



**TD Waterhouse**  
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Bruce Grossman  
Senior Information Analyst, Member Regulation Policy  
Investment Industry Regulatory Organization of Canada  
Suite 2000, 121 King Street West  
Toronto, Ontario M5H 3T9

Dear Sir:

We take this opportunity to provide comments further to the Request for Comments on "Proposed amendments to Dealer Member Rules 100 and 1200 and to Form 1 relating to the client free credit cash usage limit, client free credit segregation requirements, and securities concentration test" published on December 18, 2014.

We have read through the revised schedules. We are writing to request clarification as it pertains to the below questions.

#### **Free Credits Cash Usage Limit & Client Free Credits Segregation Requirement**

The proposed rules amend the client free credit cash usage monitoring requirements so that the frequency of estimating the client free credit cash usage limit and segregation amounts must be at least weekly. While the proposed rule references "*estimating*" the client free credit cash usage limit weekly, does this require firms to actually obtain/calculate the client free credit amounts weekly and compare this number to the limit based on 12x EWR, or, does this require firms to use the prior month-end client free credit number and compare this amount to the limit based on 12x EWR, which is calculated weekly as part of a firm's weekly capital calculations as required by Rule 2600?

#### **Securities Concentration**

Will government-guaranteed (CMHC guaranteed) products, such as mortgage-backed securities or insured mortgages be scoped into Schedule 9, if they have margin rates of less than 10%?

TD Waterhouse Canada Inc. would like to thank IIROC for the opportunity to provide comments on these proposed amendments. If you have any questions, or require further information, please do not hesitate to contact the undersigned.

Regards,

*Jenny Heibin*

Jenny Heibin

TD Waterhouse Canada Inc.

Chief Financial Officer

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