

August 31, 2011

Mr. John Stevenson  
Secretary  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, Ontario M5H 3S8  
e-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

Ms Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3  
e-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Dear Sirs/Mesdames:

**Re: Canadian Securities Administrators Notice and Request for Comments on the Proposed Securitized Products Rules**

BMO Nesbitt Burns Inc. (“BMO NB”) is an active participant in the Canadian securitization market, including in the origination and structuring of securitization transactions, conduit management and administration, and portfolio analytics. BMO NB is pleased to comment on the *Proposed National Instrument 41-103 Supplementary Prospectus Disclosure Requirements for Securitized Products*, *Proposed National Instrument 51-106 Continuous Disclosure Requirements for Securitized Products*, *Proposed Amendments to National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings*, *Proposed Amendments to National Instrument 45-106 Prospectus and Registration Exemptions and National Instrument 45-102 Resale of Securities and Proposed Consequential Amendments* (the “**Proposed Rules**”). BMO NB is of the view that the investing public is best-served by open and frank communication between market participants and regulators.

BMO NB provided input to the Working Group of the Investment Industry Association of Canada (“IIAC”) in the preparation of the IIAC comment letter on the Proposed Rules dated August 31, 2011. Accordingly, BMO NB's views and concerns regarding the Proposed Rules are reflected in the IIAC letter.

BMO NB supports in general the Canadian Securities Administrator's enunciated principles in developing the Proposed Rules:

- providing adequate information to investors to understand whether such investments are appropriate for their investment objectives, at the time of purchase and on an ongoing basis, while fostering market efficiency;
- facilitating transparency in the securitization market, reducing systemic risk and ensuring that it can continue to function in times of financial stress; and
- ensuring that the rules take into account the particular features of the Canadian securitization market, are proportionate to the risks associated with particular types of securitized products and do not unduly restrict investor access to securitized products,

However, it is our belief, and we support the IIAC position, that the Proposed Rules do not strike the right balance between transparency and market efficiency. We agree with the IIAC position that the Proposed Rules are a "disproportionate" response to perceived issues in the Canadian securitization market.

BMO NB believes that the Proposed Rules do not take into account the particular features of the Canadian securitization market, are a disproportionate response to the risks associated with particular types of securitized products available in Canada and will unduly restrict both investor access to securitized products and market participation by current and potential participants.

We look forward to continuing our dialogue regarding the Proposed Rules and would be pleased to participate in any direct discussions with you or any discussions with the IIAC that you may have.

Yours very truly,

BMO Nesbitt Burns Inc.



Terry Ritchie  
Managing Director, Securitization