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**Via Email:** [kmccoy@iiroc.ca](mailto:kmccoy@iiroc.ca)

September 11, 2015

Kevin McCoy  
Acting Vice-President, Market Regulation Policy  
Investment Industry Regulatory Organization of Canada (IIROC)  
Suite 2000 - 121 King St. W.  
Toronto, Ontario M5H 3T9

Dear Mr. McCoy:

**Re: Proposed Amendment to the Short-marking Exempt (SME) Order Definition and Proposed Updated Guidance on Short Sale and SME Order Designations**

The Investment Industry Association of Canada (the "IIAC")<sup>1</sup> takes the opportunity to express support for the above-captioned initiative and thank IIROC for putting forward the proposed amendment to the SME order definition ("Proposed Amendment") in response to dealers' concerns that the application of the SME order designation to ETF market making activity has been impractical and inconsistent.

The Proposed Amendment will facilitate the ability of dealers engaged in similar ETF market making activities, whether pursuant to Marketplace Trading Obligations or under an agreement for continuous distribution of ETFs, to adopt uniform SME marking practices which will in turn assist in preserving the integrity of short selling data used and published by IIROC.

Yours sincerely,

"Naomi Solomon"

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<sup>1</sup> The IIAC is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 148 investment dealer member firms that are regulated by IIROC. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations that is fundamental to economic growth.