

Canadian Securities Administrators' Comments on the Ontario Capital Markets Modernization Taskforce Report

September 3, 2020

Overview

The Canadian Securities Administrators (CSA) improves, coordinates and harmonizes regulation of the Canadian capital markets. The CSA, the umbrella organization of Canada's provincial and territorial securities regulators, has as its mission to deliver a harmonized securities regulatory system that (i) provides protection to investors from unfair, improper or fraudulent practices, (ii) fosters fair and efficient capital markets, and (iii) reduces risks to market integrity and maintains investor confidence in the markets, while retaining the regional flexibility and innovation that characterize Canada's system of provincial and territorial regulation. The CSA works diligently to fulfil these goals and continues to look for opportunities to further improve our system.

A key CSA objective is to achieve consensus on policy decisions. To support this outcome, the CSA and its members routinely consult with a wide range of market stakeholders, and we are pleased to consider the proposals (**Proposals**) contained in the report (**Report**) of the Ontario Capital Markets Modernization Taskforce (**Taskforce**) published on July 9, 2020.

We note that the Ontario Securities Commission (OSC) is not participating in the CSA's response to the Proposals. Under these circumstances, the CSA, with the agreement of the OSC, is of the view that the Taskforce would benefit from having the perspective of the CSA members other than the OSC, since the OSC is in a position to provide input into the process through other channels.

The CSA is in the midst of implementing its current [CSA Business Plan \(2019-2022\)](#). The plan's key themes are embodied in the work of over thirty current CSA project committees, in respect of which the CSA provided an [Interim Progress Report](#) in June 2020, and are :

- enhancing investor protection
- maintaining the fair and efficient operation of markets
- streamlining regulation
- enhancing performance through technological and data management improvements

A modern and responsive securities regulatory regime must include not only streamlined, efficient and harmonized approaches to the regulation of market participants, but also strong investor protection elements that address the misdeeds of some participants and equip investors with the tools to recognize risks and appropriate investments for their needs and circumstances.

Our comments identify many Proposals that are premised upon the CSA's key themes or in fact mirror in-flight CSA policy projects, explain how some Proposals, if pursued, risk reducing the

efficacy of the Canadian securities regulatory regime, and identify two key opportunities for increased efficiencies that are not in the Report.

Proposals the CSA is Already Pursuing

We are pleased that the CSA's policy initiatives identified below, or the principles that underpin them, have been subsequently identified in thirteen of the forty-seven Proposals put forth by the Taskforce. The Canadian securities regulatory regime will benefit from the stakeholder input that results from the Taskforce seeking and sharing public comments on those Proposals. Live CSA work, as noted in our Interim Progress Report, includes:

- SRO regulatory framework review (Proposals 3 and 4)
- streamlining public offering requirements (Proposals 7, 8, elements of 11, and 12)
- streamlining continuous disclosure requirements (Proposals 6 and 10)
- narrowing the criteria that trigger reporting of public company acquisitions (Proposal 6)
- expanding electronic delivery options for some documents (Proposal 9)
- improving national filing systems (Proposal 15)
- national start-up crowdfunding exemptions (elements of Proposal 33)
- concerns about activist short sellers targeting Canadian companies (elements of Proposal 36)
- strengthening OBSI as an independent dispute resolution service provider (Proposal 47)

The CSA will, in the near term, implement policy initiatives that will address regulatory burden for a broad range of market participants. The CSA 2019-2022 Business Plan includes other burden reduction related initiatives not identified in the Proposals. Examples include, codifying requirements for public companies that continuously distribute securities over an exchange at prevailing market prices, and modernizing registration information requirements, updating filing deadlines, and clarifying outside business activity reporting.

Proposals the CSA May Consider

Nineteen Proposals identify policy topics that CSA may consider including as part of its future policy work agenda. Some of these have been already addressed by the CSA in previous projects and others are already covered by recently adopted policy changes.

Again, in our view, the Canadian securities regulatory regime will benefit from the stakeholder input that results from the Taskforce receiving and sharing public comments on the following Proposals:

5. *Mandate that securities issued by a reporting issuer using the accredited investor prospectus exemption should be subject to only a seasoning period.*

The CSA's Alternative Offering System (AOS) project team is developing a proposal for comment respecting a prospectus exemption for smaller public offerings (mirrored in

Proposal 7), and for developing something akin to the well-known seasoned issuer (**WKSI**) regime that currently exists in the United States (mirrored in Proposal 12). In addition, so-called “testing the waters” requirements are in-scope for a future phase of the AOS project (mirrored in Proposal 8). The AOS system could also serve as a pilot project permitting an assessment of removing hold periods, and could be used as a stepping stone to considering such a change more broadly.

11. *Allow exempt market dealers to participate as selling group members in prospectus offerings and be sponsors of reverse-takeover transactions*

The CSA may consider adding the exempt market dealer participation in prospectus offerings as part of the future expanded scope of the Alternative Offering Systems project. The CSA will be mindful of ensuring appropriate registration requirements in conjunction with any consideration of the substance of this Proposal.

13. *Prohibit short selling in connection with prospectus offerings and private placements and*
36. *Create a prohibition to effectively deter and prosecute misleading or untrue statements about public companies and attempts to make such statements*

As noted in our Interim Progress Report, the CSA has completed the initial phase of research focused on the nature and extent of the potential concerns about activist short sellers targeting Canadian companies and the ability of the existing regulatory framework to address the issue, and will both publish a consultation paper and conduct targeted consultations on the relevant issues identified through the research. The identified issues include assessing the degree to which the current enforcement mechanisms are sufficient to address misconduct vis-à-vis short selling, which touches upon the matters raised in Proposal 13 and Proposal 36, and the CSA plans to use the feedback obtained from our broad consultation process to inform future policy initiatives respecting short selling.

14. *Introduce additional Accredited Investor categories*

The CSA leverages the inherent advantages of the local regulatory presence of each of its members, which allows each member jurisdiction to hear from its market participants about possible regulatory action that may stimulate more efficient capital formation and subsequently bring those possibilities to the CSA for broader consideration. One such example is with respect to potential consideration of the breadth of the “accredited investor exemption” under Canadian securities laws – one CSA member has heard from its market participants that there is potential to increase access to capital while maintaining appropriate investor protection, and the CSA expects to consider those comments.

16. *Enact a prohibition on registrants benefiting from tying or bundling of capital market and commercial lending services, and a requirement for an attestation by a senior officer of the appropriate registrant under the applicable disclosure requirements*

“Tied selling” is expressly prohibited under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, which prohibits an individual or firm from engaging in abusive sales practices such as selling a security on the condition that the client purchase another product or service from the registrant or one of

its affiliates. The CSA views this as anti-competitive behaviour that contradicts the principles underpinning fair and efficient capital markets. But the CSA may consider in the future additional nuances of Proposal 16.

17. Increase access to the shelf system for independent products

The CSA has previously announced the implementation of Client Focused Reforms (**CFRs**) which are based on the fundamental concept that clients' interests come first in their dealings with firms and individuals that are registered to give investment advice and trade in securities – we expect that the CFRs will result in a new, higher standard of conduct across all categories for registered dealers and advisers and their representatives. Among other important matters, the CFRs seeks to address the issues respecting limited product shelves through requirements respecting relationship disclosure information (**RDI**) – a dealer will be required to clearly set out what it sells so the client understands what is available. As such, a dealer (including the bank-owned dealers) may have only proprietary products on the shelf, and the RDI requirements are designed to ensure clients understand that, through that dealer, they are only getting access to proprietary products. This puts the client in the position of clearly understanding that non-proprietary products are not available through that dealer, and making an informed choice to proceed with a relationship with that dealer or pursue a relationship with another dealer offering an expanded or different product shelf. The substance of these elements of the CFRs are aligned with the underlying principle informing Proposal 17. We will consider whether further regulatory action is appropriate based on feedback from market participants and stakeholders.

18. Introduce a retail investment fund structure to pursue investment objectives and strategies that involve investments in early stage businesses

In January 2019, the CSA implemented amendments to the Canadian securities regulatory regime to modernize regulation of investment funds by making the framework in Canada more effective and relevant to help facilitate more alternative and innovative investment strategies, while simultaneously maintaining restrictions that we believe to be appropriate for products that can be sold to retail investors. These amendments were underpinned by the CSA's desire to ensure appropriate access to a variety of investment opportunities for different types of investors, which promotes efficient capital markets. These broad themes also underpin Proposal 18.

19. Improve corporate board diversity

For several years, the CSA has issued annual reports outlining key trends from our review of public disclosure regarding women on boards and in executive officer positions, which is required by most CSA members under National Instrument 58-101 *Disclosure of Corporate Governance Practices*. The objective of the disclosure requirements is to increase transparency for investors and other stakeholders regarding the representation of women on boards and in executive officer positions, the approach that issuers take in respect of such representation, and to reflect our commitment to ensuring investors have information to help them make informed investment and voting decisions. We recognize that the breadth of issues respecting diversity in the corporate environment is evolving, as

is the importance of the same to investors and issuers alike, and CSA members will continue to play their role in advancing the consideration of these issues.

20. Introduce a regulatory framework for proxy advisory firms

The CSA recognizes that proxy voting is an important method by which shareholders can communicate preferences about an issuer's management and stewardship. Issuers rely on shareholder voting to elect directors and to approve other corporate governance matters or certain corporate transactions. For these reasons, proxy voting is fundamental to, and enhances the quality and integrity of, our public capital markets. Further, we acknowledge that proxy advisory firms (**PAFs**) play an important role in the proxy voting process by providing services that can facilitate investor participation in the voting process, such as analyzing proxy materials and providing vote recommendations. Some proxy advisory firms also provide other types of services to issuers, including consulting services on corporate governance matters. In recognition of the foregoing, the CSA adopted National Policy 25-201 *Guidance for Proxy Advisory Firms*, which set out recommended practices for PAFs in relation to the services they provide to their clients and their activities, and provided guidance to PAFs designed to (a) promote transparency in the processes leading to a vote recommendation and the development of proxy voting guidelines, and (b) foster understanding among market participants about the activities of proxy advisory firms. The issues which the CSA has addressed in this policy, and will continue to address as necessary and appropriate, are reflected in Proposal 20.

21. Decrease the ownership threshold for early warning reporting disclosure from 10 to 5 per cent

Canada's ownership reporting thresholds are higher than those in other capital markets. A lower, for example 5%, threshold may not be appropriate for Canada considering the unique features of our public capital markets. CSA proposed in 2013 to reduce the early warning reporting threshold to 5%. After public comment, CSA concluded that the intended transparency benefits would be outweighed by potential negative impacts, including reducing access to capital for smaller issuers, hindering investors' ability to rapidly accumulate or reduce large ownership positions in the normal course of their investment activities, decreased market liquidity, and unduly higher reporting compliance costs. Ultimately, a 5% threshold was deemed inappropriate considering the unique features of the Canadian public capital markets, including the large number of smaller issuers as well as the limited liquidity. As such, the CSA believes that, absent changes in the market that nullify the concerns noted above, the lower threshold set forth in Proposal 21 may not be "right-sized" for Canada's capital markets. The CSA is open to considering this issue again if that is justified based upon feedback from market participants and other stakeholders.

25. Require enhanced disclosure of material environmental, social and governance information, including forward-looking information, for TSX issuers

On August 1, 2019, the CSA issued climate change risk disclosure guidance in CSA Staff Notice 51-358 *Reporting of Climate Change-related Risks*. As is often the case, the CSA will monitor the continuous disclosure received, including in respect of the matters upon which we provided this guidance. The CSA recognizes that the landscape in respect of these matters continues to evolve, both in Canada and internationally. The CSA will continue to

be engaged in processes that are designed to influence how the environmental impact of sectors important to Canada's economy is measured for investment purposes. The CSA expects to continue to liaise with the relevant Canadian authorities on this topic, while supporting the principles and guidelines set out in CSA Staff Notice 51-358 *Reporting of Climate Change-related Risks*. The importance of such disclosure also underpins Proposal 25.

26. *Require universal proxy ballots for contested meetings where one party elects to use a universal ballot, and mandate voting disclosure to each side in a dispute when universal ballots are used*

The use of universal proxies is a corporate law issue and is not under the securities regulator's usual jurisdiction. We also note that the current system is reflective of the reality that the matter being voted on is a contest, and may reduce the likelihood of deadlocked boards. Proxy access is increasing in the US. The CSA would need to consider these matters, and the implications for issuers, investors and service providers further if we revisit this topic in the future.

27. *Amend securities law to provide additional requirements and guidance on the role of independent directors in conflict of interest transactions*

The CSA's Multilateral Staff Notice 61-302 *Staff Review and Commentary on Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* provides staff views about the role of boards and/or special committees of independent directors in negotiating, reviewing, approving or recommending material conflict of interest transactions. The notice also provides staff views on disclosure obligations on issuers in connection with conflict of interest transactions. The CSA issued this notice with a view to benefitting issuers, boards of directors and investors by providing guidance on the issues that arise in the course of material conflict of interest transactions, while simultaneously recognizing the role of securities regulators, and the complimentary role of corporate law, in such circumstances. The substance of the guidance the CSA has provided, as the Taskforce notes, underpins Proposal 27.

29. *Introduce rules to prevent over-voting*

In the years leading up to 2016, the CSA took a leadership role in addressing the concerns raised by market participants regarding the integrity and reliability of the proxy voting infrastructure, including the over-voting issue. Our extensive work resulted in our review of the proxy voting infrastructure (CSA Consultation Paper 54-401 *Review of the Proxy Voting Infrastructure* and CSA Staff Notice 54-303 *Progress Report on Review of the Proxy Voting Infrastructure*). Thereafter, in January 2017, we published CSA Staff Notice 54-305 *Meeting Vote Reconciliation Protocols*. Those protocols contain CSA staff expectations on the roles and responsibilities of the key entities that implement meeting vote reconciliation, and guidance on the kinds of operational processes that they should implement to support accurate, reliable and accountable meeting vote reconciliation. In CSA Staff Notice 54-305, we noted that the CSA will monitor the voluntary implementation of the protocols over the following proxy seasons with the assistance of intermediaries and transfer agents, and assess the need for any enhanced regulatory measures. The principles upon which the CSA's actions and ongoing assessment activities are premised are reflected in Proposal 29.

30. *Eliminate the non-objecting beneficial owner and objecting beneficial owner status, allow issuers to access the list of all owners of beneficial securities, regardless of where securityholders reside, and facilitate the electronic delivery of proxy-related materials to securityholders*

The objecting beneficial owner (**OBO**) and non-objecting beneficial owner (**NOBO**) concept was the subject of extensive CSA discussions and comments from market participants during the formulation of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. It was also discussed as part of the CSA Consultation Paper 54-401 *Review of the Proxy Voting Infrastructure* (referenced above). CSA members are aware that there are diverging views amongst market participants about the continued use of the OBO/NOBO mechanism. As is often the case, market participants with different views arrive at those views based on different assessments of how divergent interests should be addressed under the law, and the CSA continues to stay engaged with interested market participants and stakeholders as to approaches to resolve points of friction within the broader regulatory regime, including in respect of the current NOBO/OBO mechanism, which is the subject of Proposal 30.

31. *Create an Ontario Regulatory Sandbox in order to benefit entrepreneurs and start-ups. In the longer term, consider developing a Canadian Super Sandbox*

In February 2017, we launched the CSA Regulatory Sandbox, an initiative to support fintech businesses seeking to offer innovative products, services and applications in Canada. It allows firms to register and/or obtain exemptive relief from securities laws requirements under a faster and more flexible process than through a standard application, in order to test their products, services and applications throughout the Canadian market on a time-limited basis. The CSA Regulatory Sandbox not only allows us to implement changes to the securities regulatory framework as needed by the advancement of new and innovative technologies, but also to gain a better understanding of how technological innovations are impacting capital markets, assess the scope and nature of regulatory implications and what may be required to modernize the securities regulatory framework for fintech businesses. The CSA already recognizes the importance of cross-sectoral regulatory cooperation, as evidenced by our coordinated efforts with the Bank of Canada and the federal Department of Finance through the Heads of Agencies (HoA), including in respect of financial sector technology and emerging asset classes. Our ongoing commitment to adapting to business innovation, including in coordination with regulators across the financial sector, is mirrored in Proposal 31.

32. *Requirement for market participants to provide open data*

Globally, and within Canada, there are discussions occurring respecting greater data sharing to support regulatory policy-making/analysis (and to foster “RegTech” solutions), to assist businesses in the provision of new products and services, and to foster the development of solutions for innovative business models. The CSA continues to engage in discussion and analysis to build upon existing tools that serve the underlying purposes of such advancements, including the CSA’s existing voluntary XBRL filing program, designed to advance the market-participant oriented open-data initiative. Further, the CSA’s regulatory filing data is largely publicly accessible now through disclosure websites such as

SEDAR.com, SEDI.ca, CTO, NRS, DL. The CSA's advancement of SEDAR+ will, in due course, further expand access to market participant data, and we will continue to consider new and innovative methods and tools to advance the goals of the provision of open data. These principles appear to underpin Proposal 32.

33. Allow for greater access to capital for start-ups and entrepreneurs

The CSA is also mindful of opportunities to facilitate this early-stage financing of start-ups being undertaken by angel groups to assist with efficient capital formation. The CSA's Proposed National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions* (the comment period for which closed on July 13, 2020) provides an exemption from the dealer registration requirement for funding portals that facilitate online distributions by issuers relying on the start-up crowdfunding prospectus exemption. The CSA Regulatory Sandbox has previously considered and granted a request for exemptive relief to achieve a similar outcome in specified circumstances. The substance of Proposal 33 mirrors this approach to further facilitate access to capital for early-stage businesses.

Proposals the CSA Recommends Not Pursuing

CSA recommends that the Taskforce set aside the three Proposals noted below. CSA either previously considered and rejected these Proposals following detailed policy analysis, and market circumstances do not appear to have changed, or the Proposal appears to lack broad investor and / or market benefit.

22. Adopt quarterly filing requirements for institutional investors of Canadian companies

The Proposal for institutional investors that exceed unspecified value thresholds (versus the current 10% of class threshold) to disclose their public issuer holdings quarterly would significantly expand reporting burden on institutional investors without clear benefits. The contemplated reporting could be complex to formulate based on thresholds, resulting in significant burden for Canada's numerous smaller institutions. Institutional investors could respond by keeping their investments below the reporting threshold, which would not benefit capital formation.

We also note that the day after the Taskforce released the Report including this Proposal, the United States Securities and Exchange Commission increased the reporting threshold from \$100M to \$3.5B for a similar reporting requirement. Care should be taken to ensure that changes to this aspect of the Canadian securities regulatory regime are appropriate for the size and nature of Canada's capital markets.

23. Require TSX-listed issuers to have an annual advisory shareholders' vote on the board's approach to executive compensation

CSA has received letters from institutional investors supporting a requirement that all Canadian public companies implement an annual advisory say-on-pay vote. However, requiring all TSX issuers to implement say-on-pay could result in undue additional burden for TSX's numerous

smaller issuers. We note that some, in particular many larger TSX companies, already follow this practice voluntarily (largely based on direct input from institutional shareholders), and institutional investors have the means to engage directly with issuers to encourage the adoption of such annual votes. We believe that the approach in Canada is appropriate.

24. Empower the OSC to provide its views to an issuer with respect to the exclusion by an issuer of shareholder proposals in the issuer's proxy materials (no-action letter)

The CSA does not support no-action letters, as they risk fettering the discretion of the regulator, which runs counter to our respective mandates of protecting the public interest. Additionally, the proposed area overlaps with corporate law, which lies outside the scope of CSA members. Finally, CSA has not received complaints about the exclusion of shareholder proposals. That is, there does not appear to be a market problem.

Proposals that Risk Reducing the Efficacy of the Canadian Securities Regulatory Regime (Changes to the Enforcement Mechanisms)

Investigation and enforcement of securities laws are core CSA member responsibilities. By identifying violations of securities laws or conduct in the capital markets that is contrary to specific provisions of securities laws or to the public interest, and by imposing appropriate sanctions where such misconduct is proven, the CSA deters wrongdoing, protects investors and fosters fair and efficient capital markets in which investors can have confidence.

The CSA Enforcement Committee, made up of key enforcement officials in each of the CSA's member jurisdictions, meets monthly to discuss general enforcement issues, processes and specific cases where reciprocal or joint action is appropriate. In some cases, CSA members pool investigative resources from various jurisdictions to obtain information regarding individuals or companies that may be illegally operating in more than one province or territory. Members of the CSA may also reciprocate decisions (either pursuant to the automatic mechanism referred to in Proposal 34 that we urge the OSC to adopt, or pursuant to a streamlined process), broadening the effect of a decision to more than one jurisdiction.

As can be seen, CSA members cooperate in matters related to the enforcement of securities laws as much as we do across the policy development and implementation process. As such, changes to the enforcement mechanisms in one jurisdiction may also affect the efficacy of other CSA members' own enforcement activities.

Proposals 37, 39, 40, 42, 43 and 45 are aimed at altering enforcement practices and procedures in Ontario. The CSA is concerned that those Proposals, if implemented, could ultimately impair CSA enforcement processes and undermine investor protection. As an overarching comment, we would urge the Taskforce to be cautious in recommending the pursuit of such changes that may ultimately reduce the efficacy of the enforcement activities due to:

- appearing to transform the streamlined administrative hearing process and outcomes (which is purposely designed to be so) to one that more resembles the approach taken in the courts,
- narrowing the discretion of enforcement personnel to take steps that permit them to engage in appropriate and necessary oversight of the large number of capital markets interactions that must be executed where the consequences of misconduct can have significant adverse implications for members of the public, the capital markets at large and, in some cases, the stability of the Canadian economy, and
- creating additional processes that may ultimately decelerate timely enforcement action and undermine both investor protection and investor confidence.

Additional Opportunities for Enhancement

Ontario Adoption of the Passport System Rule

The Taskforce's Proposal 34 recommends implementing automatic reciprocation of non-financial elements of orders and settlements. Since 2014, CSA member jurisdictions have been adopting legislative amendments that streamline and accelerate elements of the CSA enforcement regime through the automatic reciprocation of market participation bans emanating from Canadian securities regulators. The adoption of such a mechanism supports efficient, consistent and timely removal of those who engage in misconduct from the Canadian capital. We welcome the Taskforce's endorsement of adding Ontario to the list of CSA member jurisdictions that have adopted such an automatic reciprocation mechanism.

Adopting Multilateral Instrument 11-102 Passport System (**Passport Rule**) would leverage automatic reciprocation benefits even further, by reciprocating prospectus, exemptive relief, registration, and some other regulatory decisions. Adopting the Passport Rule would increase OSC and CSA efficiency and significantly reduce regulatory burden for thousands of Ontario non-prime market participants.

The purpose of the Passport Rule is to create a single window of access to capital markets across Canada, and it covers prospectuses, exemptive relief applications, registration, credit rating organizations and applications to cease to be a reporting issuer.

The CSA maintains shared systems, websites, internal practice guidelines and checklists, standardized memos and methodologies, and standardized decision documents, shepherded by a number of CSA operational committees that work to ensure all CSA staff interpret and apply harmonized legislation and policies consistently,

- make decisions that are acceptable to regulators in all jurisdictions,
- provide market participants with timely responses (e.g., prospectus receipts and exemptive relief applications),

- have sufficient expertise or information available for each Principal Regulator to deal with the full range of regulatory issues, and
- establish and maintain minimum standards.

In the spirit of collaboration, the Passport Rule adopted by all other CSA members allows for the recognition of the OSC as a Principal Regulator for purposes of giving Ontario-based market participants single window access to other jurisdictions while dealing only with their prime regulator, the OSC. Unfortunately, because the OSC has not adopted the Passport Rule, several thousand market participants that are not principally regulated by the OSC must have their applications or prospectuses reviewed both by their Principal Regulator and the OSC. Irrespective of the common standards and processes regarding decision-making having been in place for over a decade, the OSC must still make a decision (e.g., to receipt or not, to register or not, to grant exemptive relief or not, etc.) for an application or prospectus in such instances. As noted by several market participants during the OSC's recent local consultations on reducing regulatory burden, having the OSC adopt the Passport Rule would significantly reduce regulatory burden and increase OSC and CSA efficiency.

Reducing the OSC Minimum Consultation Period to 60 days

Providing a reasonable opportunity to market participants to comment on proposed rules is crucial to effective rulemaking and in some cases longer consultation periods are warranted; however, the OSC's current minimum of 90 days is unnecessarily long, and results in policymaking delays. The highest minimum comment period amongst other CSA members is 60 days. As Ontario is alone in requiring such a long consultation period, policy making efficiency could be fostered by reducing the OSC's minimum initial consultation period to 60 days.

Conclusion

As noted at the outset, the CSA continually looks for opportunities to further improve our national harmonized securities regulatory regime, and the CSA and its members welcomes the opportunity to consider proposals to enhance the regime. We look forward to working with market participants and stakeholders to build upon our modern and responsive securities regulatory regime by continuing to implement streamlined, efficient and harmonized approaches to the regulation of market participants, while ensuring strong investor protection elements. The CSA is ready to engage with the Taskforce further to provide further insight and any additional details with respect to any topics raised above.