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RBC Dominion Securities Inc.  
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January 28, 2010

**Via E-Mail**

Madame Anne-Marie Beaudoin  
Directrice du secrétariat de l'Autorité  
Autorité des marchés financiers  
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and

John Stevenson, Secretary  
Ontario Securities Commission  
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Toronto, Ontario M5H 3S8  
e-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

Dear Ms. Beaudoin and Mr. Stevenson:

**Re: Proposed Amendments to NI 24-101 and Companion Policy 24-101CP —  
Institutional Trade Matching and Settlement**

RBC Dominion Securities Inc. ("RBC DS") is pleased to have the opportunity to provide its comments on the Canadian Securities Administrators' (the "CSA") proposed amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and Companion Policy 24-101 CP *Institutional Trade Matching and Settlement* (collectively, the "Instrument").

RBC DS is supportive of the CSA's efforts to implement a framework for the timely and efficient processing and settlement of institutional trades, including realistic achievable performance targets for achieving trade matching on trade date. We have participated in and support the submission prepared by the Investment Industry Association of Canada.

Below are our responses to the specific issues concerning which industry input is sought.

*Question 1: For what period should the requirement to match no later than the end of T be deferred? Should the requirement be deferred indefinitely until such time as global markets shorten their standard T+3 settlement cycles? Please provide your reasons.*

We recognize that at present not all parties are ready and able to move to the new matching targets in July 2010. Consequently, we support retaining the existing trade matching target for noon on T+1 and only moving to midnight on T if global markets shorten the standard settlement from T+3.

It is important to note that significant industry progress and improvement has been achieved in the past five years on both the trade entry and trade confirmation rates. We believe that the Instrument has made a positive impact on the business conduct practices and overall risk management of all counterparties involved in the trade matching process. We are concerned that a postponement may lead to a deterioration of the positive impacts of the Instrument. RBC DS remains committed to the improvement of the present trade matching rates and hopes that all other counterparties involved in the process will continue to support this significant industry initiative.

*Question 2: The CSA is looking for as much information as possible from stakeholders on the costs and benefits of the requirement to match a DAP/RAP trade no later than the end of T, including any available empirical data. What would be the benefits of moving to matching by midnight on T on July 1, 2015?*

RBC DS has the technology in place to move to matching by midnight on T. With 90% of trades already being entered and confirmed by midnight on T+1 it is difficult to actually quantify the benefit of moving to matching on T. The majority of the risk is already mitigated by the strong T+1 matching numbers.

*Question 3: What are the costs and benefits of extending the current industry ITM processing times to allow market participants to process their trades beyond the CDS 7:30 p.m. cut-off time until late in the evening on T?*

While the CDS online region goes down at 7:30 pm when CDS performs its end of day processing, CDS still has the ability to receive trade instructions from participants via both Interlink (real-time) messaging and batch files. These trade instructions are queued and are processed once CDS completes its end of day processing. At approximately 10:30 pm the CDS online region is available to participants and CDS processes the queued trade messages. Once complete, these trades are now available for matching.

We believe that the current process is sufficient and allows enough time to meet the present trade matching targets.

*Question 4: What are the costs and benefits of having a specific industry-wide trade identifier to enable dealers to track and segregate their non-western hemisphere trades from western hemisphere trades?*

RBC DS has built internally the necessary oversight tools to distinguish between western hemisphere and non-western hemisphere trades. We are of the opinion that the cost of building an industry specific trade identifier would significantly outweigh any additional benefit.

*Question 5: Would extending the current requirement to match no later than noon on T+1 to a new deadline of 2 p.m. on T+1 help address current ITM processing delays and problems for the next two years?*

In our view, the main purpose of this National Instrument is to reduce risk. We support the current deadline of 12:00 p.m. eastern time. Any further extension will only serve to increase risk. Though the extension to 2:00 p.m. may allow for greater compliance of the Instrument, we are of the opinion the increased compliance will be marginal at best and does not outweigh the risk mitigation of early detection and correction of erroneous transactions.

*Amendments to the definition of trade-matching party and trade-matching documentation requirements*

RBC DS is supportive of the proposed amendments to the definition of a trade matching party as well as the proposed amendments to the trade-matching documentation requirements.

*Amendments to the provisions governing non-western hemisphere institutional investors*

RBC DS supports the proposed transitional amendments related to trade orders from institutional investors based outside of the western hemisphere.

Thank you for the opportunity to submit our comments. We would be pleased to discuss our comments further with you, especially as they pertain to the maintenance of the spirit and intent of the Instrument.

Yours truly,

*“Bruce Macdonald”*

President  
RBC Dominion Securities Inc.

Cc: British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Nunavut