



October 23, 2020

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Financial and Consumer Affairs Authority of
Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission
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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

Delivered to

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario M5H 3S8
comments@osc.gov.on.ca

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
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C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames,

RE: CSA Consultation Paper 25-402 – Consultation on the Self-Regulatory Organization Framework

We are writing in response to CSA Consultation Paper 25-402 – Consultation on the Self-Regulatory Organization (“SRO”) Framework. We are appreciative of the CSA’s efforts to evaluate the SRO framework in Canada.

Leede Jones Gable (“LJG”) is a national independent, employee-owned investment dealer and is regulated by IIROC. LJG takes an active interest in regulatory initiatives and actively participates in several industry regulatory bodies.

LJG participated on the IIAC working group reviewing this consultation. We support IIAC's comments regarding the SRO framework. Investors will benefit from the clarity a single SRO environment provides. Registered firms will benefit from cost reductions, and a single SRO should be more cost effective. Finally, a single SRO can ensure more consistent application of securities legislation and regulations across all registrant types, which should result in a level playing field for all participants.

The current regulatory landscape is intricate and difficult to navigate for the average investor. The solo nature of different registrants can cause confusion for investors. Investors may not fully understand what protections are available to them when dealing with firms that are under different regulatory regimes or that they have no protection when dealing with unregulated entities. Having one SRO would simplify and improve investor education and would help investors know when they are dealing with an unregulated entity.

IIROC commissioned Deloitte LLP to assess the benefits and costs of SRO consolidation. Deloitte LLP determined that consolidation would result in aggregate industry savings of between \$380 - \$490 million over a 10 year period. In addition to the savings for registered firms, the SROs themselves would see cost reductions from redundant functions such as operating two finance and human resource departments. A more efficient SRO should result in reduced fees for regulated firms.

We believe a single SRO model could also mitigate regulatory arbitrage. Regulation between different registrant classes, different regions, and different SROs is uneven leading to regulatory arbitrage for some registrants. Having a single SRO with consistent compliance would eliminate this issue. A single SRO model should achieve more consistent application of regulation through compliance reviews. A single SRO can also provide a clearer, fuller picture of how the investment industry is adapting to changes in the industry and supports timely and consistent updates to regulation as needed.

We appreciate the opportunity to comment on this matter. If you have any questions or further inquiry, please feel free to contact us.

Sincerely,

Leede Jones Gable Inc.




Jim Dale

Chief Executive Officer