



ONTARIO  
SECURITIES  
COMMISSION

## OSC Staff Notice 11-784 Burden Reduction

The OSC is seeking suggestions on ways to further reduce unnecessary regulatory burden, as provided in OSC Staff Notice 11-784.

We invite your comments on the Staff Notice through the survey below. Please note that each question has a 4000 character response limit.

Closing date: March 1, 2019

Thank you for sharing your thoughts with the OSC Burden Reduction Task Force.

\* Required

1. Please provide your name. \*

Jenna Hay

2. What is the name of your firm or company, if applicable?

Lending Loop

3. What is your role in the capital markets? \*

Issuer

4. Do you have any general comments on the topic of regulatory burden reduction related to securities regulation? If so, please enter only the legislative reference for your suggestions in the box below (for example 31-103 1.1)

5. Please use the space below to provide your general comments.

6. Are there operational or procedural changes that would make market participants' day-to-day interaction with the OSC easier or less costly? If so, please enter only the legislative reference for your suggestions in the box below.

N/A

7. Please use the space below to provide your suggestions for operational or procedural changes.

8. Are there ways in which we can provide greater certainty regarding regulatory requirements or outcomes to market participants? If so, please enter only the legislative reference for your suggestions in the box below.

9. Please use the space below to provide your suggestions regarding how the OSC could provide greater certainty regarding regulatory requirements or outcomes.

10. Are there forms and filings that issuers, registrants or other market participants are required to submit that should be streamlined or required less frequently? If so, please enter only the legislative reference for your suggestions in the box below.

33-109

11. Please use the space below to provide your suggestions regarding forms and filings.

We suggest that changes be made to the Report of Exempt Distribution requirements, moving from every 10 days with a \$500 fee associated with every filing to filing on a quarterly basis a flat annual fee of \$2,000 (still \$500 per filing). By capping fees, small businesses operating as EMDs will save approximately \$16,000 annually, ultimately to the benefit of investors.

Additionally, significant savings in administrative and labour costs associated with filing reports every 10 days. For some firms, that would be a total cost savings of upwards of \$50,000 annually. If Ontario leads and other Provinces follow its example, overall costs for businesses associated with filing a report of exempt distribution would be upwards of \$60,000 annually.

Changes could be made to reporting on all firm registration changes found in forms 33-109F6 and 33-109F5. These changes include the following: change of business address; information with registered representatives;

new appointments; and outside business activities from within 10 days of a change to within 30 days of a change. This will give businesses time to compile all information on one timeline while continuing to report information in a timely manner.

Currently, OM marketing materials need to be filed within 10 days of quarter-end. We suggest that this be changed to semi-annual reporting within 30 days of June and December. This will give small firms additional time needed to compile all information while reporting in a timely manner to the OSC.

12. Are there particular filings with the OSC that are unnecessary or unduly burdensome? If so, please enter only the legislative reference for your suggestions in the box below.

13. Please use the space below to provide your comments regarding burdensome filings.

14. Is there information that the OSC provides to market participants that could be provided more efficiently?

15. Are there requirements under the OSC rules that are inconsistent with the rules of other jurisdictions and that could be harmonized? If so, please enter only the legislative reference for your suggestions in the box below.

16. Please use the space below to provide your comments and suggestions around harmonization of rules.

17. Are there specific requirements that no longer serve a valid purpose? If so, please enter only the legislative reference for your suggestions in the box below.

18. Please use the space below to provide your comments and suggestions around requirements that may no longer serve a valid purpose.

19. Are there ways to enhance and improve how investors experience disclosure provided: (i) before they invest; (ii) as part of ongoing public disclosure; and (iii) by registrants?

20. Please use the space below to provide your suggestions for modernizing information provided to investors because of regulatory requirements. For example, specific areas where we could promote the use of plain language?

We strongly support the use of more plain language in documentation and documentation that is an appropriate length so that investors will in fact read it. In peer-to-peer lending, we would be happy to provide the OSC with examples and best practices from other jurisdictions.

21. Do you have any other comments for the OSC Burden Reduction Task Force?

We commend the work of the Burden Reduction Task Force and ask that the Task Force consider that small firms often bear a more significant administrative and financial burdens that come from outdated or overly cumbersome regulation. We encourage the task force to keep the feedback of small firms top of mind, as burden reduction measures will likely have a significant impact on them.

We also ask the Task Force to strongly consider the positive ripple effect of reducing regulatory burdens on firms like ours and the job creation and economic growth that would directly result from reduced regulatory burdens. Other jurisdictions, such as the UK, Australia and New Zealand, with thriving peer-to-peer sectors have demonstrated strong economic impact and significant job creation. For example, Funding Circle's platform facilitated the unlocking of 45,000 jobs in the UK in 2017 alone (<https://www.oxfordeconomics.com/recent-releases/1074dfbd-d5e1-4498-abd3-95b399ad63fc>). The economic impact of facilitating that industry is not insignificant and the positive effects related to economic growth and job creation have been felt significantly in rural and northern regions. We encourage the Task Force to consider the economic impact of burden reduction on the peer-to-peer sector within Canada and the positive economic effects of doing so.

22. If you don't have enough space for your response to any question above, please use the space below to continue your comments. Please indicate which question these comments relate to.