



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

November 2, 2011

Mr. Randall W. Roy  
Associate Director  
Division of Trading and Markets  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549  
USA

**Re: Request for Permanent Extraterritoriality Exemption from Requirements of Rule 17g-5**

Dear Mr. Roy:

This submission is made by The Investment Industry Association of Canada (IIAC) which is the professional association for the Canadian securities industry, representing approximately 200 investment dealers in Canada. Our mandate is to promote efficient, fair and competitive capital markets for Canada and assist our member firms across the country.

The IIAC, by letter dated September 22, 2010, raised concerns regarding the extraterritorial application of amendments by the Securities and Exchange Commission (the “Commission”) with respect to the rule 17g-5. Specifically, Rule 17g-5 requires arrangers of structured finance transactions seeking a credit rating from a Nationally Recognized Statistical Rating Organization (“NRSRO”) to provide information to a website accessible by other NRSROs. As explained in our September 2010 letter, the rule would have far reaching implications on non-U.S transactions involving an offering of structured product to non-U.S persons.

On November 22, 2010 the Commission extended an order exempting extraterritorial transactions from the requirements of Rule 17g-5, until December 2, 2011.

We reiterate our concerns regarding the extraterritorial application of Rule 17g-5 adopted by the Commission and respectfully request that you make permanent Release Number 34-63363 (the “Order Extending Temporary Conditional Exemption”), which is set to expire on December 2, 2011.

The IIAC submits that the regulation of the Canadian affiliates of NRSROs, and particularly for transactions that do not involve a structured finance product offering to U.S. persons, is best addressed by Canadian securities regulators rather than by the Commission. The imposition of the rule fails to recognize the primacy of the Canadian regulatory regime and does not take into account requirements that are already in place with respect to NRSROs or the disclosure of information already required.

The IIAC submits that the rule should be amended such that it applies to structured finance product offered only to United States (U.S.) persons. Barring such amendment, IIAC requests a permanent exemption from the rule for credit ratings provided in respect of non-US (Canadian) transactions which involve an offering of a structured product to non-U.S. persons only.

Should you have any questions or require additional information regarding any of the comments set out herein, please do not hesitate to get in touch with me.

Sincerely,

“Jack Rando”

Jack Rando  
Director, Capital Markets