

July 7, 2017

Grace Knakowski
Secretary
Ontario Securities Commission
20 Queen St. West
22nd Floor
Toronto, Ontario
M5H 3S8

Dear Ms. Knakowski,

Re: CSA Consultation Paper 51-404: *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* dated April 6, 2017 (Consultation Paper)

The Canadian Bankers Association (CBA)¹ would like to thank the Canadian Securities Administrators (CSA) for the opportunity to comment on the recommendations in the above-noted Consultation Paper.

We are pleased that the CSA has identified a review of the regulatory burden on reporting issuers as a key initiative for 2016-2019. Furthermore, we agree that regulatory and compliance costs should be balanced against the significance of the regulatory objectives sought to be realized, and the value provided by such regulatory requirements to investors and other stakeholders. We believe this should be done without compromising investor protection and the efficiency of capital markets.

Finally, we appreciate the steps the CSA has taken and continues to take in support of reporting issuers, while maintaining investor protection.

¹ The CBA works on behalf of 63 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 280,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The CBA also promotes financial literacy to help Canadians make informed financial decisions and works with banks and law enforcement to help protect customers against financial crime and promote fraud awareness. www.cba.ca.

We provide the following comments and suggestions that we would like the CSA to consider, as a “potential regulatory option” as set out in the Consultation Paper.

2.1 Extending the application of streamlined rules to smaller reporting issuers

We do not have any specific comments on this section.

2.2 Reducing the regulatory burden associated with the prospectus rules and offering process

We are supportive of examining whether prospectus requirements can be removed or modified to reduce the issuers’ preparation costs. However, we do not have any specific comments at this time.

2.3 Reducing ongoing disclosure requirements

We agree that it is important to examine whether the volume of information in annual and interim filings can be reduced, as excessive information can obscure the focus on key information.

In terms of the alternatives set out in section 2.3 b, we agree that the discussion of prior period results in the MD&A (disclosed in the Annual Report) can be removed, as it provides minimal value, and is readily available in prior Annual Reports.

We would prefer not to remove the eight quarter summary in the MD&A, as we believe it provides a valuable trend analysis for shareholders to review, and is not overly burdensome to produce.

With respect to allowing reporting issuers to meet MD&A requirements by preparing a “quarterly highlights” document, similar to the requirements currently available to venture issuers – we welcome this suggestion and are open to further exploration. However, we would require additional guidance in terms of the information that would need to be included in the “quarterly highlights” document, in order to determine the time, effort and costs that could be saved by proceeding with this option. We note there are several quarterly regulatory disclosure requirements for Canadian banks, including those relating to OSFI’s Residential Mortgage Underwriting Practices and Procedures (B-20), the recommendations of the Enhanced Disclosure Task Force (EDTF), and Basel’s Pillar 3 requirements in the MD&A that would make moving to a “quarterly highlights” document more difficult.

In terms of 2.3 c – permitting semi-annual reporting requirements, those Canadian banks that are also U.S. foreign private issuers would still be required by the SEC to report quarterly, and therefore would not benefit from a semi-annual reporting requirement. We also believe the time period between reports under a semi-annual requirement may be too long, as significant developments often occur between quarters, and it is preferable for Canadian banks to provide

financial reports on a greater frequency than semi-annual. Therefore, we recommend maintaining the quarterly reporting requirement, or at least providing banks with the option to either report quarterly or semi-annually.

2.4 Eliminating overlap in regulatory requirements

We welcome the initiative to remove overlap in regulatory requirements, including consolidating the requirements of the MD&A, AIF and financial statements, as there is significant effort associated with managing separate processes for each report. However, this would need to be coordinated with the SEC, as current Form 40-F requirements still require filing the AIF. We also suggest that some of the information in the AIF, including director profiles, Board and Committee mandates, credit ratings and other corporate information, could be satisfied by inclusion on the bank's website. This would align with the recent initiative of the Toronto Stock Exchange (TSX) to introduce amendments to the TSX Company Manual requiring website disclosure of certain governance documents for TSX listed issuers.

In addition, substantial overlap currently exists between NI 51-102 MD&A requirements and IFRS disclosures relating to: i) critical accounting estimates and upcoming accounting policy adoption, and ii) the determination of fair value of financial instruments. We would like to see these guidelines harmonized to the extent possible.

2.5 Enhancing electronic delivery of documents

We incur significant costs, as well as timing delays associated with printing and delivering various corporate disclosure documents required under securities legislation and the *Bank Act*, including MD&A and Financial Statements, and are supportive of new developments to facilitate the electronic delivery of these documents while recognizing that shareholders should be given the option of requesting paper copies. As any amendments to the *Bank Act* relating to the electronic delivery of documents will take into consideration changes under securities legislation and business corporations legislation, we would be supportive of the CSA continuing to advance new methods of electronic delivery to further reduce the use of paper to fulfill delivery obligations.

We thank you for taking our comments into consideration and would be pleased to discuss our concerns in further detail at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Hamel". The signature is fluid and cursive, with a long horizontal stroke at the end.