

August 29, 2019

BY EMAIL

Secretary Financial and Consumer Services Commission
85 Charlotte Street, Suite 300
Saint John, N.B. E2L 2J2
E-mail: secretary@fcbn.ca

Dear Sirs/Mesdames:

**Re: Proposed Amendments to Financial and Consumer Services Commission
Local Rule 11-501 Fees (the “Proposed Amendments”)**

The Canadian Advocacy Council of CFA Societies Canada¹ (the CAC) appreciates the opportunity to provide the following comments on the Proposed Amendments.

We understand from the Notice accompanying the Proposed Amendments that a primary reason for the proposal is to be more consistent with late fees charged by other CSA jurisdictions for filings made by securities market participants outside of the requisite time periods. The fees would apply to late filings of insider reports, annual financial statements and reports of exempt distribution.

We are supportive of the Proposed Amendments, as we encourage members of the CSA to seek harmonization of filing fees and filing requirements whenever possible to help ease the compliance burden on issuers.

It is also important from an investor protection perspective that timely information about share ownership and financial results be available from the issuer within the required timeframes to assist them and their advisors in making informed investment decisions.

We understand that if a reporting issuer does not file its annual financial statements on time, in addition to the new fee imposed it will usually be shown in default on the New Brunswick reporting issuer list. Consideration could be given to including failure to file exempt distribution reports on time on the list for repeat offenders as well.

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 18,000 Canadian CFA charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC. CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are more than 165,000 CFA charterholders worldwide in 164 markets. CFA Institute has nine offices worldwide and there are 156 local member societies. For more information, visit www.cfainstitute.org.

An article abstract from CFA Institute entitled “Regulating Fraud in Financial Markets: Can Behavioural Designs Prevent Future Criminal Offences?” (Digest Summary)² suggests that a study of three criminal securities law cases in the United States illustrates that punishments such as fines may not be the ideal deterrent for certain behaviors, but that early detection may have been. The author of the abstract suggests that behavioural insights may be a more effective tool in promoting ethical conduct in the work environment. In the context of the Proposed Amendments, consistent late filings of important disclosure documents may be a sign of a more serious underlying problem at the issuer or registrant.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at cac@cfacanada.org on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of
CFA Societies Canada*

**The Canadian Advocacy Council of
CFA Societies Canada**

² Summarized by Marc L. Ross, CFA, “Regulating Fraud in Financial Markets: Can Behavioural Designs Prevent Future Criminal Offences?” (Digest Summary), online: (December 2014) 44:12 CFA Digest <www.cfainstitute.org/en/research/cfa-digest/2014/12/regulating-fraud-in-financial-markets-can-behavioural-designs-prevent-future-criminal-offences>; originally published Hornuf L. & Haas G., “Regulating Fraud in Financial Markets: Can Behavioural Designs Prevent Future Criminal Offences?” (March 2014) 7:2 Journal of Risk Management in Financial Institutions 7:2 at 10.