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Registrar of Securities, Northwest Territories
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Registrar of Securities, Yukon Territory

January 28, 2010

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8

-and-

Madame Anne-Marie Beaudoin
Directrice du sécretariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs and Madams:

Re: Request for Comments – Proposed Amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* (the "Instrument") and Companion Policy 24-101CP *Institutional Trade Matching and Settlement* (the "Companion Policy" and, together with the Instrument, "NI 24-101")

The Investment Counsel Association of Canada ("ICAC"), through its Industry, Regulation and Tax Committee, is pleased to have the opportunity to submit the following comments regarding NI 24-101.

As background, the Investment Counsel Association of Canada ("ICAC") represents investment management firms registered to do business in Canada as portfolio managers. Some or our member firms are dually registered as exempt market dealers or other registration categories, but generally 70% of their income must be derived from portfolio manager activities in order to be members of the ICAC. Our 125 + members are from across Canada and comprise both large and small firms managing both institutional and private client portfolios. The ICAC was established in 1952 and its members manage in excess of $700B assets (excluding publicly offered mutual fund assets).

Our mission is to advocate the highest standards of unbiased portfolio management in the interest of the investors served by Members.

General

To begin, we would like to express our support and appreciation for your efforts in seeking industry input into policy formation and rule-making in this area.

By way of general comment, we would like to note that compliance with NI 24-101 has required a concerted effort of the industry, both dealer and advisers and, in the view of our members, has greatly benefitted the industry and our clients. Although there has been dramatic improvement in the Institutional Trade Matching (ITM) rates since NI 24-101 was implemented, we agree with your conclusion that there is still some work to be done to meet the current matching rate target of 90% by noon on T+1.

We are generally supportive of the CSA's proposal to extend to July 1, 2015, the date on which the requirement to match DAP/RAP trades by no later than midnight on the trade date ("T") comes into effect. We believe that the costs to move ITM targets to midnight on T at this time significantly exceed the benefits. In addition we believe the real value of improving ITM has already been largely achieved with the current matching rates.

The following are our comments on certain of the specific questions contained in the notice.

1) Deferral of the Requirement to Achieve Matching by the End of T

As noted above, we support the proposal to extend the current DAP/RAP trade matching requirement to July 1, 2015. However, we would recommend that the CSA consider deferring indefinitely any further changes until there is an international move towards shorter settlement cycles.

Much work has occurred to bring us where we are today and our members believe that clients have benefitted greatly from the improved ITM timelines.The consensus, however, is that there is little to be gained from efforts to move beyond the current requirement to achieve 90% matching by T+1 at Noon to T+0 at Midnight until the global settlement cycle moves in that direction. Any such change will require a significant increase in staffing costs for employees to enter, and match trades and management and compliance personnel to oversee the process, as well as significant additional investments in technology by all players in this process – custodians, brokers and

investment managers. With the current economic downturn, most firms are only in a position to make significant staffing and technology investments where they are required to do so by regulators or where the benefits of the investment outweigh the costs. As indicated above, we do not believe that the CSA should require firms to incur these costs until there is an international move toward shorter settlement cycles.

If there is a global move towards shorter settlement cycles, we would recommend a phasing in of a move to T at Midnight, similar to the phasing approach that was utilized in the early stages of NI 24-101. We also believe that the match rate target in respect of any eventual move to T at Midnight matching should be set at a maximum of 90%. It may be even more practical to set the rate at 80% or 85%.

2) Moving Current Deadline Noon on T+1 to 2 PM on T+1

We do not support moving the current trading matching deadline from noon on T+1 to 2 pm on T+1.

We do not believe there would be any significant benefit to extending this deadline. In addition, we believe that any such change would require firms to incur additional costs which, as described above, would involve tapping into resources that are very scarce today. Furthermore, we think it would be unacceptably disruptive and costly to make this change, only to have it revert back to Noon on T+1.

The firms with the majority of the trading volumes would prefer to use their already scarce resources to continue to improve the matching rates for T+1 at Noon.

3) Western/non-Western Hemisphere Security Identifier

We do not believe it is necessary to develop an industry-wide process for identifying Western vs. non-Western trades. Our members developed systems and processes in response to NI 24-101, to help clients and facilitate reporting which are generally working well. Certain firms have commented that many non-Western trade matching parties are quite efficient, particularly those that use SWIFT as their communication facility. Accordingly, in our view, the benefit of an industry-wide trade identifier for distinguishing between Western and non-Western hemisphere trades does not justify the investment required in CDS processes and the related operating costs involved.

We would like to note, however, that the distinction between Western Hemisphere and non-Western Hemisphere is not always easy and is often quite subjective. Since the majority of trades executed by our members are in North America, we believe it would be much more appropriate if NI 24-101 were to make a distinction between North American and non-North American trades, rather than Western Hemisphere and non-Western Hemisphere trades.

4) Measurement Methodologies for Equity vs. Debt Trades

While we do not object to the CSA's proposal to measure compliance with the trade matching target for equities based on the number of trades and the target for debt on the value of trades, we do not think this change will have a significant positive effect on our members.

As a result of NI 24-101, firms have built their reporting processes to measure both volume of trades and value. If the CSA chooses to modify the reporting requirements to volume only for equity trades and value only for debt trades, firms will simply use their current measurement processes and report only what is required, when reporting is actually necessitated.

We would point out, however, that certain firms use the processes in place for purposes other than measuring compliance with NI 24-101. In the case of any reporting to clients, firms would need to re-educate clients about the change, which is not seen as a progressive use of the firms' already limited resources.

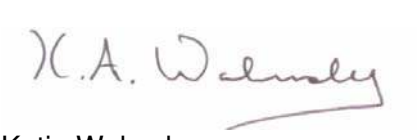
5) Regulatory Co-ordination Regarding Compliance with NI 24-101

Finally, we believe that compliance with the processes and timelines contemplated by NI 24-101 could be enhanced by greater co-ordination among the principal regulators for the three categories of "trade matching parties". To the extent that advisers are regulated by the CSA, dealers are regulated primarily by the Investment Industry Regulatory Organization of Canada and custodians are generally regulated by Office of the Superintendent of Financial Institutions, we would encourage the CSA to seek co-operation and assistance from those other regulators to ensure that all trade-matching parties are in fact complying with their obligations under NI 24-101 and the assurance made in their trade matching statements.

We would be pleased to participate in a future roundtable on this issue if requested. If you have any questions or concerns regarding our submission, please do not hesitate to contact Katie Walmsley at (416) 504-7018.

Yours truly;

INVESTMENT COUNSEL ASSOCIATION OF CANADA



Katie Walmsley
President, ICAC

Mark Pratt
Chair, Industry, Regulation & Tax Committee
Senior Legal Counsel, Mackenzie

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