

FAIR

Canadian Foundation *for*
Advancement *of* Investor Rights

May 30, 2012

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

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RE: Request for Comment – CSA/IROC Joint Notice 23-312 Transparency of Short Selling and Failed Trades

FAIR Canada is pleased to offer comments on the Request for Comment by the CSA/IROC contained in Joint Notice 23-312 Transparency of Short Selling and Failed Trades dated March 2, 2012 (the “**Notice**”).

FAIR Canada is a national, non-profit organization dedicated to putting investors first. As a voice of Canadian investors, FAIR Canada is committed to advocating for stronger investor protections in securities regulation. Visit www.faircanada.ca for more information.

FAIR Canada Comments:

- 1.1. In FAIR Canada’s view, more public information regarding short sales is positive for Canadian investors. FAIR Canada supports the Working Group’s proposed measures to enhance the regulatory reporting and transparency of short sales.
- 1.2. FAIR Canada recommends that the TSX consider expanding the amount of short position information to be published, in order to provide more information to the investing public. We suggest that the Working Group consider requiring the publication of the 100 largest short positions and 100 largest changes in short positions.
- 1.3. Additionally, FAIR Canada encourages the Working Group to consider the introduction of a requirement for individual short sale or short position reporting. Given the potential and incentives for abusive market practices in short selling activity, and the detriment that can be caused by such manipulative activity, FAIR Canada believes that requirements to disclose significant individual short positions by the ultimate investor (and persons acting in concert) would be beneficial to Canadian investors and the integrity of the markets. Such requirements should be triggered when a minimum threshold (such as 5% of outstanding shares) is reached.

We thank you for the opportunity to provide our comments and views in this submission. We welcome its public posting and would be pleased to discuss this letter with you at your convenience. Feel free to contact Ermanno Pascutto at 416-214-3443 (ermanno.pascutto@faircanada.ca).

Sincerely,



Canadian Foundation for Advancement of Investor Rights