



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI
President & Chief Executive Officer

May 28, 2008

Honourable Dwight Duncan
Minister of Finance and Chair of Management Board of Cabinet
7 Queen's Park Crescent, 7th floor
Toronto, ON M7A 1Y7

Mr. Colin Nickerson
Senior Manager, Industrial and Financial Policy Branch
Ministry of Finance
95 Grosvenor Street, 4th Floor
Toronto, ON M7A 1Z1

Dear Sirs:

Re: Consultation Draft of Amendments to the Ontario Securities Act

Thank you for providing us with opportunity to comment on the proposed changes to the Ontario Securities Act. The Investment Industry Association of Canada (IIAC), is the professional association for the investment industry, and has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

The IIAC is extremely concerned with the proposal to move many of the provisions of National Instrument 31-103 *Registration Requirements* out of the Instrument and into the Securities Act. Rather than deal with the specific provisions of the proposed amendments, this letter outlines our concern with the proposed implementation of elements of the National Instrument in legislation. Our comments regarding the substantive content of the Registration Reform initiative are contained in our letter to the CSA, which is attached.

We believe that the proposal to codify elements of the National Instrument in the Securities Act is completely inconsistent with the objective of regulatory harmonization through the creation on National Instruments, and contributes to the patchwork nature of Canadian regulation. We fail to see any public interest concern that is served by this strategy, and believe that cementing rules outside the National Instrument will result in market inefficiencies and excessive costs, damaging the competitiveness of the Canadian capital markets.

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