



Toronto, October 19th, 2018

Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3C8
e-mail comments@osc.gov.on.ca

Attention: The Secretary
Object: CSA Notice and Request for Comment

Proposed Amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
and to
Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
Reforms to Enhance the Client-Registrant Relationship (Client Focused Reforms)

Madam, Sir:

We have taken cognizance of the Consultation Paper and thank you for giving us the opportunity to comment on the matters addressed therein.

As you may know, LOGiQ Asset Management Ltd. operates, under its brand name LOGiQ Global Partners, a solicitation and servicing business for investment managers from around the world seeking to do business with Canadian institutional investors. We have contracts with over 30 investment managers from Canada, US and other countries from around the world who do business with over 70 Canadian institutional clients. Compensation for our services is negotiated with the investment managers and outlined in a contract between us and the investment managers. Compensation and terms are generally a percentage of their fee in perpetuity. Upon closing of any business with the Canadian institutional investors, the investors are provided disclosure of the arrangement and the quantum and term of the compensation which they must sign and acknowledge. We operate this business under our Exempt Market Dealer registration. The investment managers we deal with are registered investment managers through a Canadian registration or an exempt foreign manager registration.

We are in full agreement that all arrangements where a referral fee occurs, or an arrangement similar to a referral fee occurs, must be regulated and disclosed. However, we respectfully disagree that regulating the quantum of such fee or term, as proposed, is necessary or appropriate in situations such as our business. We are unsure of the issue that the change to the current legislation is meant to address but we submit that the current legislation provides adequate transparency and disclosure for investors to make informed decisions prior to executing their investment when it comes to institutional clients.

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We respectfully submit that there is no requirement to prescribe by legislation the business terms for the amount of the fee and term of payment in situations where it is subject to an open business negotiation and where a contract is formalized. The contract is between two registrants and businesses and neither party needs to accept the terms proposed. Both parties are fully aware of the terms and accept them as commercially viable and appropriate for the services provided.

The end investors we deal with are institutional investors such as pension plans, endowments and charities and discretionary portfolio managers who are among the most sophisticated and informed investors in Canada. As part of the final closing process these investors are provided with a separate letter outlining the compensation and term for our solicitation services to the investment manager. The institutional investor client must acknowledge and accept this arrangement in writing prior to close.

We respectfully feel that the process outlined complies with the existing legislation and provides adequate investor protection to the institutional investors and transparency to the OSC to review and oversee the arrangement given that the financial transaction is between two registrants.

We also feel that nature of our services is not the intended target of transactions that the OSC is wanting to control. We are not transferring client assets in exchange for a referral fee but merely providing a needed outsourced sales and service arrangement for investment managers. Our fee for this service is a success based model and is a percentage of their negotiated fee for a term up to as long as the asset remains on the books of the investment manager. We want to ensure that this type of arrangement was not meant to be captured in this change and would respectfully ask that it be explicitly exempt from the controls on term and compensation.

We thank you for the opportunity to provide clarification on this proposed adjustment to the legislation and endorse the OSC goal to ensure full transparency to impacted end investors and the OSC. We respectfully submit that due to the unique nature of our business process and the nature of the end investors we deal with and that our business provides adequate disclosure and oversight that it should be exempt from the added requirements on term and fee maximums.

Please let us know whether you require further information.

Thank you for allowing us to comment on this structure.

Respectfully yours,



Steven Mantle
President
LOGIQ Asset Management Ltd.