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British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
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, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

John Stevenson
Secretary

Ontario Securities Commission
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Email: consultation-en-cours@lautorite.gc.ca

Dear Sirs/Madams:

Re: Second Round of Consultation on Notice-and-Access Rules

The Canadian Bankers Association (CBA) works on behalf of 52 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 267,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The CBA also promotes financial literacy to help Canadians make informed financial decisions and works with banks and law enforcement to help protect customers against financial crime and promote fraud awareness.

We appreciate the opportunity to participate in the second round of consultation on the Canadian Securities Administrators' (CSA) proposal for the notice-and-access rules, specifically, regarding the revised amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101), National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and the related forms and companion policies.

We appreciate the fact that a number of the concerns raised by the banking industry during the first round of consultation have been addressed in the revised proposal. Our concerns in regards to the current proposal are outlined below for your consideration. We would be pleased to discuss them with you in further detail.

Electronic Delivery of Notice Package

The original notice-and-access proposal contemplated that issuers would deliver the notice package either using: prepaid mail, courier or the equivalent, or any other method previously consented to by the shareholder. Under the current proposal, the CSA proposes to remove the reference to "any other method previously consented to by the shareholder". As a result, the revised provisions in sections 2.7.1 of NI 54-101 and 9.1.1 of NI 51-102 now only refer to sending the notice package by prepaid mail, courier or the equivalent. The notice package is proposed to include a notice to shareholders informing them that proxy-related materials have been filed on the System for Electronic Document Analysis and Retrieval (SEDAR) and posted on another non-SEDAR website and explaining how to access them, and the relevant voting document.

In its commentary on this proposed amendment, the CSA explains that the reference to "any other method previously consented to by the shareholder" was removed because it was not clear what such other methods would be and how in practice they could be used to send the notice package. The CSA also notes that despite this proposed amendment, a reporting issuer's decision to use notice-and-access would not preclude a shareholder from also being sent proxy-related materials using an alternate method to which the shareholder previously consented.

In addition, we note that section 2.7.5 of NI 54-101 provides that nothing in section 2.7.1 of NI 54-101 prevents a beneficial owner from consenting to the reporting issuer's or intermediary's use of other delivery methods to send proxy-related materials, nor does the section preclude a reporting issuer or the intermediary from sending proxy-related materials using a delivery method to which a beneficial owner has previously consented. Similar provisions are contained in section 9.1.4 of NI 51-102.

In our view, electronic delivery consented to by a shareholder would have constituted "any other method previously consented to by the shareholder", which reference is proposed to be removed from the current proposal. However, our interpretation of the above-referenced CSA commentary and the revised rules is that electronic delivery of a notice package would comply with notice-and-access rules as long as the shareholder to whom the notice package is sent consents (or has consented) to such delivery method. We would appreciate a confirmation from the CSA that our interpretation is correct.

In addition, we assume that the requirement in sections 2.7.1(1)(a)(i) of NI 54-101 and 9.1.1(1)(a)(i) of NI 51-102 could be met by providing the specified information in the body of the notification email. We further assume that the body of the notification email could also include a link to a copy of an issuer's information circular (or related material) for the purpose of providing additional material or to comply with the instructions of a shareholder who has previously consented to the delivery of proxy-related materials by electronic mail. We also assume that the explanation about notice-and-access, required by sections 2.7.1(1)(a)(ii) of NI 54-101 and 9.1.1(1)(a)(ii) of NI 51-102, could be provided as an attachment to the notification email or

through a link to a copy of the document containing the required explanation. We would be grateful for the CSA's specific confirmation on this point.

Proposed Exclusion of Investment Funds from Notice-and-Access

We welcome the CSA's proposal to extend notice-and-access to all meetings. We agree with the CSA that restricting notice-and-access to meetings that are not special meetings would add an additional layer of complexity to the voting process and may cause shareholder confusion. We also agree that potential efficiencies that can be realized by notice-and-access would be limited as a result.

For similar reasons, we question the rationale for excluding investment funds from notice-and-access under the current proposal. Unlike corporate issuers, most investment funds are not required to hold annual meetings. Accordingly, most investment funds were not directly impacted by the original proposal given that notice-and-access was restricted to meetings that are not special meetings. However, with the expansion of notice-and-access to all meetings, we are concerned that investment funds and their securityholders would be unfairly excluded from the potential efficiencies that are expected to result from the use of the notice-and-access delivery option. Moreover, we believe that securityholders of investment funds would be supportive of this initiative as they are becoming more environmentally sensitive and have expressed concerns about the amount of paper they receive unnecessarily.

In light of the above, we ask the CSA to reconsider the proposal to exclude investment funds from notice-and-access.

We appreciate the opportunity to comment on the revised CSA's proposal for notice-and-access rules. We would be pleased to discuss our comments with you in further detail.

Sincerely,

A handwritten signature in cursive script, appearing to read "per [Name]", is written in black ink.