



Advancing Standards™

March 30, 2015

Sonali GuptaBhaya
Senior Policy Counsel, Market Regulation Policy
Telephone: 416.646.7272
Fax: 416.646.7265
e-mail: sguptabhaya@iiroc.ca

-and-

Susan Greenglass
Director, Market Regulation
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Email: marketregulation@osc.gov.on.ca

Re: IIROC Proposed Dark Rules Anti-Avoidance Provision

The Portfolio Management Association of Canada ("PMAC"), through its Industry, Regulation & Tax Committee, is pleased to have the opportunity to provide comments on the proposed dark rules anti-avoidance provision (the "Proposed Provision") published January 29, 2015 to foster debate about the best approach to maintaining healthy and competitive Canadian markets. IIROC's proposed amendments would permit market participants to execute small client orders on a non-Canadian market only when the order is entered on a FORM that displays order information, or the order receives meaningful price improvement. We support the purposes of the Proposed Provision to promote public price discovery by adding liquidity in the displayed markets, as well as consistency in the requirement to obtain a "better price" under Canada's dark liquidity framework. Notwithstanding, we believe that there should be an appropriate and balanced regulatory response in addressing these issues.

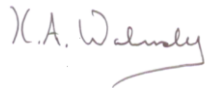
As background, PMAC represents investment management firms registered to do business in Canada as portfolio managers. The Association has grown steadily to over 200 members from across Canada that are comprised of both large and small firms managing total assets in excess of \$1 trillion for institutional and private client portfolios. Many of our Members are also registered as investment fund managers (IFMs) offering a variety of investment fund products to institutional investors and private clients. Our mission is to advocate the highest standards of unbiased portfolio management in the interest of the investors served by Members. For more information about PMAC and our mandate, please visit our website at www.portfoliomanagement.org. For more information about PMAC and our mandate, please visit our website at www.portfoliomanagement.org.

We support the general policy objective of pre-trade transparency supported by the Proposed Provision and obtaining consistency in the application of the requirement to obtain a "better price" under the Canadian dark liquidity framework. We agree that consistent application of the rules designed to incent price discovery on Canadian public markets needs to be achieved to keep our markets healthy. We also share the concern that order flow redirection to U.S. markets, could negatively impact price discovery in Canada and affect the quality and efficiency of the Canadian capital markets. However, we do believe that from the buy-side perspective, access to liquidity is of key importance. Canadian investment management firms should not be restricted in seeking and accessing liquidity.

We support an appropriate balance of regulation to address the concerns identified while not negatively impacting price discovery and liquidity. We would be pleased to address any questions regarding this submission. Please do not hesitate to contact Julie Cordeiro at jcordeiro@portfoliomanagement.org or Katie Walmsley (kwalmsley@portfoliomanagement.org) at (416) 504-7018 should you wish to discuss our comments.

Yours truly;

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA



Katie A. Walmsley
President, PMAC



Scott Mahaffy
Vice President & Senior Counsel
MFS Investment Management Canada Limited

**PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA
MEMBERSHIP LIST
2015**

Addenda Capital
Adroit Investment Management Ltd.
Aegon Capital Management Inc.
AGF Investments Inc.
Aldersley Securities Inc.
Alitis Investment Counsel Inc.
AMG Canada
ATB Investment Management Inc.
Aurion Capital Management Inc.
Avenue Investment Management Inc.
Aviva Investors Canada Inc.
Baker, Gilmore & Associates Inc.
Barometer Capital Management Inc.
Barrantagh Investment Management Inc.
Baskin Financial Services Inc.
Beaujolais Private Investment Management
Bellwether Investment Management Inc.
Beutel, Goodman & Company Ltd.
BirchLeaf Investments Inc.
BlackRock Asset Management Canada Limited
Bloom Investment Counsel, Inc.
BMO Asset Management Inc.
BMO Private Investment Counsel Inc.
BNP Paribas Investment Partners Canada Ltd.
BNY Mellon Asset Management Canada Ltd.
BNY Mellon Wealth Management, Advisory Services, Inc.
Brandes Investment Partners & Co.
Bridgeport Asset Management Inc.
Bull Capital Management Inc.
Burgundy Asset Management Ltd.
Bush Associates Ltd.
C.A. Delaney Capital Management Ltd.
Canoe Financial L.P.
Canso Investment Counsel Ltd.
Cardinal Capital Management, Inc.
CGOV Asset Management
CI Private Counsel LP
CIBC Asset Management Inc.
Claret Asset Management Corporation
Cockfield Porretti Cunningham Investment Counsel Inc.
Coerente Capital Management Inc.
Coleford Investment Management Ltd.
Connor, Clark & Lunn Investment Management Ltd.
Connor, Clark & Lunn Private Capital Ltd.
Cordiant Capital Inc.
Coriel Capital Inc.

Cougar Global Investments Limited
Covenant Capital Management Inc.
Crestridge Asset Management Inc.
Crystal Wealth Management System Ltd.
Cypress Capital Management Ltd.
Davis-Rea Ltd.
De Luca Veale Investment Counsel Inc.
Desjardins Investment Management Inc.
Dixon Mitchell Investment Counsel Inc.
Doherty & Associates Investment Counsel
Dorchester Investment Management
Duncan Ross Associates Ltd.
18 Asset Management Inc.
1832 Asset Management L.P.
Empire Life Investments Inc.
ETF Capital Management
Evans Investment Counsel
Excel Investment Counsel Inc.
Exponent Investment Management Inc.
Falcon Asset Management Inc.
FI Capital Ltd.
Fiera Capital Corporation
Focus Asset Management
Foster Asset Management Inc.
Foyston, Gordon & Payne Inc.
Galibier Capital Management Ltd.
Galileo Global Equity Advisors Inc.
Genova Private Management Inc.
Genus Capital Management Inc.
GFI Investment Counsel Ltd.
GLC Asset Management Group Ltd.
Global Alpha Capital Management Ltd.
Global Wealth Builders Ltd.
GlobeInvest Capital Management Inc.
Gluskin Sheff + Associates
Goodreid Investment Counsel Corp.
Greystone Managed Investments Inc.
Groundlayer Capital Inc.
Gryphon Investment Counsel Inc.
Guardian Capital LP
Gyrus Investment Management Inc.
Headsail Wealth Management Incorporated
Heathbridge Capital Management
Hélène Dion Investment Management Inc.
Hesperian Capital Management Ltd.
Heward Investment Management Inc.
Highstreet Asset Management Inc.
Highview Asset Management Inc.
Hillsdale Investment Management Inc.
Horizons ETFs Management (Canada) Inc.
Howard, Barclay & Associates Ltd.
HSBC Global Asset Management (Canada) Limited

HSBC Private Wealth Services (Canada) Inc.
Hybridge Investment Management Inc.
I.A. Michael Investment Counsel Ltd.
IA Clarington Investments Inc.
Independent Accountant's Investment Counsel Inc.
Integra Capital Ltd.
Invesco Canada Ltd.
J.C. Hood Investment Counsel Inc.
J. Zechner Associates Inc.
Jarislowsky, Fraser Limited
Jones Collombin Investment Counsel Inc.
Kerr Financial Advisors Inc.
Laurus Investment Counsel Inc.
LDIC Inc.
Leith Wheeler Investment Counsel Ltd.
Leon Frazer & Associates Inc.
Lester Asset Management
Letko Brosseau & Associates Inc.
Longview Asset Management Ltd.
Lorne Steinberg Wealth Management Inc.
Louisbourg Investments Inc.
Macdonald, Shymko & Company Ltd.
MacDougall Investment Counsel Inc.
Manitou Investment Management Ltd.
Manulife Asset Management
Marquest Asset Management Inc.
Martin, Lucas & Seagram Ltd.
Mawer Investment Management Ltd.
McElvaine Investment Management Ltd.
MD Physician Services Inc.
MFS Investment Management Canada Limited
Milestone Investment Counsel Inc.
Montrusco Bolton Investments Inc.
Morgan Meighen & Associates Limited
Morguard Financial Corporation
Newport Private Wealth Inc.
Nexus Investment Management Inc.
Nicola Wealth Management Ltd.
NEI Investments
NS Partners Ltd.
NT Global Advisors, Inc.
Pacific Spirit Investment Management Inc.
Patient Capital Management Inc.
Patrimonica Asset Management Inc.
PCJ Investment Counsel Ltd.
Perennial Asset Management Corp.
Picton Mahoney Asset Management
Pier 21 Asset Management Inc.
PIMCO Canada Corp.
Portfolio Management Corporation
Portland Investment Counsel Inc.
QV Investors Inc.

Rae & Lipskie Investment Counsel Inc.
RBC Global Asset Management Inc.
RBC Phillips, Hager & North Investment Counsel Inc.
Rempart Asset Management Inc.
Richmond Equity Management Ltd.
Ridgewood Capital Asset Management Inc.
Rogan Investment Management Ltd.
Rondeau Capital Inc.
Roundtable Capital Partners Inc.
RP Investment Advisors
Russell Investments Canada Ltd.
Scheer, Rowlett & Associates Investment Management Ltd.
Seymour Investment Management Ltd.
Sharp Asset Management Inc.
Silver Heights Capital Management Inc.
Sionna Investment Managers
Sprung Investment Management Inc.
Standard Life Investments Inc.
Stanton Asset Management Inc.
State Street Global Advisors, Ltd.
Steadyhand Investment Management Ltd.
Strathbridge Asset Management Inc.
Stylus Asset Management Inc.
Successful Investor Wealth Management Inc.
Summerhill Capital Management Inc.
Sun Life Global Investments (Canada) Inc.
T.E. Investment Counsel Inc.
Taylor Asset Management Inc.
TD Asset Management Inc.
TD Harbour Capital (Division of TD Waterhouse Private Investment Counsel Inc.)
TD Waterhouse Private Investment Counsel Inc.
Tetrem Capital Management Ltd.
Thornmark Asset Management Inc.
Toron AMI International Asset Management
TriDelta Investment Counsel
Tulett, Matthews & Associates
UBS Global Asset Management (Canada) Co.
University of Toronto Asset Management
Vancity Investment Management Ltd.
Vantage Point Investment Management Inc.
Venable Park Investment Counsel Inc.
Vestcap Investment Management Inc.
Vision Wealth Management Ltd.
Vulcan Asset Management Corporation
W.A. Robinson & Associates Ltd.
Watson Di Primio Steel Investment Management Ltd.
West Face Capital Inc.
Wickham Investment Counsel Inc