



Securities Transfer Association of Canada

William J. Speirs
President

June 25, 2015

Sent via email: tsxrequestforcomments@tsx.com

Catherine De Giusti
Legal Counsel, Regulatory Affairs
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, ON
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Dear Ms. De Giusti:

**Re: Public Consultation on Requirements Respecting Customized Share Certificates (May 21, 2015)
("Public Consultation")**

The Securities Transfer Association of Canada ("STAC") appreciates the opportunity to offer comments on the Public Consultation. STAC is a non-profit association of Canadian transfer agents that, among others, has the following purposes:

- To promote professional conduct and uniform procedures among its members and others;
- To study, develop, implement, and encourage new and improved requirements and practices within the securities industry;
- To develop solutions to complex industry-wide problems;
- To provide a forum and to act as a representative and spokesperson for the positions and opinions of its members, and, where appropriate, its clients and the holders of securities.

On behalf of our members, and in connection with the specific question you have posed regarding the proposed adoption of Non-Exempt Certificate Requirements for all listed issuers, we do not have any comments on the amendment.

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Upon finalization of the Public Consultation, STAC will undertake an update of the “Policy and Procedures Regarding Generic Certificates” to align with both the Public Consultation and the Housekeeping Rule Amendments to the Toronto Stock Exchange (“TSX”) Company Manual (May 27, 2015) (“Housekeeping Amendments”), and will provide confirmation when this is completed.

STAC would also like to take this opportunity to reiterate our position regarding the availability of the Direct Registration System (“DRS”) as a mandatory listing requirement. As stated in the current Public Consultation and the Housekeeping Amendments, there has been over the past years a continual and accelerating trend toward dematerialization of security ownership, both locally and globally. We were pleased to see that the changes made by the Housekeeping Amendments have resulted in a new reference to DRS as a form of evidence of security ownership.

As detailed in STAC’s document dated March 21, 2014, “The Case to Make DRS A Canadian Listing Requirement” (copy attached), we again put forth that we believe it is appropriate to mandate DRS eligibility for issuers’ securities as a stock exchange listing requirement. The current process used by all STAC members allows for the availability of DRS, but also a certificate upon request, thereby aligning with certain corporate statutes under which holders may require a certificate to evidence their security ownership.

Participation in electronic recordkeeping offers several advantages to issuers and their securityholders, including:

- Increased flexibility and timeliness of share administration and transfer, which is even more relevant given the recent announcement regarding the proposed timeline for a T+2 settlement cycle in the United States, with implementation by the end of Q3 2017;
- The elimination of administrative costs and risks associated with storing and moving paper certificates;
- The elimination of the risk and insurance costs associated with lost or stolen certificates;
- Fast and secure processing of transactions between the investor and their agent.

There are also added benefits for the Canadian marketplace, as industry mandated DRS:

- Paves the way for full dematerialization of the Canadian securities environment;
- Will position Canada to participate in growing international trends toward dematerialization, reduction of settlement periods, and straight through processing.

Based on current statistics, approximately 1,500 Canadian issues are already offering DRS to their Canadian and foreign registered securityholders.

We continue to believe that requiring all Canadian listed issuers to make DRS available is a vital step in enhancing the efficiency of the Canadian markets for the benefit of all stakeholders. Securityholders and issuers are demanding the option of more modern, secure and cost-efficient methods of security ownership, and the Canadian and global markets are moving toward a reduced reliance on paper. STAC believes that DRS is a solution to meet both of these demands, yet still allow issuers to maintain a

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registered shareholder base. Our members are in a position to support the implementation of a DRS mandatory listing requirement with little or no development or changes to our existing processes.

Thank you for the opportunity to provide our comments on this topic. If necessary, we would be pleased to provide any additional information on DRS you may require.

Yours truly,



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