

July 15 2004

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Securities Administration Branch' New Brunswick
Securities Office, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

Mr. John Stevenson,
Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M5H 3S8

Madame Anne-Marie Beaudoin
Directrice du secretariat de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montreal, Quebec
H4Z 1G3

Dear Mr. Stevenson

Re: Discussion Paper 24-401 on Straight Through Processing and Proposed National Instrument 24-101 Post Trade Matching and Settlement:

We are writing in response to the request for comment on Discussion Paper 24-401 and Proposed National Instrument 24-101 and 24-101CP.

As a service bureau we feel that most of these questions are not relevant to the services we will be providing to our customers and the industry. We have therefore only responded where we felt the decisions would have a direct impact on our ability to support the processes.

3-Should it be one of CCMA's tasks to identify the critical path to reach specific STP goals? If so, what steps and goals should be included?

Yes

This should be done as soon as possible so the stakeholders are aware of the expectations and can plan accordingly. It will provide an opportunity to review and agree upon what is to be delivered and within what timeframe once a decision has been made on a start date. There may be a need to develop additional guidelines/procedures/regulations if one or more of the parties cannot commit to the deliverables on the path. If this is indeed the case the parties involved should identify these areas to CCMA. A determination can then be made to revise the timeline or to proceed at least knowing what you are up against.

There may be a need for development that end users may not want to begin work upon until there is a commitment to a live date. This may necessitate a longer lead-time for a particular phase.

Once agreement has been reached it would serve as a commitment from our industry that this can be achieved.

5- Is a close of business definition required? If so, what time should be designated as close of business?

A firm close of business should be decided upon and regulated. Although most of our processes are real time a batch process is run to update many of our systems. Our current cut off time for the receipt of batch files is 7:00 PM. MQ messages can be sent until 7:59 PM. If the close of business does not fall within these timeframes there may be a requirement to develop processes and procedures to handle input received after this time. A proposed cut off time should be stated and then we can identify the problems that would result.

6-Should the proposed instrument expressly identify and require matching of each trade data element, or is it sufficient for the proposed instrument to impose a general requirement to match on T and rely on industry best practices to address the details?

Yes

The elements for trade match should be defined. It will allow service bureaus to be consistent with their programming when reporting trades. If left to best practices the service bureaus may have to develop different matching criteria for each of their clients. It will also place everyone on the same playing field when you start to compare matching numbers in the industry.

23-To the extent DRS systems operate in Canada, should a securities regulatory authority regulate transfer agents that are operating or using such DRS systems?

Yes

Every system relating to trade reporting, settlement and clearance should be regulated. This way we can be assured that whatever is being done is being done to benefit the industry as a whole not just a specific group.

24- Should there be separate DRS systems and should they be required to be inter-operable.

If there are separate DRS systems then they should be inter-operable. It will also facilitate coding if there ever becomes a need for the service bureaus or in house systems to build an interface to a DRS.

We appreciate the opportunity to provide comment to these proposed instruments. If you would like to discuss our responses in more detail please do not hesitate to contact me.

Sincerely

Robert Hale
Senior Manager
Business Development