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Via Email: skasturiarachchi@iiroc.ca

November 18, 2015

Sanka Kasturiarachchi
Acting Policy Counsel, Market Regulation Policy
Investment Industry Regulatory Organization of Canada (IIROC)
Suite 2000 - 121 King St. W.
Toronto, Ontario M5H 3T9

Dear Mr. Kasturiarachchi:

Re: Proposed Guidance on Time Synchronization

The Investment Industry Association of Canada (the "IIAC")¹ appreciates the opportunity to provide comments on the Proposed Guidance on Time Synchronization (Proposed Guidance). We support updating the guidance on time synchronization to improve standards, however we note some items in the Proposed Guidance require further clarification.

Time Stamp Storage Convention

Time stamps are stored using regional time. We expect that this would remain unchanged, but wish to confirm that a move to Coordinated Universal time (UTC) as the reference time source for clock synchronization purposes will not impact the use of regional time for time stamp storage.

¹ The IIAC is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 143 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.

Clock Drift

In respect of the requirement that Participants ensure that systems clocks do not drift more than within 50 milliseconds (ms) from UTC, we wish to confirm that 100% compliance is not expected as this is not possible to ensure. We believe that a reasonable percentage of trading hours (eg. 99.9%) should be the norm within which the system clock would be +/- 50 ms from the UTC.

Notification to IIROC

We request clarification of the process for notification to IIROC in the event of clock drift beyond the set threshold. The form of communication to surveillance is not indicated – is a verbal report accepted? In regard to notification within a reasonable time from detection – is that within the same business day; would within 24 hours be accepted or later in the case of an intervening holiday?

We also believe that certain events causing clock drift beyond 50 ms do not warrant notification to IIROC. In particular, we would like confirmation that the rebooting of a server that causes drift to exceed 50 ms would not be an incident requiring notification to IIROC.

Thank you for reviewing our comments. Please do not hesitate to contact the undersigned if you have any questions and we welcome the opportunity for ongoing dialogue on this initiative.

Yours sincerely,

“Naomi Solomon”