STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

DELIVERED BY E-MAIL

October 19, 2015

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

c/o

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
comments@osc.gov.on.ca

-and-

Me Anne-Marie Beaudoin
Secrétaire de l'Autorité des marchés financiers
Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
consultation-en-cours@lautorite.qc.ca

Ladies and Gentlemen,

RE: Request for Comment on Proposed Amendments to National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") relating to Reports of Exempt Distribution dated August 13, 2015

Thank you for the opportunity to comment on the proposed amendments to NI 45-106 (the "**Proposed Amendments**"), including Form 45-106F1 *Report of Exempt Distribution* (the "**Proposed Report**"), as set out in the CSA Notice and Request for Comment on Proposed Amendments to NI 45-106 relating to Reports of Exempt Distribution ((2015), 38 OSCB 7077) dated August 13, 2015 (the "**Request for Comments**").

This letter represents the general comments of certain members of the Financial Products & Services practice group at Stikeman Elliott LLP (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.

While we are generally supportive of efforts to collect and analyze data to better understand systemic risk, we are concerned that certain aspects of the Proposed Amendments represent an unduly burdensome disclosure obligation on certain issuers that is not balanced by anticipated benefits. Furthermore, we are concerned that disclosure in respect of commercially sensitive and confidential information, in particular, could adversely impact the decision of certain market participants to pursue financing activities in Canada. We have provided our responses below to the specific questions posed in the Request for Comments and have followed with general commentary on the Proposed Report.

1. *The information collected in the Proposed Report would enhance our understanding of exempt market activity and, as a result, facilitate more effective regulatory oversight of the exempt market and inform our decisions about regulatory changes to the exempt market. Do the reporting requirements of the Proposed Report strike an appropriate balance between: (i) the benefits of collecting this information, and (ii) the compliance burden that may result for issuers and underwriters? If not, please explain.*

   A. <u>Cost-benefit analysis should be rigorously pursued and grounded in practical realities</u>

The Proposed Amendments represent a significant expansion of disclosure obligations over the existing regime (outside of British Columbia). A cost-benefit analysis should be conducted and a clear rationale should be articulated for the collection of each additional piece of information that would have to be collected and disclosed under the Proposed Report. In other words, additional information beyond the existing requirements should not have to be provided unless the benefits to members of the Canadian Securities Administrators ("**CSA**") in having access to such information are shown to outweigh the costs (financial and otherwise) to issuers and others in respect of whom disclosure would be required.

The costs of the Proposed Amendments that would be borne by issuers and others are significant. First, obtaining and verifying some of the additional particulars would be burdensome and time-consuming in a number of respects. The time required and the costs associated with collecting prescribed information and completing a filing must be considered against the value of the information contained in such filings; the practical reality of requiring time-consuming disclosures in a routine, transaction-related filing must be carefully considered. Second, some of the information that would be required to be disclosed is commercially sensitive and may be confidential and/or private. A cost-benefit analysis may yield a different result if some of the information required to be disclosed could be retained confidentially without exception. The costs are significantly increased where the information required by the Proposed Amendments is or may become publicly accessible.

With respect to question 1 of the Request for Comments, it is therefore our view that some of the new disclosure items should be reconsidered as they amount to a significant burden on issuers with ambiguous benefits to CSA members. Our concerns in this regard are set out in detail in these submissions.

B. International examples are helpful

We encourage CSA members to review the equivalent reporting requirements in other jurisdictions as a means of assessing the reasonableness of various aspects of the Proposed Report. Such a review would provide three benefits. First, it would allow CSA members to benchmark the CSA's reporting requirements with those of other financially sophisticated jurisdictions. Second, such a review would provide insight into the reasonable expectations of foreign issuers with respect to their private placement reporting obligations. Third, it would increase the comparability of data between Canada and other jurisdictions. We note that this final element is the basis of international reporting initiatives such the Organisation for Economic Co-operation and Development's Common Reporting Standard.

One possible example of foreign private placement reporting obligations is the U.S. Securities and Exchange Commission's ("**SEC**") Form D. We understand that the SEC requires each issuer that sells its securities in reliance on a registration exemption provided in Regulation D or section 4(a)(5) of the *Securities Act of 1933* to complete and file a Form D notice. Overall, the disclosure obligations in Form D are generally not as onerous as those in the Proposed Report. For example, although Form D asks for the revenue range and net asset value of issuers, as applicable, this disclosure is optional and issuers may select the "Decline to Disclose" option.

We urge the CSA to consider the competitive disadvantage of more burdensome private placement reporting obligations. These obligations could create a material disincentive to the private placement of certain international securities offerings into Canada. As discussed below, this is not a hypothetical concern. Based on our experience, the implementation of similar measures in British Columbia gave rise to a reluctance on the part of certain foreign issuers, specifically, to extend certain offerings to that jurisdiction. We further note that much of the disclosure items in respect of which we have expressed concerns in this submission are not required to be provided in Form D.

2. *Are there reasons why any of the information requested in the Proposed Report should not be required? Is there any alternative or additional information, including as requested in the March 2014 Proposals, that would better support compliance or policy analysis?*

A. Issues with disclosure regarding directors, officers, control persons and promoters

We are particularly concerned with the disclosure requirement in Item 5 of the Proposed Report. The requirement to disclose directors, executive officers, control persons and promoters of issuers and various required particulars relating to those persons is an unduly onerous obligation. It appears that these requirements may be more onerous than the requirements that apply to reporting issuers who distribute their securities to retail investors – this result seems difficult to justify.

We respectfully submit that residential addresses of the various individual directors, officers, promoters and control persons and directors and officers of non-individual promoters and control persons and the amounts that they paid for their securities is confidential and highly sensitive information and should not be disclosed in the Proposed Report. For example, if the amount paid for securities is on the public record it could prejudice a vendor's position in a negotiated sale and result in adverse inferences without relevant contextual information on the timing and circumstances of past issuances. Similarly, an issuer may not have the authority to disclose such information in respect of certain control persons and promoters and would generally require consent under privacy laws to disclose residential addresses. With respect to directors and officers, disclosure of the price at which such securities were acquired under executive compensation plans would not provide helpful information to market participants. Such information is not likely to be readily available and may require significant due diligence to obtain and verify.

We agree that reporting issuers, foreign public issuers, and issuers distributing eligible foreign securities to permitted clients should not be required to provide disclosure under Item 5. However, the obligation would remain onerous for those issuers that are required to make the disclosure and it may have the effect of discouraging certain types of foreign offerings in Canada. As noted above, based on our experience, we understand that a significant number of issuers are reluctant to offer securities into British Columbia in order to avoid the cost and administrative burden of similar reporting obligations in Form 45-106F6 *British Columbia Report of Exempt Distribution* ("**Form 45-106F6**"). It may therefore be instructive for the British Columbia Securities Commission to provide the other CSA members with information on the level of private placement financing activity in British Columbia, for both domestic and foreign issuers, before and after the coming into force of Form 45-106F6.

B. Investment fund redemptions is confidential and sensitive information

We strongly oppose the collection of redemption data on the basis of cost alone. We also query the relevance and utility of the proposed "net proceeds" concept.

First, we do not believe that redemption data are widely tracked, if at all, on a jurisdiction by jurisdiction basis. The requirement to track and report net redemptions by province is a burdensome undertaking and would require a level of reporting that most alternative fund managers, especially non-resident fund managers, are unlikely prepared for. Requiring fund managers to provide data they are not readily equipped to provide can be burdensome. We note that the Form D requires no such disclosure.

Second, even where available, we expect that many issuers consider such data to be highly confidential and commercially sensitive. Typically, only the mutual fund industry reports net redemptions on a voluntary basis. Even then, the practice is mixed – some managers disclose net redemptions while others do not. For example, the Investment Funds Institute of Canada only reports net redemptions for money market funds.

On a related note, we recommend that the instruction in footnote 5 in Item 7G be clarified. It is unclear how one can determine "gross redemptions relating to such distribution" since redemptions may be entirely unrelated to an offering. We believe that it may be less confusing to state: "… less the redemptions of securities of the issuer during the period for which distributions are reported in the Report."

3. *The Proposed Report would require information about the issuer's size by number of employees, size of total assets or, for investment funds, net asset value. Are there other metrics that would be more appropriate to assess the issuer's size? Do the pre-selected ranges compromise sensitive financial or operational information about non-reporting issuers that participate in the exempt market?*

   We have addressed this question in our response to question 1, above.

4. *The Proposed Report would require issuers, other than investment funds, to use the NAICS codes to identify their primary industry. As noted above, using a standard industry classification is intended to provide securities regulators with more consistent information on the industries accessing the exempt market and to facilitate more direct comparison to other statistical information using the same classification, such as reports from Statistics Canada. Would the application of NAICS present challenges for issuers? Are there alternative standard industry classification systems that may be more appropriate? If so, please specify.*

We agree that standardized identifiers can provide the CSA with more comparable information and generally support its efforts in requiring disclosure of standardized identifiers. However, we have some concerns with the manner in which such disclosure is mandated.

Requiring NAICS code disclosure may not yield the results that the CSA expect. It is not inconceivable that smaller issuers may use different NAICS codes for private placements that occur several years apart. This is because NAICS codes are self-designated and the process for obtaining a NAICS code, which requires parsing between narrowly categorized industries, is time-consuming and not straightforward. Furthermore, companies based in the United States or Mexico may have five or six-digit NAICS codes that

do not correspond exactly with the six-digit NAICS code required by the Proposed Report. The sixth digit is a country specific code and is not uniform across North America.

We agree with the CSA that providing a Legal Entity Identifier ("**LEI**") in Item 2 must not be mandatory. An issuer should not be required to obtain a LEI to comply with Canadian reporting obligations if it is not required to obtain a LEI under the securities laws of its home jurisdiction. More generally, an issuer should not be required to obtain a LEI for the sole purpose of satisfying exempt trade reporting obligations in a foreign jurisdiction.

5. *The Proposed Report would not require: (i) foreign public issuers and their wholly owned subsidiaries, or (ii) issuers that distribute eligible foreign securities only to permitted clients, to disclose information about their directors, executive officers, control persons and promoters. Do these carve-outs provide appropriate relief to issuers that are either subject to certain foreign reporting regimes or have their mind and management outside of Canada? If not, please explain.*

Based on our experience with inbound foreign offerings, we encourage the CSA to consider adding countries to the list of "designated foreign jurisdictions". We commonly see inbound foreign offerings from India and question whether it should be included among the list of designated foreign jurisdictions, particularly since Indian disclosure documents are typically drafted in English. In addition, the CSA ought to consider adding Thailand, South Korea, Indonesia and Malaysia to the list of designated foreign jurisdictions.

We support the exclusion of issuers distributing eligible foreign securities only to permitted clients from the disclosure obligations of Item 5 of the Proposed Form. This is consistent with the intent of the amendments made to various rules effective September 8, 2015 that allow for the streamlining of offerings by foreign issuers distributing eligible foreign securities on a private placement basis ("**wrapper relief**"). We encourage the CSA to ensure that increased post-trade reporting requirements under the Proposed Amendments do not offset the benefit of the streamlined offering process resulting from wrapper relief. In our experience, foreign issuers may forego Canadian financing opportunities where there is any materially incremental compliance burden. The CSA should therefore carefully assess whether additional exemptions from the Proposed Report should be applied in the circumstances where wrapper relief is available.

6. *The Proposed Report would require public disclosure of the number of the issuer's voting securities owned or controlled by directors, executive officers, control persons and promoters of certain non-reporting issuers, and the amount paid for them. This information is intended to provide valuable information for investors and increase transparency in the exempt market. Would disclosure of the percentage of voting securities owned or controlled by directors, executive officers, control persons and promoters of the issuer also be useful information for potential or existing investors?*

We have addressed this question in our responses to question 1 and question 2, above. We do not believe that this information would be useful given that the disclosure obligation would fall mainly on private issuers, which range from small private companies to private equity funds. Given the large number of factors that impact the issue price of

securities for private issuers, including whether the securities were consideration for an acquisition and whether the securities are part of executive compensation, we do not believe that this disclosure would be useful. We also do not believe that the perceived benefits associated with this disclosure outweigh the very significant burden resulting from the disclosure of highly sensitive commercial information. We further note there does not appear to be any limitation on such disclosure in terms of securities issued within a defined period of time prior to the offering. Requiring disclosure that could span many years prior to the offering is unreasonable and the associated burden is unlikely to be outweighed by the perceived benefits.

7. *The Proposed Report would require the disclosure of the residential address of directors, executive officers, control persons and promoters of certain non-reporting issuers in a separate schedule that would not be publicly available. Do you have any concerns regarding the requirement to disclose this information to securities regulators?*

We have addressed this question in our response to question 2, above. It is important to note that while the residential addresses would not be publicly available, they may become publicly available through a request under freedom of information legislation. We urge all members of the CSA to publicly state their position on how they would respond to such freedom of information requests. This would permit those whose information is subject to disclosure to understand the risk of disclosure, any opportunities to contest such disclosure and the process to be followed after a request has been made.

We note that section 5.1(2) of Companion Policy 45-106 states that in Alberta, information filed with the Alberta Securities Commission (the "**ASC**") will be available for public inspection unless "it would not be prejudicial to the public interest to hold the information in confidence". Similarly in Québec, information filed with the Autorité des marchés financiers (the "**AMF**") would be available for public inspection unless the AMF "considers that access to the information could result in serious prejudice". We submit that all CSA members should provide similar but more detailed information on their process for addressing freedom of information requests. At a minimum, CSA members should provide a subject of a freedom of information request, whether the subject is the issuer itself or a director, officer, control person or promoter of the issuer, an opportunity to make submissions opposing all or a part of the disclosure requested. We reiterate that providing only the issuer with an opportunity to make submissions is not sufficient since some of the information may pertain to specific individuals who are no longer associated with the issuer.

Notwithstanding the foregoing comment, it is our position that residential addresses should not be mandatory disclosure in the Proposed Report. We note that while Form D requires the addresses of certain related persons, it does not specify that their residential addresses must be disclosed.

8. *The information collected in the Proposed Report will be publicly available with the exception of the information required in Schedule 1 and Schedule 2. Does the Proposed Report appropriately delineate between public and non-public information? In particular:*

    a. *Would non-reporting issuers have specific concerns regarding the public disclosure of this information and, if so, why?*

    b. *Is the publication of firm NRD number, which will help identify the involvement of a registrant in a distribution for compliance purposes, appropriate?*

We have addressed this question in our responses to question 1 and question 2, above.

9. *In an effort to simplify and streamline the exempt market reporting regime for market participants, the Proposed Amendments would create one form for all issuers, with some items applicable only to non-investment fund issuers and some items applicable only to investment fund issuers. Should we require a specific form for investment fund issuers, as proposed in the March 2014 Proposals and, if so, why?*

We support the approach proposed to be adopted by the CSA. A single form with carve-outs for various types of issuers will be helpful in streamlining the process of completing reports of exempt distribution.

10. *The Proposed Report would change the deadline for investment funds reporting annually to within 30 days after the calendar year-end (i.e. by January 30), rather than 30 days following their financial year-end. The purpose of this proposed change is to improve the timeliness and comparability of information from all investment fund issuers, regardless of their different financial year-ends. Would this proposed change present a significant burden for investment fund issuers?*

We support the approach proposed to be adopted by the CSA. From an investment fund's perspective, we believe that the move to a calendar year can help to simplify compliance with filing obligations. A common filing date should also increase the comparability of the data: the data will be for a calendar year and the same exchange rate will be applied to currency conversions for securities denominated in the same foreign currency.

***

We have provided below some additional comments on the Proposed Report for the CSA's consideration.

1. Additional instructions may be necessary

We suggest that the instructions for the Proposed Report be supplemented in the following manner:

a. **Jurisdiction of Purchaser**: We urge each CSA member to provide clear guidance on how an issuer would determine whether a distribution is to be considered to have taken place in the jurisdiction. For example, we understand that generally, if the issuer has a substantial connection to Alberta, British Columbia or Québec and the issuer distributes securities to a purchaser outside of the local province, such a distribution is considered by the regulators to be a distribution in the local province and therefore that purchaser must be identified in Form 45-106F1. We use Alberta, British Columbia and Québec in this example as it appears to be clear in these jurisdictions that a distribution by an Alberta/British Columbia/Québec issuer is seen by the regulators to take place in the local jurisdiction even if the purchaser is in another jurisdiction on the basis of: ASC Rule 72-501 *Distributions to Purchasers Outside of Alberta*; ASC Policy 45-601 *Distributions Outside Alberta*; BC Instrument 72-503 *Distributions of Securities Outside British Columbia*; BC Instrument 72-702 *Distributions of Securities to Persons Outside British Columbia* and section 12 of the *Securities Act* (Québec) (as interpreted by an AMF Staff Notice published at page 2 of the *Bulletin de l'Autorité des marchés financiers* dated March 31, 2006). However, we note that instruction 2 of the Proposed Form indicates that this analysis would apply in all provinces other than Ontario. We therefore urge the regulators in each of those other provinces to clarify the source of this interpretation and to confirm that this position will be consistently applied by regulatory staff in such jurisdictions. For example, we understand that a similar positon is taken under Saskatchewan General Ruling/Order 72-901 *Trades to Purchasers Outside of Saskatchewan* and under New Brunswick Rule 72-501 *Distribution of Securities to Persons Outside of New Brunswick*. However, based on our experience this position does not appear to have been consistently applied in practice. Absent relevant differences in statutory language, it is difficult to understand how similar words can be interpreted differently by the regulators in question.

We also urge the CSA to ensure that the instructions contained in the Proposed Report are consistent with the law in each jurisdiction. For example, while Item 7F clearly states "[f]or issuers located outside of Canada only report distributions to purchasers in a jurisdiction of Canada," the introductory paragraph to Item 7 states "*Generally*, if the issuer is located outside of Canada, only include information about purchasers resident in Canada…" Item 7G provides further inconsistent instructions in that it states "[i]f the issuer is an investment fund provide the net proceeds by jurisdiction *(Canadian and foreign)*." Such disclosure should be limited to net proceeds for each jurisdiction where the distribution by a Canadian investment fund is a

distribution for securities law purposes, and otherwise to disclosure of net proceeds from purchasers resident in Canada only.

Finally, the issuer should have an option as to whether it wishes to file a single Form 45-106F1 identifying all purchasers, including purchasers that do not reside in the jurisdiction. We do not believe that issuers should be required to disclose purchasers in one jurisdiction to a regulator in another jurisdiction where no distribution has taken place in the second jurisdiction.

b. **Beneficial Owner of Securities**: The instructions specify that references to a purchaser in the report are to the beneficial owner of the securities. The instructions should clarify that the statutory meaning of "beneficial ownership" in sections 1(5) and 1(6) of the *Securities Act* (Ontario) is not intended to be applied to the instructions in the Proposed Report. These instructions would be consistent with the current practice and would preclude issuers with complex organizational structures from undertaking extended legal analyses.

However, if the reporting obligation is being expanded, this obligation should not be introduced in the instructions to the Proposed Form. Market participants should have ample opportunity to comment on any such expanded reporting obligation. In this respect, we do not believe that any opportunity to comment on the introduction of the concept of "beneficial ownership" in Form 45-106F1 was provided to market participants when it was added to the form in September 2009.

By way of example, we also note that issuers may not know the identity of the ultimate beneficial owner of a fully managed account. There are other circumstances where the beneficial owner of a security may not be immediately known. We respectfully request that the CSA provide further instruction as to the type of information that is to be provided and how it is to be reported in the Proposed Report.

c. Number of Employees: It would be of assistance if instructions were added to Item 4 to clarify that the number of employees of the issuer is on an unconsolidated basis and to clarify whether the book value or market value of the issuer's assets should be disclosed.

d. **Jurisdiction of Investment Fund:** In the instruction to Item 7, we suggest replacing the phrase "located outside Canada" by reference to a fund "incorporated, formed or created under the laws of a foreign jurisdiction with its head office or principal place of business located in a foreign jurisdiction".

e. **Compensation Disclosure**: We agree that the Item 8 disclosure with respect to direct compensation by the issuer should be limited to disclosure provided by the issuer directly to the persons specified in Item 8. However, some

confusion may arise with respect to the disclosure required by Schedule 2 of the Proposed Report. We urge the CSA to clarify in the instructions for Schedule 2 that paragraph F3 of Schedule 2 is intended to require additional details only with respect to the disclosure provided in Item 8 and is not intended to expand the Item 8 disclosure. In this respect we note that the issuer would only be in a position to report compensation it has provided, and would not be aware of any compensation provided by others. It cannot be a requirement for the issuer to disclose compensation provided by third parties as issuers are likely to be unaware of what compensation may have been provided by such parties.

f. **Portals**: Instructions should be included clarifying what is meant by "funding portal" and "internet-based portal" under Item 8A of the Proposed Report.

g. **Certification:** The certification in Item 1 of the Proposed Report requires the certifying party to select whether it is an issuer or an underwriter. In practice, Form 45-106F1 is sometimes completed on behalf of the issuer by dealers acting as agents, who are agents but not technically underwriters. We therefore recommend that an option be added to Item 1 to account for the situation where an agent is completing the Proposed Form on behalf of an issuer. In addition, the instructions in Item 1 and Item 9 of the Proposed Report could be revised to provide helpful guidance for those completing the Proposed Report on the issuer's behalf in an agency or similar capacity.

   Finally, we note that Item 9 appears to require the person certifying the Proposed Report to do so in his or her personal capacity, notwithstanding Item 1. We recommend that the language in Item 9 be revised to state something to the effect of: "By completing the information below, I certify, on behalf of the party identified in Item 1 of this Report, to the securities regulatory authority or regulator that …"

   On a related note, the instruction to Item 9 relating to a trust should provide some additional detail. In addition to the issuer's trustee, both an administrator and a manager of a trust should be explicitly permitted certify the Proposed Form.

h. **Determination of Investment Fund Status:** We recommend that the instructions in Item 1 should refer to section 2.5 of Companion Policy 45-106 which provides guidance on how to determine whether an entity is an investment fund.

2. Miscellaneous comments

We have the following miscellaneous comments with respect to the Proposed Report:

a. **Websites:** For Items 2 and 6, website information should be an optional field. Some issuers may not maintain websites.

b. **NRD Numbers:** Entities relying on the international dealer exemption and the international adviser exemption are not registrants. We understand that the requirement to furnish a National Registration Database number in Item 8 of the Proposed Report would only apply to registered firms and not exempt firms.

c. **Investment Fund Type:** In Item 6, it is not clear what methodology was used to select the types of investment fund. We suggest that the CSA consult with industry participants to determine a more helpful method of classifying investment funds. The Proposed Report should not raise its own interpretation issues.

d. **Distribution Dates:** In Item 7B, we note that many distributions by investment funds (like most hedge funds) are continuous and do not have an "end date". Securities may be issued under an offering on a single date or on two or more dates over a fixed period or continuously. The Proposed Report should be amended to provide for these different distribution periods. Similarly, with respect to Schedule 2 of the Proposed Report, it may not be possible to provide a distribution end date as required under paragraph A2 if the report of exempt distribution is in respect of a tranche of an ongoing distribution. This disclosure should only be required if applicable. More generally, it would be helpful for the CSA to provide additional guidance on what is meant by the term "distribution date". This is a question that we are routinely asked.

e. **Type of Security:** Item 7E requires that the type of securities distributed be disclosed in the form of a three-letter code. We would ask that the CSA carefully review the categories of securities to ensure that it is broad and flexible enough to account for all of the types of securities that may be distributed. For example, we note that no existing category (other than the "OTH" category) appears to be obviously appropriate for a distribution of subscription receipts, special warrants or non-unitized limited partnership interests.

f. **Financial Year-End for Investment Funds:** It is unclear why the financial-year end for an investment fund must be disclosed under the Proposed Report if filings will be required to be made on a calendar-year basis. In addition, the benefit attributed to providing the names of all exchanges on which the securities of an investment fund are listed is ambiguous. These

questions relate directly to our concern that excessive information is required to be disclosed under the Proposed Report without a justifiable benefit to the CSA.

* * *

We thank the Canadian Securities Administrators for the opportunity to comment on the Proposed Amendments and would be pleased to discuss these issues further.

Submitted on behalf of members of the Financial Products & Services practice group at Stikeman Elliott LLP by,

"Junaid K. Subhan"

Junaid K. Subhan,
on my own behalf and on behalf of

Alix d'Anglejan-Chatillon
Jeffrey Elliott
Ramandeep K. Grewal
Darin R. Renton
Simon A. Romano
Nicholas Badeen
Viviana Beltrametti Walker
Anne Ramsay