



Susan Copland, B.Comm, LLB.
Director

Secretary
Ontario Securities Commission
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September 28, 2016

Dear Sirs/Mesdames:

Re: Proposed OSC Rule 72-503 – *Distributions Outside of Canada* (the “Proposed Rule”)

The Investment Industry Association of Canada (the “IIAC” or “Association”) appreciates the opportunity to comment on the Proposed Rule.

The Association supports the OSC’s efforts to provide clarity in respect of the extent of the application of the prospectus and registration requirements in certain cross border transactions. The Proposed Rule will promote efficiency and cost savings by introducing certainty and predictability in respect of cross border financings.

We support the content of the Proposed Rule, in contrast to the much more onerous and complex regime proposed in the draft initial regulations relating to Proposed CMRA Policy 71-601 and Regulation 71-501 under the Cooperative Capital Markets Regulatory System initiative published in August 2015 (the “CCMRS Proposal”).

The IIAC appreciates that Proposed Rule reflects the feedback provided in respect of the CCMRS Proposal, and presents a clear regulation that addresses the Canadian investor protection issues, without imposing burdensome and unnecessary requirements where no Canadian investors are involved in a distribution.

We are concerned, however, that this approach is only proposed in Ontario, and not on a national level. Although the Proposed Rule reflects the current practice under Ontario Interpretation Note 1, it is important that provinces act in a unified manner in respect of the creation of new regulations, and where significant differences have been identified in existing regulation. The existing and ongoing divergence in securities regulation across jurisdictions creates costly inefficiencies in the Canadian capital markets, increasing costs for issuers and investors, and reducing our competitiveness in the global market.

The IIAC supports the Proposed Rule, and strongly recommends that other jurisdictions adopt the provisions, such that it can become a National Rule with consistent application across Canada.

Thank you for considering our comments. If you have any questions, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Copland', written in a cursive style.

Susan Copland