

## Ontario Securities Commission 2010-2011 Statement of Priorities Summary of Stakeholder Comments

Ten submissions were received.

Joanne De Laurentiis, **The Investment Funds Institute of Canada (IFIC)**  
 Ian C.W. Russell FCSI, President & CEO, **Investment Industry Association of Canada (IIAC)**  
 Dan Braniff, **Common Front for Retirement Security (CFRS)**  
 Stan Buell, **Small Investor Protection Association (SIPA)**  
 James Deeks, Executive Director, **RESP Dealers Association of Canada (RESP)**

Ken Kivenko, **Kenmar Associates**  
 Pamela J. Reeve  
 Ilana Singer, **FAIR Canada**  
 Thomas Kloet, CEO, **TMX**  
 Charles Sims, **IGM Financial Inc.**

On balance, stakeholders were generally supportive of the OSC direction and goals. Comments were very broadly based and focused on a wide range of issues. The key issues and our response are set out below.

	<b>Comment</b>	<b>Response</b>
1.	The value of open and inclusive consultation continues to be seen to be very important. The most comments focused on the need to create an independent, funded investor panel with a retail investor focus. A number of suggestions were provided for the set-up and operation of the panel. Consistent with this was the suggestion to appoint a Commissioner with a strong retail investor perspective. There were also suggestions to reinstate Investor Town Hall meetings and to establish a Branch for Seniors.	<p>The OSC has announced plans regarding the creation of an independent, funded panel with a focus on investor issues. A Commissioner will act as an executive sponsor to the panel to ensure focus on investor issues.</p> <p>The panel is expected to address a wide range of investor issues, including those specific to seniors. As such, the OSC does not see a need to also create a specific branch for Seniors.</p> <p>The OSC remains open to the need to hold Investor Town Halls.</p>
2.	Support was noted for consumer/investors to have access to information when they are attempting to source help for their investment needs. It was suggested that to be effective, a comprehensive list of disciplined persons needs to be publicly exposed including all of representatives regulated by the	The OSC supports this concept. In cooperation with our regulatory partners we have developed a comprehensive list, available on the CSA website, that we believe addresses this issue. We continue to work with our regulatory partners on providing investors with data that is meaningful to make informed investment decisions and in the near term we plan to increase the amount of historical data

	CSA.	relating to disciplined persons that will be made available to the public.
3.	There was strong support for initiatives to develop or modernize regulatory responses (e.g. scholarship plans, ATS's and exchanges).	Our published priorities include plans to move forward in this area.
4.	There were a number of comments that recommended an overhaul of the regulatory exemption process so that rules that protect investors are not seen to be undermined by granting applications for a exemptive relief.	The exemption process is set by statute and as such the OSC is obliged to consider applications as they are received. In considering applications for exemptions, OSC staff remain critically aware of the need to maintain investor protection safeguards.
5.	A number of comments focused on restitution for losses suffered as a result of misconduct by market participants or registrants. Suggestions were made that the OSC should have its mandate revised, (if necessary), so they can provide restitution.	The issue of restitution is very complex. Avenues such as civil litigation, the Ombudsman for Banking Services and Investments (a dispute resolution service for customers of the financial industry) and the IIROC arbitration program, exist for investors to advance claims/pursue restitution outside of the OSC. In light of the current efforts underway to move toward a single, national regulator, the OSC believes that considerations of expanding regulatory authority to make investors whole should only be pursued under the overarching framework being developed in respect of a national securities regulator.
6.	The OSC should approach the Ontario Attorney General to amend the <i>Limitations Act</i> to six years as before.	We have expressed these concerns to the Ontario Attorney General.
7.	Commenters recommended that the OSC address the issue of salesperson incorporation.	Incorporation of salespersons is not a regulatory issue per se, but a tax planning issue for salespersons. At this time, our priorities are focused on regulatory issues relevant to achieving our mandate.
8.	There continues to be support for efforts toward creation of a single regulator. One commenter noted that the OSC should participate in the passport system as an interim measure while work to finalize a single regulator continues.	The OSC is focusing its resources towards supporting the creation of a national regulator. The CSA has developed interface policies for passport that include the OSC. The OSC has stated on numerous occasions that passport does not go far enough toward achieving a more effective regulatory regime.
9.	Commenters requested more clarity on the regulatory outcomes we are seeking with our proposed priorities and how we propose to measure our performance in achieving these outcomes.	The OSC agrees that accountability can be enhanced by setting clear outcomes with measures. Internal drafting guidelines already call for clear statements of the specific regulatory objectives being sought and we will continue to enhance clarity in this area. Progress also continues on developing better performance measures and the OSC is integrating these measures into its operations as they

		are completed.
10.	There were a few comments on self regulatory organizations (SROs). One commenter raised the concern that SRO's may place industry's interests ahead of the public interest and another commenter suggested that there should be more oversight of SROs.	SROs are subject to specific terms and conditions of their recognition that they act in the public interest. The OSC has a comprehensive oversight program that includes review and approval of rule proposals, review of information filed and periodic on-site reviews.