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Sent by email (commentonlegislation@CCMR-ocrmc.ca)

To: Cooperative Capital Markets Regulatory System

RE: Comments on Draft Provincial/Territorial *Capital Markets Act* and Draft Initial Regulations

Dear Sirs/Mesdames:

OMERS Administration Corporation welcomes the opportunity to comment on the proposed *Capital Markets Act* ("CMA") and related draft initial regulations which are slated for adoption by several provinces and territories. In that regard we commend the six CMR provincial and territorial jurisdictions (collectively, the CMR Jurisdictions) which are cooperating with the Government of Canada (together the "Participating Jurisdictions") as part of the effort to create a Cooperative Capital Market Regulatory System (the "Cooperative System" or "CCMRS").

While the current request for comments addresses only the proposed CMA related matters including draft legislation and regulations we do note that previously we provided comments on systemic risk issues arising in connection with the draft federal Capital Market Stability Act in a letter dated December 8, 2014 to the Minister of Finance. The letter was submitted on behalf of several Ontario pension plans. We believe our comments on that subject are under consideration and look forward to possible changes in the next draft of the Capital Markets Stability Act.

We are generally supportive of the proposal to create a Cooperative System and we encourage implementation in 2016.

We believe the Cooperative System, once up and running, will be a more responsive regulatory system for Canada when compared to today's framework for the administration and enforcement of Canadian securities laws and related laws. The CCMRS will bring together overlapping provincial, territorial and federal responsibilities into one unified set of rules and a single regulatory agency that will have the authority and responsibility to speak on behalf of all of the Participating Jurisdictions.

From the perspective of the draft CMA and regulations that have been provided for comment at this stage, we think a common CMA and regulations in the six CMA Jurisdictions will be an important step forward to continuing the process of harmonizing securities laws and regulations in Canada. The thrust of the CMA draft legislation and regulations represents a material advancement as compared to the system today where

many separate regulators and non-harmonized standards lead to inefficiencies, higher costs and potential conflicts.

We believe that one single regulator with authority and responsibility to administer securities laws on behalf of all of the CMR Jurisdictions will be positive for capital markets investors such as OMERS. Capital markets efficiencies will result, for example, from consolidating differing standards and requirements for important concepts like the use of undisclosed material information and the duty to disclose.

For issuers, raising capital will be facilitated by reduced complexities that will flow from the Cooperative System.

Investor protection should also be facilitated by a move to the Cooperative System as it will bring many, although not all, of the current provincial and territorial administrators into one body. This is a positive outcome for consumers who will face less risk and complexity through consolidation of standards and requirements.

Another positive factor will be greater ease in working with a single body in the form of the single Cooperative System regulator to encourage, for example, changes to elements of the regulatory framework for Canadian capital markets going forward. Capital markets users have played a key role in helping regulators shape regulatory initiatives in key areas like governance.

We believe that the proposed Cooperative System will not only benefit Canadian capital markets but will also lead to a number of positive global developments for Canada. Canada remains an outlier globally in how it oversees the regulation of the capital markets and securities laws. As a major user of Canadian capital markets, we believe Canada can and should be a leader in capital markets oversight. Simplifying the current Canadian “hodgepodge” system will be an important step in that direction.

We are particularly supportive of the planned approach to and operational independence of the proposed Capital Markets Regulatory Authority which will be jointly established by the Participating Jurisdictions. Oversight of its responsibilities by an expert board of independent directors possessing deep capital markets knowledge is desirable and an important component to meeting the overall objective of the broader initiative. We also support the creation of an independent Tribunal which will have adjudicative powers which will be important to Canadian capital markets in the future and their international reputation. This is also a very important step to ensuring the fair and equitable application of our securities laws at home.

While it should not stand in the way of proceeding with the Cooperative System, bringing all provinces and territories into the Cooperative System would be the preferred outcome.

While there will undoubtedly be many detailed comments coming forward on the CMA and the related regulations as part of the current comment process underway, which will

require significant effort to review and settle, we support the direction you are taking in soliciting input and encourage a successful outcome to the process of settling the text of a uniform CMA Act and associated regulations. Your efforts are undoubtedly going to lead to a better, more efficient and more secure place for Canadian investors, issuers and our Canadian capital markets generally.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Blair Cowper-Smith". The signature is fluid and cursive, with a large initial "B" and "C".

Blair Cowper-Smith

Chief Corporate Affairs Officer