

**NOTICE AND REQUEST FOR COMMENTS
APPLICATION FOR RECOGNITION OF NEW REGCO**

A. Background

The Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS) have agreed to combine their regulatory activities into a single organization, known at this time as New Regco. The IDA and RS have applied for New Regco to be recognized as a self-regulatory organization (SRO) in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia, Ontario, Saskatchewan and Québec (Recognizing Regulators). Both the IDA and RS are currently recognized as SROs in certain of these jurisdictions.

The Recognizing Regulators are publishing for comment the application for recognition of New Regco (Application) and the following related documents:

1. Draft recognition order – In its Application, New Regco has responded to each of the recognition criteria proposed by the Recognizing Regulators (attached to the draft order as Schedule 1 to Appendix A). Following the comment process and resolution of all outstanding issues, each Recognizing Regulator expects to issue a substantially similar order recognizing New Regco with terms and conditions.
2. Oversight program – The Recognizing Regulators intend to establish an oversight program for New Regco outlined under a Memorandum of Understanding (MOU). The MOU includes a protocol for the review and approval of rules, policies and other similar instruments and the performance of periodic oversight reviews of New Regco.

B. Recognition of New Regco

New Regco has responded to each of the following recognition criteria in its application:

1. Governance
2. Public Interest
3. Conflicts of Interest
4. Fees
5. Access
6. Financial Viability
7. Capacity to Perform Regulatory Functions
8. Capacity and Integrity of Systems
9. Rules
10. Disciplinary Matters
11. Information Sharing and Regulatory Cooperation

C. Comment Process

We are seeking comments on all aspects of New Regco's Application and related documents. You are asked to provide your comments in writing and to send them on or before March 10, 2008 to:

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

Please also send your submission to the Autorité des marchés financiers as follows:

M^e Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Courrier électronique: consultation-en-cours@lautorite.qc.ca

The confidentiality of submissions cannot be maintained because securities legislation in certain provinces requires that a summary of written comments received during the comment period be published.

Following the comment period, staff of the Recognizing Regulators will consider the comments received on the Application and the related documents. If staff of the Recognizing Regulators are satisfied that New Regco meets the criteria for recognition, they will recommend that New Regco be recognized as an SRO. Recognition will take the form of a recognition order with terms and conditions generally in the form attached to this notice.

If you have questions, you may contact:

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