



# OSC Staff Notice 11-784 Burden Reduction

The OSC is seeking suggestions on ways to further reduce unnecessary regulatory burden, as provided in OSC Staff Notice 11-784.

We invite your comments on the Staff Notice through the survey below. Please note that each question has a 4000 character response limit.

Closing date: March 1, 2019

Thank you for sharing your thoughts with the OSC Burden Reduction Task Force.

\* Required

1. Please provide your name. \*

2. What is the name of your firm or company, if applicable?

3. What is your role in the capital markets? \*

- Registrant**
- Issuer
- Other: \_\_\_\_\_

4. Do you have any general comments on the topic of regulatory burden reduction related to securities regulation? If so, please enter only the legislative reference for your suggestions in the box below (for example 31-103 1.1)

5. Please use the space below to provide your general comments.

Enter your answer

6. Are there operational or procedural changes that would make market participants' day-to-day interaction with the OSC easier or less costly? If so, please enter only the legislative reference for your suggestions in the box below.

Enter your answer

7. Please use the space below to provide your suggestions for operational or procedural changes.

**1. Relationship manager at OSC**

- Would be very helpful to have a point of contact at the OSC who acts as the relationship manager to the firm. This individual would have an understanding of our business and would be a helpful resource when tackling new initiatives and providing direction on regulatory inquiries.

Not only would this be a significant time saver, it would reduce legal expenses, increase efficiency, improve regulatory outcomes, and make our relationship with the regulatory more collaborative in nature.

8. Are there ways in which we can provide greater certainty regarding regulatory requirements or outcomes to market participants? If so, please enter only the legislative reference for your suggestions in the box below.

9. Please use the space below to provide your suggestions regarding how the OSC could provide greater certainty regarding regulatory requirements or outcomes.

**1. Provide a list of exemptive relief granted**

- Provide greater transparency by providing a consolidated list of all exemptions that have been granted. Currently it's difficult to know what has been granted. Ideally these would be available on the OSC website as well as linked within the relevant section of the National Instrument
- Understanding what has been granted, as well as the date and length of time it took to receive an exemption is helpful information when faced with a similar regulatory challenge

10. Are there forms and filings that issuers, registrants or other market participants are required to submit that should be streamlined or required less frequently? If so, please enter only the legislative reference for your suggestions in the box below.

1. Risk Assessment Questionnaire (RAQ)
2. National Instrument 31-103, part 12
3. National Instrument 81-106, 81-101
4. Anti-Money Laundering and Anti-Terrorist Financing reporting
5. National Instrument 31-103, 13.4

11. Please use the space below to provide your suggestions regarding forms and filings.

**1. Risk Assessment Questionnaire (RAQ)**

- Pre-populate the RAQ with information already in OSC's possession from other filings as well as previously submitted RAQ questionnaire relating to data elements that don't often change
- Guidance: Provide in format where you can click within the document for a plain-language explanation of question with examples provided. Provide more explanations of each question.

**2. Working capital calculation requirement**

- Reduce the frequency of calculation, especially for firms of a certain size/financial condition. The required excess capital requirement of \$100,000 (IFMs) is so low, unless near bankruptcy, it's almost impossible to approach this level. As a result, this exercise serves little regulatory benefit.

**3. Prospectus and AIF**

- There is a lot of duplicative content in these documents. Suggest merging the two documents. AIF is not frequently referenced by investors so question the use of this stand-alone document.

**4. Monthly Suppression of Terrorism reporting to OSC**

- Suggest this activity be streamlined and reporting go directly to FINTRAC through an on-line federal filing portal instead of through the OSC. It's a bit confusing that reporting is to OSC for this federal requirement.

**5. Outside Business Activities (OBA)**

- Clarify what qualifies as a reportable activity  
The recent OSC outreach contained some confusing information on what are reportable activities. Provided examples of positions that have immaterial influence that should be reported, while house league coaching is no longer a reportable OBA.
- Reduce scope of reportable activities  
Suggest only OBAs that represent potential conflicts and those of material influence be reportable. Much of the reporting and oversight should fall to internal compliance departments.
- Reduce the frequency of reporting OBAs

Instead of a 10-day window to report a change, suggest quarterly or annual reporting as it is a much easier process to monitor and manage. Same comment applies to other NRD-related changes

12. Are there particular filings with the OSC that are unnecessary or unduly burdensome? If so, please enter only the legislative reference for your suggestions in the box below.

1. National Instrument 81-106
2. National Instrument 45-106
3. National Registration Database (NRD)
4. System for Electronic Document Analysis and Retrieval (SEDAR)

13. Please use the space below to provide your comments regarding burdensome filings.

- 1. Eliminate annual reminder notice**
  - The cost of production and mailing costs do not justify any benefit, if any, it serves to unitholders. In many cases, it causes confusion to investors. The cost is borne by investors which we estimate to be approx. \$1/unitholder. For some firms, the cost could be over \$1M.
- 2. Simplify and streamline the 45-105 F1 filing**
  - Jurisdictions have different filing requirements making the filing process burdensome when filing in multiple jurisdictions (i.e. Ontario and British Columbia require filing on different portals).
  - Should be integrated so a separate filing to SEDAR is not necessary
- 3. Technology enhancement to NRD**
  - Improve usability and make technology enhancements. System is cumbersome and time-consuming to make changes
  - Have changes flow through automatically to other forms filed via NRD to eliminate duplicative efforts
  - Making a simple change such as changing registration from one individual to another requires many involved steps
- 4. Technology enhancement to SEDI**
  - Improve usability and make technology enhancements

14. Is there information that the OSC provides to market participants that could be provided more efficiently?

- 1. Navigation and organization of information on OSC website**
  - Can be difficult to find the most recent version on an instrument
  - Provide links within documents to related information
  - Ability to search by topic: expand and enhance the organization of information by topic
  - Expand the list of topics
- 2. Plain language guidance documents/flow chart related to topics**

By topic, provide a list of all related items that need to be considered. For example: If you make a material change to prospectus, provide a list of things that need to be considered such as: prospectus amendment (explain the two ways to amend) vs renewal options, press release, AIF change, DOT change, determining materiality, shareholder vote, letter to unitholders, IRC approval, Dealer communication etc. Plain language explanation should be provided with references to relevant sections in Instrument.

15. Are there requirements under the OSC rules that are inconsistent with the rules of other jurisdictions and that could be harmonized? If so, please enter only the legislative reference for your suggestions in the box below.

Enter your answer

16. Please use the space below to provide your comments and suggestions around harmonization of rules.

17. Are there specific requirements that no longer serve a valid purpose? If so, please enter only the legislative reference for your suggestions in the box below.

18. Please use the space below to provide your comments and suggestions around requirements that may no longer serve a valid purpose.

19. Are there ways to enhance and improve how investors experience disclosure provided: (i) before they invest; (ii) as part of ongoing public disclosure; and (iii) by registrants?

Enter your answer

20. Please use the space below to provide your suggestions for modernizing information provided to investors because of regulatory requirements. For example, specific areas where we could promote the use of plain language?

Enter your answer

21. Do you have any other comments for the OSC Burden Reduction Task Force?

22. If you don't have enough space for your response to any question above, please use the space below to continue your comments. Please indicate which question these comments relate to.