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Via Email

**Re: Proposed Amendments Respecting the Trading of Derivatives on a Marketplace**

Scotiabank appreciates the opportunity to comment on the proposal by IIROC to introduce derivative-specific provisions within the Universal Market Integrity Rules (UMIR).

We believe that the harmonization of regulation and oversight over trading in equities and related derivatives benefits the investment community. A significant portion of derivatives trading in Canada is done in conjunction with related trades in either equity or fixed income instruments. As a result, we believe it is appropriate to regulate both activities in a consistent and integrated manner. Consistent regulatory principles for interconnected products (such as equities, equity options, equity index futures and related ETFs) foster confidence in the marketplace and promote the growth of the industry.

We welcome competition in Canadian derivatives clearing and trading. While Scotiabank offers no view on any specific entrant, we note that IIROC's proposal may ultimately reduce the barriers to the entry into the Canadian space. By establishing a framework within UMIR to regulate derivative activity, IIROC would provide an out-of-the-box regulatory framework (and oversight) for new

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entrants. The introduction of competitive clearing and trading solutions in Canada could provide choice to investors, potentially at a lower cost.

We appreciate the opportunity to comment on this matter.

Respectfully,

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