

## MEMBER REGULATION



INVESTMENT  
DEALERS  
ASSOCIATION  
OF CANADA



ASSOCIATION  
CANADIENNE DES  
COURTIERS EN  
VALEURS MOBILIÈRES

# notice

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**MR0167**

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ATTENTION:  
Ultimate Designated Persons  
Chief Financial Officers  
Panel Auditors

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### Broker-To-Broker Trade Matching Utility

The Operations Subcommittee of the Financial Administrators Section established a working group in February 2000 to discuss straight through processing for System X. The working group prepared a white paper that set out the process for a broker-to-broker trade-matching model. The FAS approved, in June 2001, the white paper and they agreed that it be part of the CDS System X development stream for the purposes of dealer to dealer matching as part of the trade and settlement stream process. Trades targeted for matching are non-exchange trades, which are transactions that are done over-the-counter or done directly between dealers.

The Subcommittee has made the following recommendations:

- Mandate the use of the new Broker-To-Broker Trade Matching Utility for non-exchange trades.
- For each non-exchange trade involving CDS eligible securities executed by a Member with another Member, mandate the requirement that a Member must enter the trade into the Broker to Broker Trade Matching Utility or accept or reject the trade as entered into the Broker to Broker Trade Matching Utility by the other Member within one hour of executing the trade.

The recommendations were approved at the FAS Annual Meeting on September 14, 2002 and will be presented at the October 2002 IDA Board of Directors meeting for their approval. It will also require approval by the Securities Commissions.

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