

TASK FORCE
to Modernize Securities Legislation in Canada
GROUPE DE TRAVAIL
pour la modernisation de la réglementation
des valeurs mobilières au Canada

Invitation for Comment

September 22, 2005

In June of this year, the Investment Dealers Association of Canada established the Task Force to Modernize Securities Legislation. The Task Force will publish its final report and recommendations by the fall of 2006.

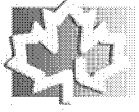
Broadly speaking we are mandated to make recommendations with two goals in mind: to modernize securities regulation in Canada, and to enhance or maintain the competitiveness of Canada's capital markets. In developing our recommendations, we believe that it is important to solicit the views of all stakeholders as to ways in which these two goals might be achieved. To that end, we will be providing a number of opportunities for stakeholder input.

First, we are seeking written submissions from interested parties on any of the issues the Task Force will be examining. The issues include:

- Investor protection
- Finding a balance between cost and effectiveness of modern governance
- Access to capital
- Regulatory burden
- Enforcement effectiveness.

As a guideline to assist you in your comments to us, we would like to refer you to our mandate and terms of reference available at http://www.ida.ca/IndIssues/TaskForce_en.asp. The Mandate does NOT ask us to make recommendations as to what is broken and needs fixing. Of course, there is a corrective aspect to our Mandate but the focus, in the context of our Mandate, should be on bringing our laws into sync with the world in which securities markets currently operate and may be expected to operate henceforth.

When writing to us, please indicate if you also would like to present to us in person. Depending on the number of people who would like that opportunity, it may not be possible to meet with each of you. Should that be the case we will select representatives of various points of view and representatives of various stakeholder communities to ensure that we are fully briefed as to all perspectives.



While it is possible that we may be available to hear from stakeholders more than once across the country, for the moment our plan for the balance of 2005 includes availability as follows:

November 17	Vancouver
November 18	Calgary
December 8	Toronto
December 9	Montreal.

We note the significant contribution to the debate with respect to the modernization of securities legislation made through the recent reform proposals and studies developed and released by the various Canadian securities regulators. Please be assured that we are fully informed of all such proposals.

Written submissions should be made by October 12, 2005 and should be emailed to info@tfmsl.ca or mailed to: Task Force to Modernize Securities Legislation in Canada, Suite 1600, 121 King Street West, Toronto, ON M5H 3T9.

On behalf of the Task Force, I look forward to your participation.

Sincerely,

Thomas Allen, Q.C.
Task Force Chairman