



Advancing Standards™

March 1, 2021

Sent via e-mail

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd floor
Toronto, Ontario M5H 2S8

Re: OSC Notice and Request for Comment – Proposed OSC Rule 32-506 (Under the *Commodity Futures Act*) Exemptions for International Dealers, Advisers and Sub-Advisers and Proposed amendment to OSC Rule 91-502 Trades in Recognized Options under the *Securities Act*

The Portfolio Management Association of Canada (**PMAC**), through its Industry, Regulation & Tax Committee, is pleased to have the opportunity to submit the following comments regarding OSC Notice and Request for Comment – Proposed OSC Rule 32-506 under the *Commodity Futures Act* Exemptions for International Dealers, Advisers and Sub-Advisers and Proposed amendment to OSC Rule 91-502 Trades in Recognized Options under the *Securities Act* (the **Proposals**).

As background, PMAC represents over [285 investment management firms](#) registered to do business in Canada as portfolio managers (**PMs**). In addition to this primary registration, the majority of our members are also registered as investment fund managers and/or exempt market dealers. PMAC's members encompass both Canadian and international firms of varying sizes and business models managing total assets in excess of \$2.8 trillion for institutional and private client portfolios. As of 2018, our data indicates that close to 30% of our members were also registered with the United States Securities and Exchange Commission, just under 10% with the Commodity Futures Trading Commission, 6% with the Financial Conduct Authority and that 11% of our members are registered with other, non-Canadian regulators.

PMAC SUPPORTS THE PROPOSALS

PMAC is supportive of the extensive work being undertaken by the Ontario Securities Commission (**OSC**) with respect to reducing regulatory burden while maintaining investor and market protection.

PMAC welcomes the Proposals to codify relief that is routinely granted to international firms by the OSC under both the *Commodity Futures Act* (**CFA**) through the introduction of OSC Rule 32-506 Exemptions for International Dealers, Advisers and Sub-Advisers (**Proposed OSC Rule 32-506**) and to amend OSC Rule 91-502 Trades in Recognized Options (**Proposed OSC Rule 91-502**).

PMAC members that currently rely on exemptive relief akin to that outlined in the Proposals agree that the Proposals closely track the terms and conditions of the exemptive relief they have been granted. PMAC support the changes to the recent standard form of exemptive relief decisions

granted by the OSC as set out in the Proposals, including the expanded definition of CFA Permitted Client.

We believe the Proposals strike the appropriate balance between investor protection and burden reduction and that they will help achieve the desired outcomes of reducing costs associated with filing and renewing applications for exemptive relief. The Proposals provide consistency in regulatory outcomes which will result in additional benefits such as permitting local firms to retain international sub-advisors who have the necessary professional investment experience for the benefit of investors.

REQUEST FOR BLANKET EXTENSION OF EXISTING RELIEF

So as to avoid the cost and burden of renewing relief for those firms whose sunset clauses might expire prior to the coming into force of the Proposals, PMAC requests that the OSC issue a blanket extension for existing exemptive relief of this nature until such time as the Proposals come into force.

CONCLUSION

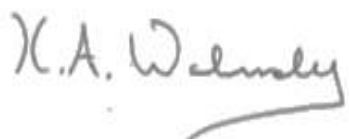
PMAC values the efforts being made by the OSC to identify and address areas of regulatory burden reduction while maintaining high standards of integrity and investor protection.

We also note with support the work being done by the OSC and your colleagues across the Canadian Securities Administrators on derivatives regulation. We believe that the Proposals are responsive to stakeholder feedback arising out of the OSC's 2018 Regulatory Burden Reduction initiative as well as from the CSA's consultations on derivatives registration, especially as that feedback pertains to the desirability and need to align registration requirements and exemptions with those in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

If you have any questions regarding the comments set out above, please do not hesitate to contact Katie Walmsley at (416) 504-7018 or Melissa Ghislanzoni at (416) 504-1118.

Yours truly,

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA



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