



May 19, 2017

VIA EMAIL: rday@osc.gov.on.ca

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario
M5H 3S8

Attention: Robert Day, Senior Specialist Business Planning

Re: Comments Regarding Statement of Priorities

Dear Sirs/Mesdames:

Thank you for the opportunity to comment on the OSC draft Statement of Priorities.

Most Important Priority

The most important priority of the OSC must be to address regulatory conflict of interest.

The OSC Statement of Priorities, built on the foundation of the OSC Business Plan and OSC Strategic Outlook, is flawed by the effect of regulatory conflict of interest. In turn, each of the OSC Business Plan and the OSC Strategic Outlook from which the draft Statement of Priorities sprouts is a broken instrument, equally flawed by regulatory conflict of interest.

Regulatory Conflict of Interest

Recollect please regulatory conflict of interest describes the relationship between public officials (regulators) and matters of interest or benefit to them (specifically, more regulation). Regulatory conflict of interest is inherent in the delegation to securities regulators of the legislative function through rule making authority. In a rule making authorized regulatory environment, the regulator is its own principal client and beneficiary of regulation as the administrator of the self-made regulations. The relationship between rule making authority and expansion of regulation is the core of regulatory conflict of interest.

Absent responsible, perceptive, active and meaningful checks and balances in the rule making function, despite well intentioned stated goals, whether investor protection or confidence in capital markets, the only certainty is increased regulation.

Regulatory conflict of interest must be identified, must be disclosed, must be avoided, or at the least managed if unavoidable.

Checks and Balances Needed

Democratic, capitalist states operate with fundamental constitutional or traditional checks and balances. For instance, in the UK, by tradition, elected, hereditary/appointed and judiciary check and balance. In the US elected, executive and judiciary branches check and balance constitutionally.

In Canada, the constitutionally designated separation of powers amongst the legislature, senate and judiciary give Canadians a historically tested 3 pillar system of checks and balances. Delegated rule making authority disrupts this foundational constitutional principle, adding a fourth regulatory pillar, without any framework or culture of checks and balances, traditional or constitutional.

The absence of checks and balances in the delegated rule making legislative function attenuates regulatory conflict of interest.

Statement of Priorities Considered

The Statement of Priorities must be reconsidered in light of the fundamental regulatory conflict of interest affecting the OSC. The top priority should be addressing the significant damage being caused to capital markets, to investors and to the OSC by regulatory conflict of interest.

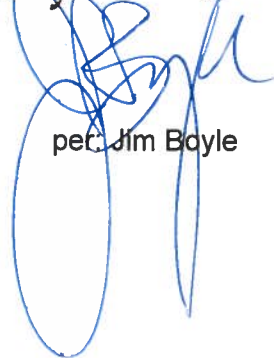
Call for Action to Ontario Securities Commission

The OSC must become self-aware and acknowledge the danger that regulatory conflict of interest presents to efficient and effective securities regulation. Otherwise, the OSC risks completely losing sight of its responsibility to investors and capital markets.

It is incumbent upon the OSC to propose, implement and conduct effective, efficient, principles-based regulation appropriate to Ontario capital markets and investors. The first step is an appropriate Statement of Priorities which correctly prioritizes investors and capital markets by addressing regulatory Conflict of Interest. With the enormous resources and capabilities of the OSC, I am confident you will rise to the challenge.

Yours very truly,

Boyle & Co. LLP



per. Jim Boyle

JPB/eg