



October 4, 2013

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

Dear Sir:

This letter is provided in response to the Request for Comment: OSC Staff Consultation Paper 58-401 published on July 30, 2013, and to serve as an endorsement of the feedback and formal submission provided by CPA Canada and CPA Ontario on behalf of Canada's professional accountants.

Promoting greater diversity on corporate boards and at the senior management level, especially with respect to gender, is an important step in ensuring that Canadian companies are not only able to better compete, but thrive. The accounting profession has long recognized that many voices at the table ensures a balanced approach that builds consensus and a strong foundation for decision making, which is why our largest firms have dedicated substantial resources to building diversity within their staff and management teams over the last decade.

We are also keenly interested in the recommendations that will result from this consultation, given the recent announcement that the Ministers of Finance of British Columbia, Ontario, and Canada have agreed to establish a cooperative capital markets regulator—over time, this initiative may very well have a direct impact on our province's capital markets.

To be clear, we support the following CPA Canada recommendations:

- Companies should set measurable objectives for their diversity policies in order to gauge success, and that targets should also be set for senior management to ensure companies adequately mentor the next generation of women leaders;
- Working with search firms to enhance gender diversity, and researching international best practices can create a practical framework that builds on success;
- Disclosure requirements regarding women in senior management positions will create corporate accountability; and
- Caution should be used when contemplating the requirement of 'comply and explain' disclosure, as this could create de facto quotas for gender diversity, which could be ill timed at this stage.

We also support the recommendation that the OSC expand the scope of this initiative beyond that of gender, to include board policies regarding gender, racial, and ethnic diversity.

We live in a competitive, global economy, and corporate boards must effectively utilize all of the resources available in order to make sound decisions, grow value for shareholders, and create a stable and viable market economy that benefits all Canadians.

Best regards,

Richard Rees, CPA, FCA  
CEO  
Institute of Chartered Accountants of BC

cc: Paul Bourque, Executive Director, British Columbia Securities Commission