Canada-U.S. Securities Summit
Welcome and Opening Remarks
As prepared for delivery

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Good morning. I'm Ken Bentsen, president and CEO of SIFMA. Along with our colleagues at the Investment Industry Association of Canada, we welcome you to today's Canada-U.S. Securities Summit. Ian, thanks to you and your staff at IIAC for jointly hosting this Summit with us for the sixth time.

We are pleased to have Laura Dawson, director of the Canada Institute at the Wilson Center and Roger Lister, Managing Director, Chief Credit Officer, Global Financial Institutions Group and Sovereign Ratings at DBRS, with us today.

Also, many thanks to Fidelity, DBRS, Federated, TMX and DTCC for their sponsorship of this event. We could not put on this program without your support.

The U.S. and Canada share the world's largest and most comprehensive trading relationship, supporting millions of jobs in each country. Canada was the leading export market for 36 out of the 50 U.S. states in 2017, up from 33 states in 2016; Canada was also the leading importer country for 17 states.

Canada and the U.S. also have one of the world's largest investment relationships. In 2016, the latest data available, the U.S. was Canada's largest direct foreign investor and Canada was the fourth-largest direct foreign investor in the U.S. Canada had $3.2 trillion of gross activity in U.S. securities with the U.S. in 2017, while the U.S. had $1.7 trillion of gross activity of foreign securities from Canada. Also, Canada held $1.1 trillion of U.S. securities, including Treasuries, agencies, corporate bonds and stocks, as of June 2017, while the U.S. held $831 billion of securities from Canada as of December 2016.

In addition to the deep financial linkages between the U.S. and Canada, we have learned from our own individual governments' policy development. Through this learning, we continue to encourage our respective policymakers and regulators to work together to ensure the capital markets remain a vibrant place for cross-border business between our two nations.

In that spirit of sharing knowledge and intelligence, let me highlight a few issues of interest to this audience.

As many here know, the U.S. Department of the Treasury has undertaken a holistic review of the U.S. financial regulatory framework. We believe this is appropriate given the breadth of new regulation imposed under the Dodd-Frank Act as well as the robust financial services regulatory framework in place prior to Dodd-Frank. This review is consistent with efforts by other jurisdictions, most notably

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Europe and Japan, which have undertaken similar reviews. The Treasury has issued four reports looking at banking, capital markets, asset management and insurance. We expect the Department to issue a fifth report on non-banks and financial innovation in the near future. SIFMA and our members have provided recommendations where rules could be recalibrated or updated, several of which have been included in current Treasury reports. We are now beginning to see U.S. regulators propose revisions to certain rules affecting capital and liquidity and we expect to see more related to the Volcker Rule and swaps. Further, with the completion of the Basel level negotiations on final capital and liquidity rules, we expect to see U.S. regulators, and other jurisdictions, promulgate rules to implement the Basel III framework as well as the Net Stable Funding Ratio and the Fundamental Review of the Trading Book. How those rules are crafted will impact our industry's ability to serve its clients and fund investment and growth.

Of particular importance to our two nations are the negotiations around NAFTA. On the whole, NAFTA has provided tremendous benefit to the U.S., Canadian and Mexican economies. While as with any trade agreement there are pockets of dislocation, we have found more positives for the U.S. economy and its development. But NAFTA is also a twenty-five-year-old agreement during which time a lot has happened globally and within our respective economies. We believe that negotiators should look to update NAFTA to reflect the rise of the digital economy and the maturation of the financial services sector. Given the intertwined nature of the U.S. and Canadian economies, well beyond financial services and encompassing agriculture, manufacturing, minerals and services, it is critical that negotiators accomplish this task without unnecessary disruption to our mutual economic well being.

Today's Summit provides for constructive dialogue on these and other industry issues, including current and prospective economic and financial conditions in our two countries. With that, I thank you again for your participation in this conference. I am pleased to introduce Ian Russell, president and CEO of the IIAC. Ian has been leading the IIAC since its inauguration in April 2006. Prior to his appointment at the IIAC, Mr. Russell was Senior Vice-President, Industry Relations and Representation, at the Investment Dealers Association of Canada. In January 2014, Ian was appointed Chair of the International Council of Securities Associations, making him the first Canadian in 20 years to serve in this capacity. We are grateful to have Ian and his colleagues with us today in this longstanding partnership.