

September 14, 2015

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington D.C. 20549-1090

Dear Mr. Fields:

The Canadian Bankers Association (**CBA**) works on behalf of 60 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 280,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The CBA also promotes financial literacy to help Canadians make informed financial decisions and works with banks and law enforcement to help protect customers against financial crime and promote fraud awareness. www.cba.ca.

The Securities and Exchange Commission (**SEC**) has proposed new rules that add Section 10D to the rules promulgated under the Securities Exchange Act of 1934 in order to implement the provisions of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Proposed Rules**). Section 10D would require the SEC to adopt rules directing securities exchanges to establish listing standards relating to compensation clawback arrangements. Specifically, listed issuers would be required to implement a policy providing for the recovery of incentive-based compensation received by all executive officers in the event of inaccuracies in financial reporting, regardless of whether an executive officer was engaged in any misconduct giving rise to the inaccuracies.

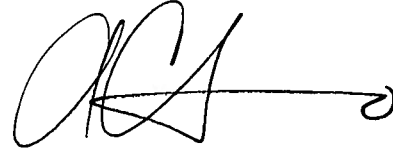
The Proposed Rules do not permit exchanges to exempt foreign private issuers from compliance. The CBA is concerned about the application of the Proposed Rules to Canadian banks that are inter-listed on U.S. securities exchanges. Canadian banks are subject to comprehensive and rigorous rules relating to corporate governance and continuous disclosure, including rules around the consequences of erroneous financial reporting. Furthermore, a significant number of Canadian issuers, including Canadian banks, have already adopted compensation clawback arrangements. We believe that any change to, or further regulation of,

how executive compensation is handled in cases of financial restatement should be undertaken by Canadian regulatory authorities.

We note that the SEC has asked whether there are any material tax considerations relevant to whether an issuer should be able to exercise discretion as to the amount of recovery. Though we do not believe that the Proposed Rules should apply to foreign inter-listed issuers, if the SEC were to proceed with applying the Proposed Rules to such issuers, we note that the differences between Canadian and U.S. tax rules should be taken into account when the recoverable amounts applicable to executive officers of Canadian issuers are finalized. The Proposed Rules state that the recoverable amounts would be calculated on a pre-tax basis. In the Canadian context, this could result in the executive officer being required to pay back more on an after-tax basis than the officer originally received, particularly as there is no provision in the Canadian *Income Tax Act* allowing the executive officer to recover any taxes paid.

In closing, we thank you for the opportunity to provide comments on the Proposed Rules. We would be pleased to provide you with further details on the Canadian corporate governance and continuous disclosure regime, if you so request. Please do not hesitate to contact me with any questions regarding the foregoing.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a horizontal line that ends in a small loop.