

From: Ed Charron
Sent: July 13, 2017 4:00 PM
To: Theodora Lam <tlam@IIROC.CA>
Subject: Proposed Provisions Respecting Client Identifiers

Hello Theodora,

As mentioned on our phone conversation below are my comments/concerns in relation to the proposed rule.

1. Retail clients presently do not have LEI numbers nor would they be very understanding of us asking them to obtain one.
2. Using the alternative of providing their account number on the member firms books and records would be of no value to IIROC as it would not provide any further information in relation to who the client is or where they reside.
3. Many retail accounts held by member firms are Professionally Managed Accounts in where the Investment Advisor would be applying several mandates to up to hundreds of accounts on his book with the same securities. Using that process the order is placed as a block order using an in house form of inventory account to place the order and then ticketed out to the individual clients internally so there would be no LEI attached to the order when it is sent to the exchanges.
4. Similarly with Institutional clients when they place an order to purchase or sell a large block of stock with the broker/dealer, this can require many trades/fills. It is purchased into an Average Price Account on the member firms books and once the order is completed, it is ticketed out to the Institutional client at an average price and can be allocated through several accounts. Again, this is an internal process at the client level.

Please let me know if you require any further clarification

Regards

Ed Charron
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