



May 5, 2021

VIA E-MAIL

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

Me Phillippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
comments@osc.gov.on.ca

**Re: CSA Proposed Amendments to NI 33-109 and related instruments:
modernizing registration information requirements, clarifying outside
activity reporting and updating filing deadlines**

Background

The Portfolio Management Association of Canada (**PMAC**) is pleased to have the opportunity to respond to CSA Notice and Request for Comment on Proposed Amendments to National Instrument 33-109 – *Registration Information (NI 33-109)* and Changes to Companion Policy 33-109CP – *Registration Information (33-109 CP)* and Related Amendments to National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrants Obligations (NI 31-103)* and

Changes to Companion Policy 31-103CP - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**33-109 CP**) modernizing registration information requirements, clarifying outside activity reporting and updating filing deadlines (the **Consultation** and the **Proposed Revisions**).

PMAC represents [over 285 investment management firms](#) registered as portfolio managers (**PMs**) with various members of the Canadian Securities Administrators (**CSA**). Approximately 65% of our members are also registered as investment fund managers (**IFMs**). In total, our members manage assets in excess of \$2.9 trillion for institutional and private client portfolios.

Importantly, while PMAC's membership is comprised of firms of varying sizes and models, ranging from one-person firms to international and bank-owned firms, and from more traditional models to online advisers, this Consultation will impact each of them. For larger firms, the regulatory burden may be quite different than for smaller firms.

Overall, we appreciate the CSA's efforts to clarify the information to be submitted by firms and individuals (**Regulated Persons**) and to reduce regulatory burden associated with these filings. However, we are concerned that, as drafted, the Proposed Revisions with respect to Outside Activities (**OAs**) will create additional regulatory burden and confusion with respect to reporting requirements. We urge the CSA to re-examine the OA provisions to ensure that they are principles-based and that they account for the amendments to NI 31-103 (**Client Focused Reforms**) with respect to conflicts of interest.

We highlight our key recommendations below, followed by a more in-depth discussion of each Consultation question on which we received member feedback.

KEY RECOMMENDATIONS

- 1. Avoid prescriptive requirements:** PMAC supports the CSA's goal of clarifying reporting requirements and reducing regulatory burden for registrants. We strongly believe that, in order to do so effectively, requirements should be principles-based. Principles-based regulation is more flexible, relevant, and recognizes the professional judgement of registered firms to assess employees' reportable OAs. Members view the Proposed Revisions with respect to OAs as highly prescriptive, without providing the desired clarity on reportable OAs. The determination of what constitutes a reportable OA requires professional judgement and cannot be captured by prescriptive lists of potential roles, activities or time commitments. We also urge the CSA to consider the impact that the Client Focused Reforms will have on firms' conflicts identification, assessment, and management in the best interests of clients and how this will influence firm policies with respect to OAs, including the permitted time commitment and holding positions of influence.
- 2. Reconsider the 30-hour threshold:** We urge the CSA to reconsider the requirement to report OAs that are not otherwise reportable above a 30 hour

per month threshold. The firm's Chief Compliance Officer (**CCO**) can monitor whether OAs pose a conflict of commitment because they interfere with the registrant's capacity to carry out their role with the firm. This inquiry will be specific to the facts and circumstances of each firm and individual and should not automatically be subject to reporting to the CSA under a prescriptive time threshold. Instead of creating this category of reportable OAs, we believe this is an issue that could be monitored through the regulatory compliance review process. This would allow the CSA to evaluate whether the firm is adequately supervising the OAs of its registrants, including the time devoted to OAs.

3. **Two, not three, reporting timeframes:** The proposed 10, 15 and 30-day reporting periods risk creating undue complexity and burden on firms and registered individuals without a corresponding improvement in the CSA's ability to collect information in a timely fashion. We ask that the CSA adopt 15 and 30-day reporting periods, as set out in more detail below.
4. **Coming into force:** PMAC requests that the effective date of changes related to OAs be delayed until June 30, 2022. This is due to at least two other material regulatory deadlines in December 2021¹. The OA changes will require firms to update policies and procedures as well as train individual registrants on the new rules at a time when compliance resources are already working on the Client Focused Reforms and many are doing so from work-from-home environments.

A. Outside Activities

Outside (Business) Activity reporting has been a long-standing advocacy issue for PMAC, and we have consistently asked for a clearer, more consistent and principles-based approach to OA reporting. PMAC is pleased to see that the CSA is re-examining the OA reporting regime, and we welcome the opportunity to provide the following feedback on the OA proposals. As drafted, PMAC does not believe that the Proposed Revisions to the OAs will have their intended impact of increasing clarity and reducing regulatory burden. Additionally, we do not believe the Proposed Revisions will help CSA to achieve their proportional regulatory objective, given the very heavy burden of monitoring certain of these OAs as compared with the questionable impact of reporting to the CSA for the purposes of assessing an individual's fitness for registration.

OA Consultation Questions

2. ***Considering the proposed framework for reporting of Outside Activities, are there categories of Outside Activities that should not be reportable to regulators? If so, please describe what***

¹ Non-conflicts of interest related Client Focused Reforms, amendments to NI 31-103 related to trusted contact persons and temporary holds, and IIROC Plain Language Rulebook for affiliates of PMAC firms.

categories of Outside Activities should not be reportable to regulators.

Overall, we believe that NI 33-109 should contain principles-based rules around categories of reportable OAs while 33-109CP should contain guidance and examples of reportable (or non-reportable) OAs. Like the changes that the CSA made to the Client Focused Reforms between 2016 and 2018, we believe that keeping the rule principles-based and deferring to the professional judgement of registrants, subject to the guidance in the Companion Policy, is the best way to make CSA regulation effective and responsive to evolving situations and particular firms' business models.

With respect to Category 1, members believe that the focus should be on securities industry related activity, and not on positions that are more administrative in nature. We believe that removing the reference to administrative positions (which would be consistent with the commentary set out in 31-103CP with respect to positions of influence), and instead referring to registrable activity with another firm would narrow the scope of reportable activities in an appropriate way.

Category 1 clearly addresses an individual's activities with another registered firm but is silent as to an individual's activities with an affiliated entity. Members would appreciate additional clarity as to whether an engagement with an affiliate of the registered firm is a reportable OA. Members noted that such an engagement may be as an employee or board member of the affiliate, rather than as a registrant.

Please also see our response to Question 5 below. We disagree with the proposed requirement to report to the CSA activities exceeding 30 hours per month that are not otherwise reportable. PMAC does not believe that potential conflicts of commitment are relevant to assessing an individual's fitness for registration by the CSA but that this is instead properly assessed by a firm's CCO.

In order to significantly reduce regulatory burden for individual registrants and their sponsoring firms, members have asked the CSA to clarify that, in addition to not being reportable to the CSA, OAs that fall outside of the six categories in the Consultation would also not need to be reported by individuals to their sponsoring firms (unless the firm's own internal policies and procedures require such reporting).

3. Are there any challenges that Regulated Persons may face to administer the proposed reporting regime for Outside Activities? If so, please explain the challenges.

Members have also raised concerns about the difficulties faced in obtaining information about OAs from Permitted Individuals that are independent board members. Unlike with employees, firms have little to no ability to hold such board members accountable and to enforce the OA reporting timelines. PMAC asks that the CSA consider whether reporting of OAs from Permitted Individuals who are not otherwise employed with the firm can be done on an annual basis instead of within

30 days. In the alternative, this reporting could be done quarterly to align with the most common frequency of board meetings.

Firms would also appreciate additional clarity with respect to reporting the start date of an activity in Schedule G (Item 10) for a newly hired individual, when the OA in question began prior to the individual's employment with the firm (and may have been previously reported by the individual's previous sponsoring firm). Confirmation of the ability to report a start date prior to the hire date (as well as a notation of which previous registered firm approved and reported the OA, if applicable, or that this person was previously unregistered and commenced their OA prior to registration), would be helpful.

4. Is 7 years an appropriate amount of time to report on past Outside Activities that involved raising money for an entity through the issuance of securities or derivatives or promoting the sale of an entity's securities or derivatives? Please explain your view.

PMAC appreciates that the CSA is proposing to harmonize the time frame for reporting past OAs involving raising money for an entity through the issuance of securities or derivatives or promoting a sale of same, with the 7-year time frame for reporting bankruptcies. We note that the time period for reporting debt default is 10 years, and request that all three be changed to the 7-year reporting period for consistency.

5. Is 30 hours per month (based upon 7.5 hours per week for four weeks) an appropriate cumulative minimum time threshold for reporting all Outside Activities? Please explain your view.

PMAC disagrees with the proposal that OAs that would not otherwise be reportable to the CSA should become reportable as a result of hitting the prescriptive threshold of 30 hours per month. The conflict of commitment that this proposed category of OAs is intended to address should instead be monitored by the CSA through the compliance review process.

We believe this to be the case broadly, but this applies particularly to advising representatives (**ARs**), associate advising representatives (**AARs**) and ARs with Client Relationship Manager Terms & Conditions (**CRM ARs**, collectively, **PM Individual Registrants**), as explained in further detail below:

- 1) Whether the activities may interfere with a registered individual's ability to perform their role with a registered firm is a highly fact-specific assessment that can only be properly undertaken by the firm's CCO, having regard to the scope of the individual's role, the nature of the firm, the individual's capacity to undertake additional responsibilities, the nature of the OA in question and other OAs, etc. This assessment may involve multiple factors and is unlikely to be limited to the amount of time involved in the activities. There is no "one-size-fits-all" solution to assessing these activities;

- 2) Most firms have a standard conflict of commitment clause in their employment agreements requiring disclosure and approval to ensure that a registrant's OAs do not interfere with the person's work, whether due to the number of engagements, the time commitment for each activity of the individual's work commitments; this is an employment issue, overseen by the appropriate person(s) at the firm;
- 3) Firms are required to identify, assess and manage conflicts of interests in the best interests of clients under the Client Focused Reforms. We believe that the enhanced conflicts requirements will have a positive impact on firm's awareness of and management of conflicts of commitments. Any regulatory oversight should take place as part of the compliance review process; and
- 4) Collecting, tracking and reporting this information will create regulatory burden for firms and individuals that we do not believe is supported by a policy rationale related to the CSA's evaluation of an individual's fitness for registration.

We do not believe that the policy concerns that may exist in other registration categories apply to the PM Individual Registrants, given the level of proficiency required to be approved for registration as a PM Individual Registrant, the level of supervision that PM firms exercise over their PM Individual Registrants, the fiduciary duty to which the PM Individual Registrants are subject, and the demands of the roles of PM Individual Registrants. We therefore ask that firms be exempt from having to track and report their activities in excess of 30 hours per month.

We also believe this reporting requirement is likely to result in over- or under-reporting of OAs, due to the nature of the activities, which may change over time. It is difficult for firms and individuals to estimate the number of hours they will spend on an activity which may vary from month to month (such as sports activities that only take place during particular seasons of the year). Firms may not have a way to automate the summation of time spent by individuals on OAs, which would result in those firms having to manually track the time that individuals have devoted to non-reportable OAs. This would create an additional layer of tracking and monitoring to determine whether the OAs exceed the 30-hour time limit and trigger reporting to the CSA, in addition to tracking other reportable OAs.

We strongly urge the CSA to consider more tailored approaches, such as the compliance review process, to address specific concerns around conflicts of commitment.

6. Will Regulated Persons have sufficient time to report Outside Activities given the Proposed Revisions? If not, please explain the challenge in reporting Outside Activities within the proposed revised deadline.

Please see our response to Question 3 regarding challenges associated with reporting OAs for Permitted Individuals that are independent board members or not otherwise employed by the firm.

7. Are there other positions that should be considered positions of influence? If so, please describe these positions and explain why they should be positions of influence.

We believe that the positions of influence category should be revised to be more principles-based. A more principles-based approach to positions of influence would allow for professional judgement and reflect the realities of different registration categories. We suggest moving the list of positions of influence in proposed section 13.4.3(2) of NI 31-103 to 31-103CP so that firms can exercise their professional judgement in determining whether their registered individuals hold a position of influence. In reviewing the list of examples provided in 31-103CP, none seem particularly realistic for an AR, AAR or CRM AR. For instance, portfolio managers do not tend to also be practicing physicians or correctional officers. Members did not agree that simply by virtue of being a notary, a registrant should be deemed to be in a position of influence. It would be helpful to have some additional examples that are more common in the discretionary asset management industry, for instance, those that may raise affinity-fraud type concerns that have been raised by the CSA in the past.

We believe that making the positions of influence category more principles-based is important because the level of influence will depend on the circumstances of the firm and the individual. For instance, the Consultation notes that elected officials are not considered to be in a position of influence due to the broad base they serve and because they are typically unable to act unilaterally. PMAC members, however, believe that holding elected office – depending on the facts – could be a position of influence.

Additionally, while members agree that personal corporations will not always need to be reported to regulators, they note that circumstances could arise where reporting is required. Members believe that firms should monitor these types of corporations and use their discretion to determine which should be reportable to the CSA. Individuals are sometimes compensated through personal holding corporations, which could be a client of the firm, giving rise to potential conflicts related to insider trading, best execution, etc. The disclosure of a personal corporation could alert the CCO to an outside activity such as a professional corporation for law or accounting services, real estate brokerage, etc. Some corporations could be used to engage in securities or financial activities or services, while some personal holding corporations can be used to hold investments that could pose conflicts. However, not all such corporations may be reportable because members note instances where holding corporations are used for tax and estate planning, which can be monitored internally by the firm. Principles-based

regulations that allow for the exercise of professional judgement in such cases can assist in CSA receiving quality reporting as opposed to over-or under-reporting.

8. *Is "susceptibility" the appropriate term to describe the impact of the influence on the individual subject to the influence? If not, please explain why not and propose alternative language.*

As an alternative to "susceptibility" (which is defined by the Oxford dictionary to be "the state or fact of being likely or liable to be influenced or harmed by a particular thing"), members suggest including in 31-103CP the following: "to a reasonable person, would be subject to, or potentially subject to, the registered individual's influence". This would make the determination more of a question of fact and circumstances for the specific individual as opposed to the less certain possibility of susceptibility, which may depend on the third party's personal characteristics. The addition of a reasonable person test would also be helpful to include in the guidance in 31-103CP around what susceptibility means.

9. *Are there any aspects of the new rule on positions of influence that you expect will be difficult to administer? If so, please describe the difficulty.*

Please see our response to Question 7 above.

Reporting Deadlines Consultation Question:

10. *Do you see any challenges in reporting updates to registration information by the proposed deadlines? If so, please identify the registration information that this would be challenging for and explain the challenges.*

While members appreciate the willingness of the CSA to propose certain more flexible reporting deadlines, especially the 30-day reporting period for OAs, they believe that having three separate reporting deadlines creates additional regulatory burden and confusion, as opposed to reducing such burden. Creating three separate reporting timeframes is very likely to increase confusion for individual registrants who must report OAs to their firms. Despite best efforts by firms, individuals already struggle to remember what information must be reported in which timeframe. The 10, 15 and 30-day reporting periods may undermine the CSA's goal of obtaining this information in a timely fashion. Different reporting periods also make policies and procedures, tracking logs, compliance testing and training more burdensome. PMAC questions whether the information proposed to be reported within 10 days could not be reported within 15 days, to create two clear reporting deadlines (15 days and 30 days) and truly reduce regulatory burden. In the alternative, we ask that the CSA implement 10-and 30-day reporting deadlines.

B. Regulatory Burden Reduction Requirements

PMAC members welcome the regulatory burden reduction proposals in the Consultation.

Regulatory Burden Reduction Consultation Questions

11. Are there any other thresholds where a change in percentage ownership in the ownership chart should be reported or any thresholds where changes should not be reported? If so, please explain what other thresholds should be included or what thresholds should not be reported.

PMAC suggests a change from 20% to 25% to be consistent with NI 31-103 subsection 13.2(3) Know Your Client requirements, anti-money laundering and anti-terrorist financing requirements, etc.

15. In a legal action, are there changes other than documentary discovery and adjournments that could significantly affect the firm, its business or the outcome of the legal action but should not be reported for other reasons or would be captured in reporting elsewhere?

Currently, subsection 8.3(a) of Form 33-109F6 requires registered firms to report any outstanding legal actions. This may disproportionately affect larger firms, resulting in undue regulatory burden due to their scale. To address this potential risk, we recommend that this subsection include the same caveats as in subsection 8.3(b) which are "any outstanding legal action that involves fraud, theft or securities related activities, or that could significantly affect the firm's business." Additionally, for integrated financial institutions with multiple affiliates, a blanket declaration could be used to state that at any time, any of the entities could be subject to class action lawsuits and will only report to the CSA when the courts have concluded the case against the applicable entity. Alternatively, members have suggested that reporting should only be required upon the occurrence of the following: (i) when the action is commenced; (ii) when there are substantive findings made in the proceeding (such as certification of a class proceeding); and (iii) at the conclusion of the proceeding. Procedural and scheduling developments should not be required to be reported.

For registered firms and affiliated international entities relying on registration exemptions, we ask the CSA to consider allowing such firms to only report regulatory and/or legal action in respect of the registered firm, instead of being required to also report for specific affiliates that do not have dealings with Canadian investors.

A. Common errors and updated certification requirements

PMAC welcomes the proposed clarifications in the Consultation designed to reduce common errors. We believe that these revisions will result in more certainty for firms.

In our view, many of the issues raised in this Consultation will or could intersect with the SEDAR+ project. Additional details about the status of SEDAR+ and how it will impact the proposals in this Consultation would be beneficial. We believe that SEDAR+ will substantially improve the registration system, in particular, through enhanced NRD capabilities.

We refer the CSA to [PMAC's submission on the SEDAR+ project](#) and reiterate our request that the systems be tested by stakeholders prior to launch, to avoid unnecessary confusion, lost time and the need for additional training – all of which would represent a significant and unnecessary regulatory burden.

We note that the CSA is not currently enabling form 33-109F6 - *Firm Registration Form* to be submitted via NRD. This is an example of a change that PMAC hopes will be introduced via the SEDAR+ project.

In order to achieve efficiency and avoid multiple rounds of training and systems changes, the CSA should endeavour to coordinate the changes proposed in the Consultation with the launch of the usability improvements contemplated in the SEDAR+ project, especially as they relate to NRD filings.

Additionally, there are references to “industry associations” that should be deleted in subsection 2.3(2) of NI 33-109 and Item 12 of form 33-109F4 with respect to resignations and terminations. Since industry associations are not self-regulatory and do not monitor their members’ compliance nor sanction them, the language around an individual’s “failure to meet any standard of conduct of the sponsoring firms, of any industry association, or of any authority exercising specific jurisdiction over business activities or professions” and “Have you ever resigned or been terminated from a position or contract when, at the time of your resignation or termination, there existed an allegation that you contravened any statutes, regulations, orders of a court or regulatory body, rules or bylaws or failed to meet any standard of conduct of a sponsoring firm, of any industry association or of any authority exercising jurisdiction over specific business activities or professions” does not accurately reflect what we believe the CSA is trying to capture. We suggest the use of “professional bodies” as an alternative.

COLLECTING INFORMATION ON PROFESSIONAL TITLES

Professional title information collection Consultation Question:

- 18. Do you see any challenges in reporting the title(s) used by Individual Registrants, if so, please explain.***

PMAC understands the CSA's desire to collect information about the existing and planned use of professional titles, especially with the coming into effect of the (express) prohibition on the use of misleading titles under the Client Focused Reforms. Certain firms have noted that they are as-yet unsure of how they will address the requirements in the Client Focused Reforms related to titles and, as such, they are unclear of what the challenges associated with this reporting may be.

We believe that the CSA should consider surveying registered firms about the use of titles by registered individuals at one point in time, as opposed to creating an ongoing information collection and disclosure burden through the title reporting Proposals. We ask that the CSA start with an inaugural survey and consider periodic surveys prior to implementing an ongoing disclosure obligation. For firms with many registrants, changes in titles can occur on a frequent basis, triggering the need to update numerous filings.

G. TRANSITION

PMAC notes that the CSA plan to move quickly on the Proposed Revisions and, if approved, these would come into effect at the end of 2021. This would coincide with the coming into effect of the non-conflicts of interest-related changes under the Client Focused Reforms, the changes to NI 31-103 related to trusted contact persons and temporary holds (the **Vulnerable Investor Changes**), and, for our members with IIROC-registered affiliates, IIROC's Plain Language Rulebook. Firms will be required to implement updated policies and procedures to give effect to the Consultation across groups and individuals that are already facing resource constraints as a result of implementing these concurrent initiatives from a variety of working locations.

Additionally, the proposals related to OAs will require training individual registrants so that they understand the new OA categories and reporting requirements. This training will need to happen alongside training on the Client Focused Reforms and Vulnerable Investor Changes, many of which represent material changes to firms' and individuals' existing practices. Members are concerned that individual registrants will already be overwhelmed by the volume of new changes coming into effect during this period and that, for many individuals, they will be absorbing this new information from home. We believe that delaying the implementation of the OA related changes will assist firms in meeting their compliance obligations and will increase understanding of and adherence to the new requirements.

We ask that firms be permitted to take advantage of amendments that provide immediate relief, such as reduced filings, deadline extensions and delegation of regulatory authority by affiliates in December 2021, and that implementation of amendments that require policy and procedure reviews, such as the implementation of OA reporting (as opposed to only the positions of influence aspect of the proposals), be delayed by 6 months, to June 30, 2022.

Transition Consultation Questions

- 19. Registered firms are required to keep accurate records, including copies of forms submitted to the regulators. Are there any circumstances where an Individual Registrant will need to request a copy of their Individual Registration Form from the regulator to update information that is not complete or accurate? If so, please describe these circumstances.**

PMAC members often require copies of individuals' registration forms for various reasons. The ability for individuals to access current NRD statements from the system would allow the individual to review and confirm the accuracy of the information. Facilitating the dissemination of this information is helpful for firms and registrants and promotes more accurate and timely reporting.

- 20. What are your views on the transition plan for the proposed amendments to NI 31-103 relating to positions of influence?**

We ask that the CSA clarify their expectation around the required deadline to review and update Form 33-109F4 filings. Does the CSA intend that these forms need not be updated until such time as there is a change in an individual's information or, since the Proposed Requirements contain additional required disclosure, will these forms need to be reviewed and updated to reflect the information in the Proposed Requirements by the effective date?

Members query whether there will be "amnesty" for firms who report positions of influence or other OAs that would have been reportable prior to the Proposed Revisions taking effect, or whether the CSA plans to impose fines and/or compliance deficiency findings for OAs that would have otherwise been reportable under the existing Outside Business Activity regime. The coming into effect of the OA provisions provides an opportunity for firms to revise OA policies and procedures and train employees, potentially uncovering previously unreported OAs. PMAC notes that, without a grace period, the CSA may risk not getting all the information they are seeking about existing OAs and positions of influence. In order to best achieve compliance, these should not be subject to penalties.

Additionally, we ask that the OSC provide clarity on the intended future or extension of the moratorium on late fees for OBA filings. We note that the moratorium expires on December 31, 2021 at the latest. We request that all CSA members eliminate late filing fees for OAs and instead rely on compliance review findings to target firms that have not complied with the spirit of the OA filing rules.

- 21. Are there any significant operational changes that you need to make in order to implement the Proposed Revisions? If so, please describe these operational changes.**

To reduce regulatory burden, improve efficiency and accuracy in information collection and avoid multiple rounds of training and systems changes, the CSA

should, where at all possible, coordinate the Proposed Revisions with the launch of the usability improvements contemplated in the SEDAR+ project, especially as they relate to National Registration Database (**NRD**) filings. While we understand from the CSA that this type of coordination may not be possible due to timing for this Consultation, we urge the CSA to time further such amendments to corresponding technology improvements. Doing so will significantly amplify the benefits to regulators and registrants in terms of more effective and accurate information reporting, as well as reduce the regulatory burden caused by training Registered Persons on new requirements and on new systems at different times.

As noted under the Transition heading above, firms will be required to amend their policies and procedures and to train their registered individuals on the Proposed Revisions at a time when firms' compliance resources are focused on a variety of other regulatory changes.

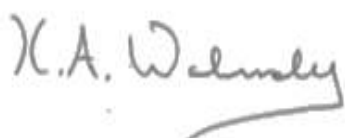
CONCLUSION

We applaud the CSA's efforts to clarify and modernize the reporting information requirements. We view this project as timely and beneficial and urge the CSA to emphasize principles-based regulation and to consider the opportunities for further simplification, additional burden reduction and extended implementation timeframes set out in our letter to support the smooth and effective implementation of the proposals.

Please do not hesitate to contact the undersigned if you require further information.

Yours truly,

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA



Katie Walmsley
President



Margaret Gunawan
Director
Chair of Industry, Regulation & Tax
Committee,

Managing Director – Head of
Canada Legal & Compliance
BlackRock Asset Management
Canada Limited