



Susan Copland, B.Comm, LLB.
Director

Kevin McCoy
Director, Market Regulation Policy
Investment Industry Regulatory Organization of Canada
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June 23, 2014

Dear Mr. McCoy:

Re: Proposed Provisions and Guidance Respecting Order Execution Services as a Form of Third Party Electronic Access to Marketplaces (the “Proposed Provisions”)

The Investment Industry Association of Canada (the “IIAC” or “Association”) appreciates the opportunity to comment on the Proposed Provisions.

The Association supports the amendments to the Proposed Provisions subsequent to the initial publication in October 2013. We commend IIROC for the manner in which they incorporated industry feedback into the Proposed Provisions to develop a rule that achieves the regulatory objective in an effective and cost efficient manner.

In order to ensure the information reported to IIROC is current and relevant, we recommend that the designation as an “Active Client” be subject to change in circumstances where the threshold for designation as an Active Client has not been met or exceeded the monthly threshold within the past 12 months, and the firm makes an application to have the status removed. In order to ensure this does not become a regulatory burden for IIROC or for dealers, we recommend that the review and application be presented as an option, rather than a requirement.

In addition, we understand that IIROC is only contemplating monitoring the orders/trades on the Canadian marketplaces that they regulate. However, we seek clarification in respect of whether in situations where it is operationally impractical for a dealer member firm to exclude option orders and US orders when calculating order counts, does IIROC object to the firm including all orders in the calculation?

In response to the question relating to the appropriateness of the proposed implementation date, we believe the 180 days following the publication of the notice of approval will likely provide sufficient time to accommodate development work to ensure compliance with the Proposed Provisions.

Thank you for considering our comments. If you have any questions, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Copland', written in a cursive style.

Susan Copland