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Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
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New Brunswick Securities Commission
Register of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Register of Securities, Northwest Territories
Register of Securities, Yukon Territory
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Ladies and Gentlemen,

Re: Comments on Proposed Amendments to National Instrument 31-103 *Registration Requirements and Exemptions* ("NI 31-103"), Registration of International and Certain Domestic Investment Fund Managers

This letter is a response to the request of the Canadian Securities Administrators ("**CSA**") for comments on the "Notice of and Request for Comments on Proposed Amendments to National Instrument 31-103 *Registration Requirements and Exemptions* – Registration of International and Certain Domestic Investment Fund Managers" issued by the CSA on October 15, 2010 (the "**October 2010 Proposals**") and CSA Notice 31-320 "Additional Request for Comments by the Ontario Securities Commission and the Autorité des marchés financiers on Proposed Exemptions from Investment Fund Manager Registration Requirement for International and Certain Domestic Investment Fund Managers" (the "**Supplementary RFC**") issued on the same date.

In view of the significant implications of these proposals for U.S., European and other non-Canadian fund managers, our comments and suggestions below focus on the application of the proposed amendments to non-Canadian investment fund managers.

This letter represents the general comments of certain members of our securities practice group (and not those of the firm generally or any client of the firm) and are submitted without prejudice to any position taken or that may be taken by our firm on its own behalf or on behalf of any client.

For the reasons set out below, we respectfully submit that the CSA should reconsider its proposal to impose the investment fund manager registration requirement on non-Canadian investment fund managers managing investment funds whose securities are typically offered on a limited private placement basis in Canada. We believe that the October 2010 Proposals raise a number of problematic issues for non-Canadian managers of investment funds whose primary investor base is outside Canada and that the regulatory burden associated with the October 2010 Proposals is disproportionate with any additional protection afforded to the typical Canadian investors in such investment funds.

These issues are particularly difficult and complex in the international sphere due to the variation in investment fund arrangements in different markets and in the structures adopted to facilitate cross-border investments by institutional investors, including multi-tiered foreign fund structures, non-Canadian funds employing Canadian "feeder" or "blocker"-type vehicles for structuring purposes, Canadian investment vehicles principally established for non-Canadian investors but occasionally having a limited number of Canadian-resident investors, and discretionary investment mandates to international advisers or non-resident portfolio managers, where flexibility for direct investments as well as selection of managers and investments through co-mingled vehicles, including fund of fund structures, is desired by the Canadian institutional client.

These investment opportunities are typically available only at very high minimum subscription levels. The class of Canadian investors which access these opportunities generally do so because they cannot find investment opportunities on the same scale or strategy in the Canadian market. As drafted, the October 2010 Proposals would effectively impose a made-in-Canada investment fund manager registration requirement on many non-Canadian fund managers, with no workable exemptions. As a result, we believe that there is a very real risk that non-Canadian investment fund managers will refuse to accept subscriptions from otherwise qualified Canadian investors, thereby depriving those Canadian investors of significant investment opportunities frequently not otherwise available in the Canadian market.

For the purposes of our comments below, we set out under Part A the key features of the October 2010 Proposals as a result of which non-Canadian investment fund managers would be subject to the Canadian investment fund manager registration requirement unless they can rely on either one of two very limited exemptions. Part B highlights certain material jurisdictional issues underlying the proposals. Part C discusses other significant structuring and commercial issues. Part D notes certain other problematic features of the proposed exemptions and Part E sets out comments on certain technical matters.

A. Overview of Proposals with respect to International IFMs

NI 31-103 and related amendments to securities legislation adopted in all Canadian provinces and territories ("**Canadian jurisdictions**") effective September 28, 2009 introduced a new "investment fund manager registration requirement" (the "**IFM registration requirement**"). Under NI 31-103, the IFM registration requirement was made applicable effective September 28, 2010 to "investment fund managers"[1] having their head office in a Canadian jurisdiction ("**Canadian IFMs**"). Investment fund managers whose head offices are not located in Canada ("**International IFMs**") are currently subject to a temporary exemption which lapses effective September 28, 2011.

The purpose of the October 2010 Proposals is, among other matters, to set out the CSA's views as to the registration of International IFMs which carry out investment fund management activities at a location outside of Canada.[2] The proposed amendments to NI 31-103 contemplated by the October 2010 Proposals are intended to be adopted prior to the expiration of the temporary exemption on September 28, 2011, meaning that International IFMs that are required to be registered must be registered by that date and comply with chief compliance officer proficiency, working capital, insurance, financial reporting and other ongoing requirements under Canadian securities laws.

Under the October 2010 Proposals, an International IFM would be required to register in a Canadian jurisdiction if an investment fund it manages has security holders resident in that jurisdiction and, after September 28, 2009 (the effective date of NI 31-103), the International IFM or the investment fund "actively solicited"[3] the

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[1] Under Canadian securities laws, an "investment fund manager" is defined as a person or company that directs or manages the business, operations or affairs of an investment fund. The IFM registration requirement also turns on whether or not the funds managed by the manager are "investment funds" for the purposes of Canadian securities laws.

[2] The CSA propose to state in section 1.3 of Companion Policy 31-103CP *Registration Requirements and Exemptions* ("**31-103CP**"), as follows:

A firm must register in each jurisdiction where it acts as an investment fund manager. Investment fund managers are not subject to the business trigger.

You are required to register in a jurisdiction if you direct or manage the business, operations or affairs of an investment fund from a physical place of business in that jurisdiction. An investment fund manager that does not have a physical place of business in a jurisdiction will also need to register in that jurisdiction if

- *the investment fund has security holders resident in that jurisdiction, and*
- *after the investment fund manager registration requirement came into force (on September 28, 2009), the investment fund manager or the investment fund actively solicited the purchase of the fund's securities by residents in that jurisdiction.*

[3] In proposed amendments to 31-103CP, the CSA state that "active solicitation refers to intentional actions taken by the investment fund or the investment fund manager to encourage a purchase of [a] fund's securities". Examples include: (i) direct communication; (ii) advertising in Canadian

purchase of the fund's securities in that jurisdiction.

The proposals contemplate two exemptions applicable to International IFMs.

The first exemption (the "**International IFM Exemption**") would apply only if an International IFM meets all of the following conditions: (1) the securities of the investment funds it manages are distributed only to "permitted clients"; (2) it has no physical place of business in Canada; (3) the investment funds for which it acts as an investment fund manager are incorporated, formed or created under the laws of a foreign jurisdiction; (4) the investment funds for which it acts as an investment fund manager are not "reporting issuers" (e.g., funds issuing securities under a Canadian prospectus) in any jurisdiction of Canada; (5) it has submitted to the relevant securities regulatory authorities a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service;* and (6) its presence in the Canadian market, measured as at the end of its most recently completed financial year end, is below both of the following thresholds meant to represent a "significant presence" in Canada (the "**Significant Presence Thresholds**"): (a) the fair value of the assets attributable to Canadian security holders of any investment fund for which it acts as investment fund manager is not more than 10% of the fair value of all the assets of such fund (the "**10% Threshold**"); and (b) the fair value of the assets of all investment funds for which it acts as investment fund manager that are attributable to Canadian security holders is not more than C$50 million (the "**$50M Threshold**").

The second exemption (the "**Grandfathering Exemption**") would apply to an International IFM that meets all of the following conditions: (1) it does not conduct activities from a physical place of business in a Canadian jurisdiction; (2) it is not incorporated, formed or created in a Canadian jurisdiction; (3) the investment funds for which it acts as investment fund manager are incorporated, formed or created under the laws of a foreign jurisdiction; (4) the investment funds for which it acts as investment fund manager are not reporting issuers in any Canadian jurisdiction; and (5) neither the investment fund manager nor any of the investment funds for which it acts as investment fund manager has "actively solicited" residents in a Canadian jurisdiction after September 28, 2011 to purchase securities of the fund. While there is no Significant Presence Threshold under the Grandfathering Exemption, the Ontario Securities Commission ("**OSC**") and the Autorité des marchés financiers ("**AMF**") have specifically requested comments in the Supplementary RFC as to whether the Grandfathering Exemption should not be available in the case of International IFMs which exceed the Significant Presence Thresholds.

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publications or other Canadian media including the internet (but not international publications and other international media) if the advertising is intended to encourage the purchase of the fund's securities by residents of the jurisdiction; and (iii) purchase recommendations being made by a third party to residents of the jurisdiction, if that party is entitled to be compensated by the investment fund or the investment fund manager for the recommendation itself or for a subsequent purchase of fund securities.

B. Certain Jurisdictional Considerations

The *Securities Act* (Ontario) prohibits a person from acting as an "investment fund manager" unless the person is registered as an investment fund manager. The IFM registration requirement is phrased in a similar manner in the securities legislation of other Canadian jurisdictions. An "investment fund manager" is defined under the *Securities Act* (Ontario) and generally under the securities legislation of the other Canadian jurisdictions as "a person or company that directs the business, operations or affairs of an investment fund".[4]

This formulation of the IFM registration requirement suggests that there must be an element of "mind and management" of the entity that is investment fund manager, or at least of decision making about the investment fund whose business, operations or affairs are directed by the entity, in the particular Canadian jurisdiction in order to trigger the IFM registration requirement in the jurisdiction.

By contrast, under the October 2010 Proposals, the CSA appear to consider that mere ownership of securities of an investment fund by a person resident in a particular Canadian jurisdiction (the "**proposed ownership of securities nexus**") would suffice to trigger the IFM registration requirement in that Canadian jurisdiction for an entity with no other nexus with the jurisdiction, although a discussion of the jurisdictional underpinnings of that view is not included.[5]

We believe that the proposed ownership of securities nexus is a regulatory leap which is not consistent with the statutory formulation of the IFM registration requirement (the conduct being prohibited on an unregistered basis being the direction of the business, operations and affairs of an investment fund). Moreover, this is an approach which, as a group, the CSA expressly declined to take in the context of the adviser registration requirement in refusing to adopt or carry forward the "flow through" analysis previously adopted by the OSC.[6]

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[4] See the comment in note 1.

[5] In 1992, in giving notice of OSC Policy No. 4.8 which contemplated the registration of international advisers in Ontario and included the OSC's statement of its view that became the "flow through" analysis, the OSC discussed the jurisdictional underpinning for its views and the policy it was adopting (see (1992), 15 OSCB 1938).

[6] In our comment letter to the CSA dated September 30, 2010, we suggested that the CSA take the same approach to IFM registration. We noted that this approach corresponded to the CSA's previous response to comments published on February 29, 2008:

> *Comment # 94 published on February 29, 2008, stated:*
>
> > *"The commenters suggest that the CSA should clarify that non-Canadian advisers and investment fund managers of investment funds are not required to register in Canada merely because units of an investment fund are purchased by Canadian investors ..."*
> >
> > *In response to this comment, the CSA stated, "We agree that the flow-through analysis should not be applied to investment fund managers ..."* [emphasis added]

Under the October 2010 Proposals, however, the CSA are effectively reinstating the "flow through" analysis. We respectfully submit that the "flow through" analysis makes even less sense where the prohibited conduct, which cannot be carried on without registration, is not clearly one that is undertaken and received on a cross-border basis.

We would note that, for the same reasons, we believe that a Canadian IFM registered in the Canadian jurisdiction in which its head office is located should not be required to register in other Canadian jurisdictions solely as a result of the ownership of securities of an investment fund by a person resident in a particular Canadian jurisdiction, as contemplated under the October 2010 proposals.

C. Other Structural and Commercial Issues for International IFMs

In addition to the jurisdictional issues noted in Part B, there are a number of other significant issues with the proposal to impose the IFM registration requirement on International IFMs.

1. *Cross-border fund offerings are already regulated by NI 31-103.* The securities of investment funds managed by International IFMs are typically acquired by permitted Canadian investors in one of two ways: (1) through a Canadian dealer or a non-resident dealer (which may be related to the IFM) that is either registered as an exempt market dealer or is relying on the "international dealer exemption" under section 8.18 of NI 31-103, or (2) through a discretionary account managed by a Canadian portfolio manager or a non-Canadian adviser that is either registered as a portfolio manager or is relying on the "international adviser exemption" under section 8.26 of NI 31-103. In many cases, the non-resident IFM itself may already be registered as a "portfolio manager" or relying on the "international adviser exemption" in order to engage in direct advisory activities in one or more Canadian jurisdictions.

Under the October 2010 Proposals, the CSA are effectively layering a third registration requirement on non-Canadian fund offerings which take place largely outside Canada and typically involve only a handful of sophisticated Canadian investors. Rather than introducing supplementary rules that fit into the framework of non-resident exemptions which the CSA carefully constructed through the comment process and various iterations of the proposals that led to the adoption of NI 31-103, the October 2010 Proposals effectively reformulate the non-resident exemption framework in a manner that seems unduly burdensome in the context of these limited cross-border fund offerings.

2. *Issues with foreign fund structures.* The IFM registration requirement was designed around conventional Canadian fund structures (e.g., mutual funds and pooled funds structured as trusts with a single separate legal entity typically serving as investment fund manager). It does not readily square with many non-Canadian fund vehicles such as limited partnerships, limited liability companies, corporate vehicles and other special types of collective investment schemes (e.g., European UCITS and other umbrella investment companies). Many of these vehicles have

boards of directors or equivalent governance bodies such that the fund vehicle itself or the individual members of its governing body might technically be "a person or company that directs the business, operations or affairs of an investment fund" and subject to the IFM registration requirement. The application of this requirement and associated registration conditions and compliance obligations in the context of these types of non-Canadian vehicles would, in many cases, be unworkable.

3. *Issues with foreign fund structures and separate account products.* Adding to this complexity is the fact that many permitted Canadian investors often invest in a non-Canadian investment fund through a multi-tiered structure, including through separate "feeder" or "blocker" type vehicles, or fund-of-fund structures that invest in one or more underlying funds managed by one or more affiliated or unaffiliated managers. In certain cases, Canadian "feeder" or "blocker" type vehicles may be employed for important structuring reasons benefitting the limited number of Canadian institutional or other permitted investors coming into the foreign fund. Under these circumstances, the manager(s) of the one or more vehicles through which these Canadian investors invest may potentially be unable to rely on the International IFM Exemption.

We note that both the 10% Threshold and the $50M Threshold under the International IFM exemption refer to "the fair value of assets of the funds attributable to securities beneficially owned by residents of Canada". Depending on how it is interpreted, this formulation for purposes of the Significant Presence Thresholds may effectively require that the managers of underlying vehicles in which Canadian investors may be indirectly invested implement mechanisms for determining whether a portion of the fair value of any of the funds they manage in a multi-tiered or fund of fund structure is "attributable to securities beneficially owned by residents of Canada". Managers of non-Canadian investment funds may be unable or unwilling to make that determination and, in any event, may seek to impose a restriction on upstream vehicles accepting subscriptions from Canadian investors to reduce their exposure to Canadian IFM registration issues.

In other situations, for example, Canadian or international portfolio managers of Canadian investment assets under a discretionary investment account format may be inclined to avoid investing these assets in non-Canadian investment funds or fund-of-funds they would otherwise have selected for investment purposes, out of a very real concern of "tainting" these non-Canadian investment funds and any underlying vehicles with Canadian IFM registration issues.

4. *Issues with the Canadian vehicles restrictions.* In addition to the issues described above with respect to the use of Canadian "feeder" and "blocker" type vehicles, the CSA's proposal to restrict the availability of the International IFM Exemption and Grandfathering Exemption to investment funds that are incorporated, formed or created under the laws of a foreign jurisdiction creates very real issues for certain fund structures managed entirely outside of Canada that employ Canadian vehicles for structuring purposes, but in which there may limited, or frequently no, Canadian investors or investments in Canadian securities.

These structures are typically closed-end funds, with very limited redemption features, established to facilitate investments by non-Canadian institutional investors in assets outside of Canada. Many of these funds were formed prior to the adoption of NI 31-103 based on Canadian legal and regulatory considerations as they existed at that time and are no longer in distribution mode. Under the October 2010 Proposals, non-resident investment fund managers involved in these structures would appear to be subject to the IFM registration requirement with no exemption options. [7]

From a policy standpoint, it is unclear what market protection benefit the imposition of Canadian IFM proficiency, insurance, capital and other reporting requirements would have for the largely non-Canadian institutional investor base in these structures. In the absence of any exemptions, managers of these types of funds may have limited structural solutions short of winding-up the vehicle and rolling the fund assets into a new vehicle formed under the laws of a non-Canadian jurisdiction, with all of the tax, investor relations and other complexities that such a restructuring would entail.

D. Other Problematic Features of Proposed Exemptions

We respectfully submit that the exemptions proposed for International IFMs under the October 2010 Proposals are so narrowly constructed that they will be effectively unavailable except in limited circumstances. In addition to the issues noted above with respect to the use of Canadian investment vehicles and the beneficial ownership test used in the Significant Presence Thresholds, we would note the following:

1. *The Significant Presence Thresholds are too low.* In our experience, Canadian institutional and other permitted investors will typically seek to invest in investment funds previously seeded by major non-Canadian institutional investors and managed by leading International IFMs with a proven track record and sizeable assets under management. A report prepared by Towers Watson[8] shows that, as of the end of 2009, the 10 largest global asset managers were each managing assets in excess of $1 trillion, the 125 largest asset managers were each managing in excess of $100 billion (of which $50 million equals one five-hundredth of a percent), and the 500 largest asset managers were each managing in excess of $5 billion (of which $50 million still only equals one percent). We submit that the Significant Presence Thresholds disregard this reality. Since many of the leading International IFMs will not qualify under the proposed thresholds and the regulatory risk in Canada associated with any uncertainty in the application of the IFM registration requirement is likely to outweigh the benefit of investments from Canadian investors for these leading International IFMs, they will more likely refuse to accept direct or

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[7] It is unclear whether non-resident managers of such funds are subject to the IFM registration requirement where Canadian investors were not actively solicited after September 28, 2009.

[8] Towers Watson, *The World's 500 Largest Asset Managers* (year end 2009) at www.towerswatson.com/assets/pdf/2942/PI500-Analysis.pdf.

indirect subscriptions by Canadian investors than comply with the IFM registration requirement.

2. *The Significant Presence Thresholds may give rise to supervening registration issues.* As proposed, the thresholds are not applied at the time of subscription by a Canadian investor but on an ongoing basis which is to be measured by the International IFM "at the end of its most recently completed financial year end". This methodology creates a very real risk that, even where an IFM has very carefully monitored the dollar amount and percentage level of Canadian assets under management in order to rely on either exemption, it will subsequently become subject to the IFM Registration requirement as a result of subsequent transactions in fund securities unrelated to subscriptions by Canadian investors (e.g., periodic redemptions, or secondary transfers by non-Canadian investors or the growth over time of the fair value of the portfolio assets).

3. *Retroactive registration issues.* We note that the October 2010 Proposals would effectively impose a retroactive IFM registration requirement on many non-Canadian investment funds that cannot rely on either the International IFM Registration Exemption or the Grandfathering Exemption because of the Canadian vehicles restrictions under both exemptions.

In response to the Supplementary RFC, we note that any proposal to restrict the availability of the Grandfathering Exemption to International IFMs that are below the Significant Presence Thresholds would similarly impose the IFM registration requirement retroactively on numerous International IFMs that may have previously solicited Canadian investors based on the rules as they existed at that time and which chose not to participate in the Canadian market going forward on the basis of the changes in the regulatory framework. The regulatory burden for such International IFMs would seem to far outweigh any regulatory benefit for the residual Canadian investors in the relevant investment funds.

E. Certain Technical Matters

Although we believe that the CSA should eliminate the IFM registration requirement for International IFMs altogether, we note in passing the following technical points under the proposals.

1. For clarity and certainty, the CSA's position proposed to be stated in the draft amendments to section 1.3 [fundamental concepts] of Companion Policy 31-103 CP, to the effect that, even if there are security holders of an investment fund in a Canadian jurisdiction, the IFM registration requirement in that jurisdiction does not apply to the investment fund manager of that fund where (i) it does not have a physical place of business in that jurisdiction and (ii) neither the investment fund manager nor the fund actively solicited the purchase of the fund's securities by residents of that jurisdiction after September 28, 2009, should be stated in the rule as a separate exemption from the IFM registration requirement.

2. The designation of the Grandfathering Exemption under proposed section 8.29.2 as the exemption for "non-resident investment fund managers" is confusing with the designation of the "international investment fund manager exemption" under section 8.29.1 and does not effectively describe the grandfathering purpose of that exemption.

3. Given the conceptual issues noted above, it may be unrealistic to require International IFMs to be registered by September 28, 2011 when the temporary exemption under section 16.6 expires. A requirement to have applied for registration by the September 28, 2011 deadline (similar to the temporary exemption for Canadian IFMs under section 16.4(1)(b)) would be more practical.

4. The application of the IFM registration requirement also turns on whether or not an International IFM is managing an "investment fund" within the technical meaning of that term under Canadian securities legislation. Given the significant implications of the proposals for International IFMs, we believe that the CSA should give further practical guidance on the types of vehicles which are not clearly captured by that definition.

5. As a general matter, we submit that NI 31-103 should be amended to clearly provide for the ability of a person or entity that is technically captured by the definition of an "investment fund manager" (e.g., a general partner, trustee or board of directors, or a corporation) to delegate registrable functions to a qualified affiliate or third party that would register as an IFM. The registered IFM would remain subject to the oversight and supervision of the general partner, trustee or board of directors which would not otherwise be subject to registration. Furthermore, if the IFM registration requirement potentially applies to several persons or companies in relation to any particular fund or fund family, it should be sufficient that any one fund or fund family have a single registered IFM.

6. We note that as a result of the October 2010 Proposals, there would be three separate definitions of the term "permitted client" for purposes of the international dealer, the international adviser and the international fund manager exemptions. We would urge the CSA to take this opportunity to adopt a single streamlined definition of "permitted client" for all purposes under NI 31-103.

7. In proposed section 8.29.1, subsection (2), the words "by the investment fund" should be added in the third line so the phrasing reads "if all the securities of the investment fund distributed by the investment fund in Canada were distributed under an exemption" in order to clarify that the exemption is based on the initial distribution activity of the fund itself and not secondary market transfers that are themselves "distributions" utilizing a prospectus exemption. We believe this reflects the intention of

the exemption.

8. In proposed section 8.29.1, subsection (3), further to our comments above, we believe that paragraph (b) concerning the jurisdiction of the investment fund itself should be deleted as essentially irrelevant. We believe that the inclusion of paragraph (c) regarding the reporting issuer status should suffice to address the Canadian investor protection policy concerns underlying the October 2010 Proposals.

9. In proposed section 8.29.1, subsection (4), if the Significant Presence Thresholds are retained, the tests should be measured at the time of subscription only. Alternatively, there needs to be some time delays built in to allow for the registration process. An investment fund manager should not immediately be offside the IFM registration requirement as of January 1, 2015, for example, where it has been determined that, as at the December 31, 2014 year end, the thresholds were exceeded for whatever reason (e.g., the growth over time of the fair value of the portfolio assets). There would need to be a material time period after the financial year end before the exemption ceased to apply to permit the IFM to deal with the registration process if required.

10. In proposed section 8.29.1, paragraph (5), it is unclear how the "previously notified" requirement in this subsection is intended to work. There could be a situation where an investment fund's securities were distributed to permitted investors before this notification requirement came into effect and it would be unreasonable to make it a condition before it was in effect based merely on the October 2010 Proposals.

11. In proposed section 8.29.2, further to our comments above, we believe that paragraphs (b) and (c) concerning the jurisdiction of formation of the investment fund manager and of the investment fund should be deleted as essentially irrelevant. We believe that the inclusion of paragraph (d) regarding the reporting issuer status should suffice to address the Canadian investor protection policy concerns underlying the October 2010 Proposals.

12. In proposed section 14.1, we recommend that security holders that are permitted clients be able to waive compliance by the registered investment fund manager with these requirements that are proposed to apply to them.

13. In proposed section 14.5.1, subsection (1), why is paragraph (d) of subsection (1) phrased differently than paragraphs (c) and (d) of subsection 8.29.1(5)?

14. In proposed section 14.5.1, subsection (2), there is no apparent reason to distinguish here between investment fund managers with head offices in Canada or outside Canada.

15. In proposed section 1.3 of Companion Policy 31-103CP, we recommend that the discussion of "active solicitation" be clarified to state that active solicitation does not include a situation where a portfolio manager invests the assets that it is managing for a Canadian client in securities of an investment fund.

16. We recommend that the proficiency requirements for the chief compliance officer of International IFMs be modified so that such International IFMs which are required to register, for example, where they lose the benefit of the proposed exemption in proposed section 8.29.1(2) because the Substantial Presence Thresholds are exceeded, are not required to have passed Canadian exams. In the international context, this requirement would cause undue burden.

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We would be happy to meet with representatives of the CSA to discuss these issues further.

Submitted on behalf of members of the Securities Practice Group at Stikeman Elliott LLP by,

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