



March 1, 2019

Via email to: comments@osc.gov.on.ca

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

Dear Ladies and Gentlemen:

Re: OSC Staff Notice 11-784 Burden Reduction (Notice)

Introduction

AUM Law appreciates the opportunity to provide comments to the Burden Reduction Task Force (Task Force) in response to the Notice published earlier this year.

AUM Law focuses on serving the asset management sector in the areas of regulatory compliance, investment funds and corporate law. We also support clients in this sector by providing legal advice and services for structuring entities, raising capital, business combinations, and compliance with reporting issuers' and investors' disclosure obligations. Our clients include investment fund managers, portfolio managers, dealers, public and private investment vehicles including real estate funds, alternative funds and private equity funds, investors, and private and public companies.

On our clients' behalf, we interact frequently with staff of the Ontario Securities Commission (OSC), especially staff in the Compliance and Registrant Regulation (CRR), Investment Funds and Structured Products (IFSP), and Corporate Finance (CF) branches. Although our comments below are informed by our experience working on our clients' behalf, the comments in this letter represent AUM Law's perspectives and opinions and should not be attributed to any of our clients.

We have participated in discussions with market participants about the Notice and have reviewed number of the comment letters submitted already posted on the OSC's website. Keeping in mind what others have already suggested, we have chosen to focus on three operational matters that we believe would make market participants' day-to-day interaction with the OSC easier and less costly. These correspond to Section 7 of the Submission Form.

1. More Transparency around Registration Decisions

It would be beneficial to have a well-organized and searchable collection of registration decisions that includes enough information (e.g., about how OSC staff applied the proficiency criteria) so that potential registrants and their advisers could determine how the applicant satisfied (or didn't satisfy) the registration criteria and whether any terms or conditions were attached. The collection should be updated at least monthly so that applicants can stay on top of recent developments in staff's decision-making.

Making this information available to applicants and their advisers would streamline significantly the application process by increasing awareness of how OSC staff apply the registration criteria.

This would reduce the time required and associated costs for registration applications and lead to better-informed and more efficient discussions among staff, applicants and their advisers.

2. Make it easier to identify changes in approach to requests for exemptive relief

Although exemptive relief decisions, with headnotes, are published weekly, it remains difficult to sort through decisions to identify relevant decisions and determine whether the OSC has changed its approach to certain requests (e.g. by requiring new or varied representations, terms or conditions). Headnotes sometimes highlight changes in approach but do not do so consistently.

We recommend, therefore, that the OSC develop and maintain a comprehensive, well-organized and searchable collection of exemptive relief decisions. The collection and headnotes for the decisions should, as noted above, highlight changes in representations, terms and conditions and make it easy to search for such changes.

3. Assign experts to files at the outset of applications for registration, so that material issues are flagged much earlier in the application process

In the past few years, we have noticed that OSC staff frequently raise material comments on a registration application late in the decision-making process. We imagine that this sometimes happens because back-and-forth communications between staff and the applicant (or its advisers) surface new facts or issues to consider. But we also believe that it often happens because staff with special expertise or more experience do not become involved in the application file until late in the application process. This makes the registration process significantly more expensive, time-consuming and unpredictable, and it might even discourage firms from applying to become registered in Ontario.

These burdens could be reduced substantially if experienced staff with key expertise (e.g. in law and accounting) were consistently assigned to application files at an early stage, so that potentially material issues could be identified and addressed with applicants as soon as possible.

Thank you for considering these submissions. If you have any questions or wish to discuss any aspect of this letter, please contact me at jholmes@aumlaw.com or by telephone at 416-966-2004 x255.

Sincerely,



Janet Holmes

Special Counsel // Director of Knowledge Management & Communications
AUM Law