



Appendix “B”

Comments Received in Response to

Market Integrity Notice 2008-004 – Request for Comments -

Provisions Respecting the Assignment of Identifiers and Symbols

On March 14, 2008, Market Regulation Services Inc. (“RS”) issued Market Integrity Notice 2008-004 requesting comments on proposed amendments to UMIR respecting the assignment of identifiers and symbols (“Symbol Proposal”). Effective June 1, 2008, RS merged with the Investment Dealers Association of Canada to form the Investment Industry Regulatory Organization of Canada (“IIROC”). References to “IIROC” include RS prior to June 1, 2008. IIROC received comments on the Symbol Proposal from:

Alpha Trading Systems (“Alpha”)
 BMO Financial Group (“BMO”)
 Canadian Security Traders Association, Inc. (“CSTA”)
 Canadian Trading and Quotation System Inc. (“CNQ”)

A copy of each comment letter submitted in response to the Symbol Proposal is publicly available on the website of IIROC (www.iiroc.ca) under the heading “Policy” and sub-heading “Market Proposals/Comments”).

The following table presents a summary of the comments received on the Symbol Proposal together with the response of IIROC to those comments. As a result of the comments, no revisions were made to the text of the Symbol Proposal upon the approval of the Amendments.

Text of Provisions of Following Adoption of Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
<p>10.15 Assignment of Identifiers and Symbols</p> <p>(1) The Market Regulator, upon being retained as the regulation services provider for a marketplace, shall assign a unique identifier to the marketplace for trading purposes.</p> <p>(2) A marketplace, upon granting access to the trading system of the marketplace to a Participant, shall assign a unique identifier to the Participant for trading purposes.</p> <p>(3) An Exchange upon listing of a security, a QTRS upon quoting of a security and a marketplace upon commencement of trading of a foreign exchange-traded security shall assign a</p>	<p>Alpha – Uncoordinated use of symbols and identifiers will impose an administrative burden on market participants but also increase the likelihood of errors and compliance risks. Suggests that the assignment of symbols be done by an independent third party (IIROC or its successor) and that a unique trading identifier be assigned to Access Persons. The registry of symbols and identifiers would be publicly available without restriction.</p> <p>BMO – Generally supports the proposal. Concerns</p>	<p>As discussed in the Market Integrity Notice, the approval of IIROC (or other regulatory body) would result in the administrative burden being borne by IIROC. Coordinated action by the marketplaces that can assign symbols and identifiers represented, in the opinion of IIROC, the most cost efficient alternative. IIROC had concluded that unique identifiers for Access Persons were not required at this point as IIROC is able to monitor the trading activity.</p> <p>Securities inter-listed between an Exchange in Canada and a</p>



Text of Provisions of Following Adoption of Amendments	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
<p>unique symbol for trading purposes.</p> <p>(4) The Market Regulator in assigning an identifier pursuant to subsection (1) or an Exchange, QTRS or marketplace in assigning an identifier or symbol pursuant to subsection (2) or (3) shall not assign an identifier or symbol that is:</p> <p>(a) different from the identifier or symbol previously assigned to the marketplace, Participant or security if such previously assigned identifier or symbol will continue to be used in respect of that marketplace, Participant or security;</p> <p>(b) the same as an identifier or symbol assigned to another marketplace, Participant or security if such previously assigned identifier or symbol will continue to be used in respect of that other marketplace, Participant or security;</p> <p>(c) not in compliance with the provisions of any agreement made in accordance with section 7.5 of the Trading Rules for the co-ordination and monitoring and enforcement between each regulation services provider, Exchange and QTRS; or</p> <p>(d) in a form or of a type that is not generally supported by the systems of market participants as defined for the purposes of applicable securities legislation.</p>	<p>expressed about an ATS choosing to trade a foreign exchange-traded security that has been assigned a symbol in the foreign jurisdiction which is the same as a Canadian issuer. Suggests an independent third party be charged with the responsibility of assigning symbols (preferably the CSA with the requirements being included in the Marketplace Operation Instrument).</p> <p>CNQ — Recommends a national symbol database to be maintained by IIROC with an agreed protocol for the reservation and assignment of symbols. The costs of such a system should be recovered on a “listing-proportional basis” from the marketplaces performing a listing function.</p> <p>CSTA — Supports the assignment by IIROC of identifiers for each marketplace. Believes IIROC should also assign identifiers for Participants and symbols. Would support a one-year trial period.</p>	<p>foreign exchange presently may trade under different symbols in each jurisdiction. Investors and dealers are aware of this fact. However, historically, the various exchanges in Canada coordinated the use of symbols. The Amendments formalize the effect of such arrangements by ensuring that each marketplace (and not just exchanges) employed the same symbol for the same security.</p> <p>IIROC acknowledges that, if the Marketplace Operation Instrument provided a mechanism to regulate the use of symbols, the current and proposed provisions in UMIR on the assignment of identifiers and symbols would not be necessary.</p> <p>IIROC believes that those marketplaces which have the capacity or need to assign symbols should coordinate this function among themselves. Such agreements and coordination are contemplated by the Marketplace Operation Instrument. The Amendments provide a framework that ensures “unique” symbols and identifiers even in the event that marketplaces can not agree on a co-ordination mechanism.</p> <p>See response to CNQ comments above.</p>
<p>Specific Matters on Which Comment is Requested</p> <p>Requirements for Securities Trading under Different Symbols at the Time of Approval of the Amendments</p> <p>1. <i>Should the symbol which marketplaces are required to use be the symbol that had been assigned by:</i></p> <p>(a) <i>the first marketplace to list, quote or trade the security and which continues to list, quote or trade that security;</i></p> <p>(b) <i>the marketplace that is the “principal market” for that security at the time of the approval of the Amendments; or</i></p> <p>(c) <i>some other procedure (please describe the suggested procedure)?</i></p>	<p>CNQ — Suggests that, in the event of any inter-listing by TSXV of a CNQ-listed security, the TSXV use 3 of the 4 consecutive letters included in the CNQ symbol. The assumption by IIROC of responsibility for processing symbol reservations would facilitate the adoption by CNQ of a 3-character system for its listings.</p>	<p>IIROC believes that the primary responsibility for co-ordination should rest with the “listing” marketplaces. Unless the marketplaces have resolved the matter before the amendments come into effect IIROC would propose that marketplaces be required to use the symbol that had been assigned by the first marketplace to list, quote or trade the security and which continues to list, quote or trade that security. As at the date of the approval of the Amendments, no security is being traded on any Canadian marketplace under different symbols.</p>