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**DELIVERED BY EMAIL**

Mr. Robert Day  
Senior Specialist Business Planning  
Ontario Securities Commission  
20 Queen Street West  
22<sup>nd</sup> Floor  
Toronto, ON M5H 3S8

Dear Mr. Day:

**Re: OSC Notice 11-774 Statement of Priorities for Fiscal Year Ending March 31, 2017**

TMX Group Limited (“**TMX Group**” or “**we**”) welcomes the opportunity to provide comments on the OSC’s Statement of Priorities. TMX Group’s key subsidiaries operate cash and derivative markets for multiple asset classes, including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange (“**TSXV**”), TSX Alpha Exchange, The Canadian Depository for Securities, Montreal Exchange, Canadian Derivatives Clearing Corporation, NGX, BOX Options Exchange, Shorcan, Shorcan Energy Brokers, AgriClear and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community and play a central role in Canadian capital markets.

***Alignment with OSC Priorities***

TMX Group’s interests are aligned with the OSC as it is vital to our clients and to all investors that the capital markets in Ontario and Canada remain fair, efficient and competitive. Our businesses rely on our customers’ continued confidence and participation in Ontario’s and Canada’s capital markets. In particular, we support the OSC’s efforts to improve harmonization of regulation and to increase regulatory alignment in domestic and international standard setting while maintaining robust investor protection.

***Balance***

TMX Group believes that achieving the right balance between investor protection and regulatory burden is essential to creating an environment where companies and the Canadian economy can

grow and successfully and sustainably compete on an international level. We are pleased that each of the OSC's priorities are informed by this focus of achieving regulatory balance.

In December 2015, TSXV published the details of its campaign to revitalize Canada's public venture market with a key focus on reviewing TSXV's own administrative and compliance costs to reduce the burden on issuers without compromising investor confidence. This campaign shows that, as the operator of Canada's leading equities exchanges, TMX Group is supportive of initiatives that have the goal of facilitating our listed issuers' capital raising efforts. We therefore applaud the efforts of the OSC and CSA in reviewing, updating and achieving greater harmonization for a number of prospectus exemptions. These prospectus exemptions are additional tools that can result in tangible benefits to listed issuers and, ultimately, to the Canadian capital markets. TMX Group hopes to see continued proposals from the OSC, together with the other members of the CSA, which have the goal of reducing the regulatory burden on market participants.

We also urge the OSC to continue to work with the CSA to ensure that the appropriate balance is achieved such that domestic and global investors retain confidence in Canada's capital markets, while our issuers achieve efficient access to capital to grow their businesses. TMX Group echoes the OSC's statement that "confidence in fair and efficient markets is a prerequisite for economic growth" and we emphasize the need for the OSC to utilize a regulatory oversight approach that will foster efficient markets.

### ***Harmonization***

An important way for the OSC to help reduce regulatory burden is to continue its efforts to promote harmonization of regulation with all members of the CSA and, where appropriate, with regulation abroad. TMX Group is cognisant that even slight differences in regulation between jurisdictions can result in compliance challenges, increase costs and cause confusion for market participants. We believe that any undue complexity or regulatory fragmentation across Canada may deter participation in the capital markets, especially for start-ups and small and medium sized enterprises. Efficient and intelligent regulation has a role to play in ensuring our capital markets' competitiveness on a global scale, and to support a strong domestic economy. We urge the OSC to continue to explore solutions that contribute to Ontario's and Canada's vibrant markets.

### ***Alignment with International Standards***

As the owner and operator of businesses that compete in a global marketplace, TMX Group is keenly aware of how critical it is for the OSC to ensure that our markets are positioned to compete internationally. TMX Group reiterates concerns it previously submitted to the OSC and other members of the CSA on specific legislative and policy proposals, including on exchange and clearing agency exemptions, which relate to the need for regulators to ensure that foreign entities operating in Ontario are subject to the same level of regulatory oversight as domestic entities.

The OSC has rightly acknowledged that globalization and the sustained growth of cross-border activities means that it must deal with regulatory matters that have both national and international dimensions, and that it should help to shape international standards that are aligned with the needs of our capital markets. We support the OSC in these endeavours, in particular the active role that it plays with respect to IOSCO.

We would be pleased to discuss our comments in further detail.

Yours truly,

A handwritten signature in blue ink, appearing to read "Deanna Dobrowsky". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Deanna Dobrowsky  
Vice President, Regulatory