



Deana Djurdjevic  
Senior Vice President, Equities Trading  
TSX Markets  
The Exchange Tower  
130 King Street West  
Toronto, Ontario  
M5X 1J2  
(416) 947-4273  
Deana.Djurdjevic@tmx.com

April 2, 2015

**VIA EMAIL**

Ms. Sonali GuptaBhaya  
Senior Policy Counsel, Market Regulation Policy  
Investment Industry Regulatory Organization of Canada  
121 King Street West, Suite 2000  
Toronto, Ontario  
M5H 3T9

Dear Ms. GuptaBhaya:

**Re: Re-Publication of Proposed Dark Rules Anti-Avoidance Provision**

TSX Inc. welcomes the opportunity to comment on the Request for Comments published by the Investment Industry Regulatory Organization of Canada (IIROC) on January 29, 2015 titled "Re-Publication of Proposed Dark Rules Anti-Avoidance Provision". All terms used and not otherwise defined in this letter have the same meaning as in the Request for Comments.

We are supportive of the policy objectives that IIROC is seeking to achieve through the Proposed Amendments. More specifically, we are supportive of policy initiatives that seek to:

- minimize the potential for regulatory arbitrage that can arise from inconsistent application of trading rules;
- reward pre-trade transparency and maintain the quality of Canadian price discovery;
- remove disincentives for investors to rest orders on Canadian markets by recognizing their importance and value to our markets;
- improve the competitiveness of our markets to ensure the health and vibrancy of Canada's capital markets as a whole; and
- address industry concerns related to the loss of order flow from Canada.

We believe the Proposed Amendments are a reasonable means of achieving these objectives. However, we also recognize that there may be impacts and consequences to the dealer community in the servicing of order flow and their clients. As such, we respectfully defer to IIROC's dealer community to assess and comment on how their operations and workflows may be impacted. We expect that the comment process and continued industry dialogue will assist IIROC in determining whether the Proposed Amendments are the most effective means to achieve these policy objectives and will inform whether revisions should be made to the Proposed Amendments to best balance the policy benefits with dealer concerns.

We also note that the Proposed Amendments will create an increased need for Canadian-based market-driven solutions that can provide for both better execution for client orders and reduced costs for dealers, as might have otherwise been achieved by sending small client orders for execution on non-transparent U.S. foreign organized regulated markets (FORMs) or to a U.S. broker for execution via internalization. We therefore encourage IIROC and the CSA to continue supporting innovation

and flexibility to permit such solutions within the Canadian regulatory framework as a consequence of proceeding with the Proposed Amendments.

We would be pleased to discuss our comments further at your convenience.

Yours truly,

*"Deana Djurdjevic" (signed)*

Deana Djurdjevic  
Senior Vice President, Equities Trading, TSX Markets