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Canadian Securities Administrators

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Dear Sir/Madam:

Re: Proposed Amendments to National Instrument 45-106 *Prospectus Exemptions* (the “Amendments”)

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

The IIAC supports the purpose of the Amendments, which is to create clear and relevant disclosure for issuers engaged in specific activities that were not envisioned to be financed via the Offering Memorandum exemption but who have become significant users of this means of financing. Given that the existing Offering Memorandum does not contain disclosure germane to issuers using this document to raise significant funds, it is appropriate that the disclosure requirements be amended to ensure investors have the appropriate information upon which to make informed investment decisions.

In respect of the Amendments for issuers engaged in real estate activities, the requirement for an independent appraisal where:

- the interest in the property is or is proposed to be acquired from a Related Party;
- a value for the interest in the property is disclosed in the Offering Memorandum; or
- the issuer intends to spend a material amount of the proceeds of the offering on the property interest

is appropriate to ensure investors have an independent basis upon which to evaluate their potential investment.

It would be helpful, however, to specify the how current this appraisal must be (eg. completed within a specified number of months). In addition, it is important to note that there might be a practical issue in attaching or sending out 3rd party appraisals to general investors. Such appraisals are also often in the dozens to hundreds of pages long and would be very unwieldy to add to an OM. Disclosure regarding the valuation, with an ability to link to it digitally, and details regarding the appraisal company issuing the valuation would be a more practical approach.

In regards to the disclosure relevant to issuers that are developing real property, such as a description of the approvals or permissions required, and milestones of the project, it should be recognized that there could be a massive amount of approvals or permissions required, depending on zoning. Even for straightforward developments, there are often dozens of separate permits required. Some of these approvals may be very basic and routine. Others may be significant, with uncertain outcomes. The disclosure should differentiate between the significance and certainty around such approvals and permissions.

The accompanying disclosure in Schedule 1, relating to the condition, background and transaction history of the property is reasonable and appropriate.

In respect of issuers that are collective investment vehicles, the disclosure in Schedule 2 is also appropriate to provide investors with information relevant to their investment.

In addition to the Amendments specific to the real estate and collective investment vehicles, the Amendments also introduce a number of “General Amendments” to enhance the level of disclosure provided in the Offering Memorandum applicable to all issuers. Although these provisions add to the disclosure burden of using an Offering Memorandum, the additional disclosure will generally be useful to investors.

Thank you for considering our comments. If you have any questions, please don't hesitate to contact me.

Yours sincerely,

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

Susan Copland