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INVESTMENT
BOARD

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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
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
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Email: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
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RE: Proposed Amendments to National Instrument 31-103 *Registration Requirements and Exemptions* ("NI 31-103") and Companion Policy 31-103CP *Registration Requirements and Exemptions* (collectively the "Proposed Amendments")

Dear Sirs and Mesdames:

This submission is made by the Canada Pension Plan Investment Board (the "CPP Investment Board") in reply to the request for comments on the Proposed Amendments published on October 15, 2010 by the Canadian Securities Administrators (the "CSA") and the additional request for comments published on October 15, 2010 in CSA Notice 31-320 by the Ontario Securities Commission and the Autorité des marchés financiers.

The CPP Investment Board is a professional investment management organization based in Toronto. Our primary purpose is to invest the assets of the Canada Pension Plan in a way that maximizes returns without undue risk of loss. The CPP Investment Board holds shares in 2,900 companies globally, and, as at September 30, 2010, had assets of $138.6 billion.

Partnering with world-class investment managers is central to our investment strategy and our ability to fulfill our mandate. The CPP Investment Board invests in international investment funds across all of our investment departments and we are concerned that the Proposed Amendments will affect our ability to continue to invest in these funds.

The proposed requirement that foreign investment fund managers must be registered in the province or territory where the foreign funds they manage have security holders that are local residents has the potential to cause foreign funds to not be willing to permit Canadian institutional investors to invest in their funds. This is due to the increased regulatory burden of having to become registered in Canada and the significant potential liability associated with registration. Furthermore, we note that many of the foreign funds in which we invest are not structured with the concept of a manager; designating an entity as the investment fund manager for purposes of NI 31-103 ignores the intent of the parties and is not reflective of the contractual arrangements typically agreed to in connection with a fund investment.

The rationale for the Proposed Amendments is unclear given that the CSA moved away from the "look through" approach when NI 31-103 came into force and no longer consider an advisor to a foreign fund to be the advisor to the security holders in a particular province or territory. Under the Proposed Amendments, although an advisor to a foreign investment fund would not be subject to a registration requirement, a foreign investment fund manager of the same fund would be subject to registration. We do not agree that a different approach should be taken with respect to foreign investment fund managers.

The proposed exemptions from the investment fund manager registration requirement do not alleviate our concerns. Specifically, the practical effect on an institutional investor the size of the CPP Investment Board of the dollar value threshold for the proposed "permitted client" exemption is that it would almost never apply, as nearly all of our fund investments are greater than $50 million. In addition, we are often the sole or significant investor in a foreign fund so the 10% Canadian security holder threshold is also problematic. If the registration requirement for investment fund managers is maintained, we suggest that these thresholds be eliminated entirely and that the registration requirement not apply to an international investment fund manager if the foreign fund is distributed under a prospectus exemption to a permitted client.

We note that the proposed "grandfathering exemption" is premised on the idea that no active solicitation by the investment fund manager or the investment fund of residents of the local jurisdiction to purchase securities of the fund has occurred. We believe that sophisticated clients such as the CPP Investment Board should be permitted to entertain solicitations from foreign investment fund managers. We are also of the view that additional guidance is required about what is meant by the term "active solicitation" as it is unclear whether direct communication to encourage a purchase would include the situation where the CPP Investment Board contacts a foreign fund manager about a fund and the manager provides further information and enters into communications with the CPP Investment Board. Clear guidance is required on the CSA's

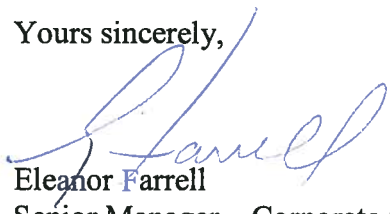
interpretation of active solicitation; too broad an interpretation will result in the proposed exemption being of little practical value to investors such as the CPP Investment Board or unduly limiting the communications between foreign funds and Canadian residents which is a necessary part of the investment due diligence process.

We do not believe the threshold limitations proposed for the "permitted client" exemption should apply to the "grandfathering exemption". As noted above, we do not think the proposed threshold limitations used to determine whether an international investment fund manager has a significant presence in Canada are appropriate.

Finally, the use of the word "grandfathering" to describe the exemption in Section 8.29.2 of NI 31-103 is confusing as it suggests that a manager must already have sold into Canada before September 28, 2011 and is prohibited from "soliciting" thereafter. However, the draft rule does not state anything other than that the manager must not have solicited after that date. We are therefore assuming that the proposed exemption would apply whether or not a manager had sold into Canada prior to September 28, 2011.

We appreciate this opportunity to comment on the Proposed Amendments. Please do not hesitate to contact me (416.868.6377; efarrell@cppib.ca) or Andrea Jeffery, Corporate Governance and Legal Associate (416.868.8559; ajeffery@cppib.ca), if you wish to discuss any aspect of this letter in further detail.

Yours sincerely,



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