

Direct: (416) 869-5582
Fax: (416) 861-0445
E-mail: rnicholls@stikeman.com

BY COURIER

August 21, 2003

Ontario Securities Commission
Cadillac Fairview Tower
Suite 800, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Attention: John Stevenson, Secretary

Quebec Securities Commission
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, QC H4Z 1G3

Attention: Denise Brousseau

Re: Proposed Multilateral Instrument 52-110

We are writing to comment on the proposed Multilateral Instrument 52-110 ("MI 52-110"). We note that the exemption in Section 6.1 of MI 52-110 will exempt from the requirements of Parts 3 and 5, among others, those issuers ("MTN Issuers") who are reporting issuers solely by virtue of issuing in Canada medium term notes that are guaranteed by related U.S. registrants (such MTN Issuers would normally qualify as "venture issuers" under MI 52-110). Many of these MTN Issuers have previously been exempted from the audit committee requirement under their applicable Canadian corporate statute on the basis that their financial statements are reviewed by the audit committees of their US parents as part of the review of the parents' consolidated financial statements (we note that the audit committees of such US parents must comply with the various audit committee requirements set out in the *Sarbanes-Oxley Act*). In some cases, such MTN Issuers have also been exempted from applicable continuous disclosure obligations (including the preparation and filing of financial

statements) under securities legislation on the basis that their related guarantors file their public disclosure documents in Canada.

Our concern is that issuers are still required pursuant to Section 2.1 of MI 52-110 to have an audit committee, notwithstanding that such issuers may be exempted from such a requirement under their corporate statute and may be exempted under securities legislation from preparing and filing annual and interim financial statements. We are also concerned that Section 6.2 of MI 52-110 does not recognize that some issuers (including many MTN Issuers) have been exempted from preparing and filing continuous disclosure documents, including information circulars, annual information forms and MD&A.

We would therefore ask you to consider including in MI 52-110 an exemption from the instrument for venture issuers that are exempted from the audit committee requirement under their corporate statutes. We would also ask you to make it clear that Section 6.2 does not apply to issuers that are exempted from filing information circulars, annual information forms and MD&A.

We note that it is a matter of public record that we represent John Deere Credit Inc. and Coca-Cola Enterprises (Canada) Bottling Finance Company, both MTN Issuers, in connection with their issuance of guaranteed securities pursuant to their respective medium term note programs.

Please find enclosed a diskette including a Word version of the foregoing submission.

Yours truly,

Robert W.A. Nicholls

Robert F. K. Mason

/jh
encl.