has faced in the Maple market, namely prospectus exemption. We recognise that prospectus exemption is to be extended to a number of supranational entities in which Canada has a shareholding, but we suggest that OSC's willingness to accept foreign-government guaranteed status as sufficient grounds for prospectus exemption should also allow it to consider foreign-government ownership as well (especially when such ownership is accorded with the attendant capital commitments of the nature from which EIB benefits).



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