



February 12, 2014

**BY EMAIL (Kam.Grewal@cpab-ccrc.ca)**

Canadian Public Accountability Board  
150 York Street, Suite 900  
Toronto, Ontario M5H 3S5

**Attention: Kam Grewal, Vice President**

Dear Sir:

**Re: Proposed Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees**

- **Follow-Up to TSXV Letter of January 23, 2014**

We write in furtherance of our letter of January 23, 2014 provided in response to the Consultation Paper published by the Canadian Public Accountability Board (“CPAB”) in November 2013 in respect of the proposed “Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees” (the “Protocol”). Specific reference is made to the following statement in our January 23, 2014 letter:

**One matter the Exchange recommends that CPAB assess before finalizing and implementing the Protocol is whether there is any direct or indirect cost element that will be borne by issuers as a result of the Protocol.**

Based on recent discussions with members of our stakeholder group (specifically, a number of audit firms (the “Audit Firms”) that act as auditors for a material number of TSX Venture Exchange (“TSXV” or the “Exchange”) listed issuers), we have been advised that the introduction of the Protocol and its application to Exchange-listed issuers will likely have a material cost element that will be borne, directly or indirectly, by such issuers. The Exchange is not in a position to evaluate this assertion, nor is it our role to do so, however, we feel that it is prudent for us to share this feedback with CPAB for your consideration and, more importantly, to further emphasize our position that, prior to the finalization and implementation of the Protocol, CPAB should assess whether there will be any direct or indirect cost element that will be borne by issuers as a result of the Protocol. This assessment will ideally help CPAB and, if the results are shared publicly, other interested parties (including the Exchange) with their evaluation of the merits of the Protocol, in particular, but not limited to, its applicability to Exchange- listed issuers.

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As stated in our letter of January 23, 2014, if CPAB would like the Exchange's assistance in obtaining specific market or other information related to Exchange-listed issuers that may assist CPAB in further assessing this matter, we would be more than happy to provide whatever assistance we can.

Related to the foregoing, we understand from our discussions with the Audit Firms that CPAB may already be considering some form of exemption (or other concession) under the Protocol that will be applicable to junior issuers. If this is in fact the case, we ask that CPAB publish the revised Protocol (or, at a minimum, the proposed changes) for public comment such that the Exchange and other interested parties may have the opportunity to consider and provide comments on any such exemption or concession.

If you would like to discuss any of the matters set forth in this letter further, please do not hesitate to contact the undersigned at your convenience.

Respectfully yours,

**TSX VENTURE EXCHANGE INC.**

Per: (signed) *Zafar Khan*

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Zafar Khan  
Policy Counsel