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Delivered Via Email: aramcharan@iirc.ca ; marketregulation@osc.gov.on.ca

Answerd Ramcharan
Manager, Financial Information, Member Regulatory Policy
Investment Industry Regulatory Organization of Canada
Suite 2000, 121 King Street West
Toronto, Ontario M5H 3T9

Market Regulation
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8

Re: Request for Comments - as per IIROC Notice 16-0141 issued by the Investment Industry Organization of Canada ("IIROC") on June 23, 2016

The Investment Industry Association of Canada (the "IIAC") would like to take this opportunity to express its views on the proposed amendments as per IIROC Notice 16-0141 issued on June 23, 2016.

The IIAC is the national association representing the position of 133 IIROC-regulated Dealer Member firms on securities regulation, public policy and industry issues. We work to foster a vibrant, prosperous investment industry driven by strong and efficient capital markets.

The IIAC would like to thank IIROC for putting forward the republication, for comments, of material amendments to the Notes and Instructions to Schedule 12 of Form 1 – *Margin on Futures Concentrations and Deposits*. The material amendments were originally published in IIROC Notice 12-0021 issued on January 12, 2012.

In IIROC Notice 16-0141, the proposed amendments reflect the change in the futures markets occurring over the last few years where the calculation and publication of margin requirements for futures contracts are done on a more frequent basis by futures exchanges. Most futures exchanges (including NYMEX, CBOT, Eurex, Montréal Exchange) currently calculate and publish maintenance margin rates on a daily basis.

In the past, maintenance margin calculations were often published on a weekly or monthly basis. As previously stated, most futures exchanges now publish the maintenance margin rates on a daily basis which reduces market risk. As a result, the 15% margin cushion needed to cover potential margin deficiency (due to timing) - required by the IIROC rules to be presented on Line 1 of Schedule 12 - no longer seems needed.

The IIAC and its members generally support IIROC's proposal regarding the exclusion of the 15% margin provision where the relevant futures exchange calculates and publishes maintenance margin on a daily basis.

We believe the amendments will be beneficial to the Canadian member firms. They will benefit from reduced margin rates due to the risk assessments performed by the futures exchanges in their daily maintenance margin rate calculations.

Furthermore, the IIAC generally believes the amendments will help our Canadian brokers compete against foreign entities.

Yours sincerely,



Annie Sinigagliese
Managing Director
Investment Industry Association of Canada
asinigagliese@iiac.ca