

June 12, 2015

BY EMAIL

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward
Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Me Anne-Marie Beaudoin, Corporate Secretary
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and

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sophia.mapara@asc.ca

Dear Sirs/Mesdames:

**Re: CSA Notice and Request for Comment – Proposed Amendments to
Multilateral Instrument 11-102 *Passport System* (the “Proposed
Amendments”)**

The Canadian Advocacy Council¹ for Canadian CFA Institute² Societies (the CAC) appreciates the opportunity to comment on the Proposed Amendments.

¹The CAC represents the 14,000 Canadian members of CFA Institute and its 12 Member Societies across Canada. The CAC membership includes portfolio managers, analysts and other investment professionals in Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. See the CAC's website at <http://www.cfasociety.org/cac>. Our Code of Ethics and Standards of Professional Conduct can be found at <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>.

As a general comment, we support the efforts of the CSA to harmonize securities legislation across the country when possible. If applications to cease to be a reporting issuer were included in the passport system, it would streamline the process for reporting issuers wishing to surrender their status throughout Canada. However, ideally the process would also be available to the extent an issuer wished to revoke its status in more than one (but not all) such jurisdictions.

Similarly, we support the proposal that would result in a failure-to-file cease trade order being reciprocated across jurisdictions in which the issuer is a reporting issuer. We see no policy rationale for permitting securities to trade in other jurisdictions as investors in those jurisdictions are equally impacted by the lack of up to date continuous disclosure that is compliant with legal requirements. It will also streamline the process if, as proposed, an issuer would only have to deal with one regulator to obtain a revocation or variation of the order, saving the issuer both time and additional costs.

We agree that there are investor protection considerations that would support extending the prohibitions or restrictions contained in a failure-to-file order to other passport jurisdictions regardless of whether or not the issuer is a reporting issuer. Such actions would help avoid regulatory arbitrage. The fact that an order has application in each Canadian jurisdiction would have to be clearly indicated in the order, disseminated and prominently referenced on the CSA's website, and potentially elsewhere, including by press release and/or on the issuer's website or SEDAR profile. Such publication would help ensure that the public is aware of the order and any restrictions, particularly if the issuer is not a reporting issuer in every jurisdiction.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at chair@cfaadvocacy.ca on this or any other issue in future.

(Signed) *Cecilia Wong*

Cecilia Wong, CFA
Chair, Canadian Advocacy Council

² CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 119,000 members in 147 countries and territories, including 112,000 CFA charterholders, and 143 member societies. For more information, visit www.cfainstitute.org.