

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8
416.362.2111 MAIN
416.862.6666 FACSIMILE

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January 15, 2014

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British Columbia Securities Commission

Alberta Securities Commission

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Manitoba Securities Commission

New York

Ontario Securities Commission

Autorité des marchés financiers

Financial and Consumer Services Commission (New Brunswick)

Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Nova Scotia Securities Commission

Securities Commission of Newfoundland and Labrador

Registrar of Securities, Northwest Territories

Registrar of Securities, Yukon Territory

Superintendent of Securities, Nunavut

The Secretary

Ontario Securities Commission

20 Queen Street West, 22nd Floor

Toronto, Ontario M5H 3S8

comments@osc.gov.on.ca

Anne-Marie Beaudoin,

Corporate Secretary

Autorité des marchés financiers

800, square Victoria, 22e étage

C.P. 246, tour de la Bourse

Montréal, Québec H4Z 1G3

Consultation-en-cours@lautorite.qc.ca

Dear Sirs & Mesdames:

Request for Comment: Proposed Repeal and Replacement of National Instrument 52-108 Auditor Oversight (NI 52-108); Proposed Amendments to National Instrument 41-101 General Prospectus Requirements (NI 41-101), National Instrument 51-102 Continuous Disclosure Obligations (51-102) and National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102)

We are pleased to respond to the above Request for Comment published on October 17, 2013. We believe that these proposals will provide greater investor protection and enhanced oversight over the auditing profession. We would like to offer the following comments on the proposals:

NI 52-108

Compliance with Notice Requirements

Section 2(c) of the proposal requires a public accounting firm that prepares an auditor's report with respect to the financial statements of a reporting issuer to comply with the requirements in section 5 of the proposed instrument to give notice to securities regulators of remedial actions which CPAB requires the public accounting firm to take. Under section 3(1), a public accounting firm that is not in compliance with the notice requirements in section 5 must notify each of its reporting issuer clients that it is not in compliance.

We see little value in having a reporting issuer receive a notice that the public accounting firm is not in compliance with its obligation to notify securities regulators. As such, we recommend removing the reference to section 2(c) in section 3(1) of the proposed instrument.

We support requiring a public accounting firm to notify its reporting issuer clients if the firm is not in compliance with remedial actions imposed by CPAB which are relevant to the reporting issuer and its audit committee. But we are concerned that the obligation as drafted may be too broad. The CPAB remedial action may relate only to one reporting issuer or a particular category of reporting issuers, and disclosure of non-compliance to other reporting issuer clients may not provide meaningful information to such other reporting issuer clients in all circumstances, especially if the non-compliance is a technical or temporary matter. Moreover, there is a risk that this obligation may become unwieldy if remedial actions imposed on individuals at a public accounting firm are treated as remedial actions imposed on the firm as a whole (as discussed below).

Timing of Notice of Non-Compliance

Section 3(1) of the proposed instrument requires public accounting firms to provide reporting issuer clients with notice in writing if they are not in compliance with the requirements under sections 2(a), (b) or (c) of the proposed instrument within 2 days of becoming aware of the non-compliance. We are concerned that a 2-day lag potentially could result in the delivery of a notice after the signing of the audit report by the public accounting firm and the filing of the financial statements on SEDAR.

Copy of Notice to CPAB

Section 3(3) of the proposed instrument requires public accounting firms to deliver a copy of a notice of non-compliance to CPAB. We query why this notification is being addressed in the proposed instrument instead of leaving it up to CPAB to specify notice requirements pursuant to its rules.

Definition of Participating Audit Firm

Section 1 of the Proposed Companion Policy 52-108 states that the securities regulatory authorities consider any remedial action imposed by CPAB on an individual acting in a professional capacity with a participating audit firm to be a remedial action imposed on the firm. We believe that this is a substantive provision and if the provisions are to be interpreted in this manner this provision should not be embedded in the Companion Policy, but instead should be included within the definitions of the proposed instrument. Moreover, we wonder whether interpreting the provisions of the proposed instrument in this manner might result in the generation of too many notices under the proposed instrument.

Notice to Regulator of Securities Regulatory Authority

Under section 5(2)(a) of the proposed instrument, audit firms are required to submit to the regulator an explanation of how they failed to comply with professional standards. Some guidance should be provided on how audit firms should address this obligation without compromising their obligations of confidentiality with respect to the reporting issuer's confidential information or loss of any claims of privilege the reporting issuer may have over information in the audit firm's possession.

NI 51-102

Auditor Termination, Resignation and Appointment

We support reducing timeframes for notices in connection with a change in auditor. However, we are concerned about the practical difficulties of requiring audit committees to address their responsibilities under sections 4.11(5)(b) and 4.11(6)(b) of National Instrument 51-102 *Continuous Disclosure Obligations* within a period of only 14 days instead of 30 days. Audit committees meet on a periodic basis and it may prove difficult to convene a meeting of the committee to meet the shortened timeframe.

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If you have any questions regarding our comments or wish to discuss them with us, please contact Andrew MacDougall at 416-862-4732 or AMacDougall@osler.com.

Yours truly,

Osler, Hoskin & Harcourt LLP

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