

April 30, 2009

Michal Pomotov
Legal Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2

Via email to: tsxrequestforcomments@tsx.com

Dear Mr. Pomotov

**Re: Proposed Amendments to Part VI Of the Toronto Stock Exchange Company Manual
Relating to Security holder Approval Requirements for Acquisitions**

The Canadian Advocacy Council of CFA Institute Canadian Societies (CAC)¹ is pleased to respond to the Request for Comments dated April 4, 2009 in which the Toronto Stock Exchange (TSX) invited interested parties to submit comments on the proposed amendments to the Company Manual.

The CAC supports the convergence of regulatory requirements. We believe that it is in everyone's interests (investors, issuers, market professionals and the market as a whole) if the securities regime imposed in Canada is harmonized with that which applies in other major markets. In a global marketplace, having materially different standards in Canada just does not make sense.

The notice published by the TSX says that the *"TSX is proposing to require security holder approval for the issuance of securities in payment of the purchase price for an acquisition of a public company which exceeds 50% of the number of issued and outstanding securities of the listed issuer which are outstanding on a non-diluted basis."*

International standards regarding shareholder rights and governance best practices would require public issuers to obtain security holder approval before undertaking a transaction of this type. We support the introduction of a clear requirement for TSX listed companies to obtain security holder approval for an acquisition of a public company is to be paid for with newly issued shares.

We note however, that the trigger level for securityholder approval of these sorts of transactions is much lower than 50% in other major capital markets. We understand the New York Stock Exchange's listing rules require securityholder approval when the dilution would be greater than 25% and the London Stock Exchange has a similar threshold. We see no reason why the limit should be materially higher in Canada.

The CAC would ask that the TSX reconsider its proposed threshold of 50%. The TSX should follow the example of other leading markets, rather than introducing rules that provide lesser protection to investors in Canadian companies than they would be given in other major markets.

¹ The CAC represents the 12 Canadian member societies of the CFA Institute constituting over 11,000 members who are active in Canada's capital markets. Members of the CAC consist of portfolio managers, investment analysts, corporate finance professionals, and other capital markets participants. The CAC's has been charged by Canada's CFA Institute member societies to review Canadian regulatory, legislative and standard setting activities.
https://www.cfainstitute.org/centre/codes/ethics/pdf/english_code.pdf

We thank you for the opportunity to provide the foregoing comments. We would be happy to address any questions you may have and we appreciate the time you are taking to consider our point of view. Please feel welcome to contact us at chair@cfaadvocacy.ca.

Regards,

(signed 'Ross E Hallett')

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