

December 21, 2016

BY EMAIL

M^e Anne-Marie Beaudoin
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Dear Sirs/Mesdames:

Re: Regulation respecting real estate prospectus and registration exemptions (the “Proposed Regulation”)

The Canadian Advocacy Council¹ for Canadian CFA Institute² Societies (the CAC) appreciates the opportunity to comment on the Proposed Regulation.

We support the enhanced clarity that will be provided by the Proposed Regulation which will set out the conditions for a prospectus exemption for the distribution of real estate investment contracts, as well as both a prospectus and registration exemption for the distribution of a security giving a right of exclusive use in an immovable. In particular the information in the proposed policy statement with respect to factors available to guide market participants as to the meaning of an “investment contract” is a very helpful explanation.

It appears that the proposed Form F1 for the real estate offering document will contain adequate information about the offering and management. We support, for example, the requirement to include any relevant experience in a similar business of directors, executive officers, promoters and principal holders of the issuer.

We are in favour of regulatory measures designed to assist the capital raising needs of Canadian issuers while strongly emphasizing investor protection. Investor protection in the exempt market is best enhanced by providing clear risk disclosures, taking steps to verify eligibility to participate in the market, and implementing a best interest standard on all registrants.

¹The CAC represents more than 15,000 Canadian members of the CFA Institute and its 12 Member Societies across Canada. The CAC membership includes portfolio managers, analysts and other investment professionals in Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. See the CAC's website at <http://www.cfasociety.org/cac>. Our Code of Ethics and Standards of Professional Conduct can be found at <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>.

² CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 135,000 members in 151 countries and territories, including 128,000 CFA charterholders, and 145 member societies. For more information, visit www.cfainstitute.org.

It is becoming increasingly confusing for issuers, advisors, dealers and investors to determine whether or not a prospectus exemption is available to an issuer or purchaser in a particular province or territory, which has a negative impact on the efficiency of our markets. It is important, to the extent possible, to harmonize the capital raising exemptions across all Canadian jurisdictions and we would encourage the AMF to have discussions with other CSA members with respect to providing additional clarity for the framework for real estate securities across the country.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have or to meet with you to discuss these and related issues in greater detail. We appreciate the time you are taking to consider our points of view. Please feel free to contact us at chair@cfaadvocacy.ca on this or any other issue in future.

(Signed) *Michael Thom*

Michael Thom, CFA
Chair, Canadian Advocacy Council