



Capital  
Markets

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July 14, 2022

Via Email: [tlam@iroc.ca](mailto:tlam@iroc.ca), [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

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Dear Sirs/Mesdames:

**Re: Proposed Amendments Respecting the Codification of Certain UMIR Exemptions – IIROC Notice 22-0054**

This comment letter is being submitted by RBC Dominion Securities Inc. (“RBC”). We are writing in response to the *Proposed Amendments Respecting the Codification of Certain UMIR Exemptions* published by the Investment Industry Regulatory Organization of Canada (“IIROC”) on April 14, 2022 (the “Proposed Amendments”). RBC appreciates the opportunity to comment on the Proposed Amendments.

We are generally supportive of the Proposed Amendments, and in particular the revisions to Universal Market Integrity Rules (“UMIR”) 6.4(2) which would permit the off-marketplace trade of securities subject to a statutory resale restriction where the trade is conducted pursuant to a prospectus exemption under applicable securities legislation.

We note that the Capital Markets Modernization Taskforce highlighted in its January 2021 Final Report that Canadian dealers are at a competitive disadvantage in the context of cross-border “large in magnitude” bought deals as IIROC typically provides an exemption to allow the “take-on” portion of the trade to be executed off-marketplace, but requires the unwinding trade to be executed on a marketplace. Conversely, in the United States dealers are able to rely on the block exemption set out in Regulation M under the Securities Exchange Act of 1934 (“Reg M”) such that the entire transaction, including distribution to clients, can be completed off-market.

When viewed from the perspective of the client distributing their block of security, this need for IIROC approval for and printing of unwinding trade leads to additional cost associated with information leakage, additional execution risk exposure for Canadian broker/dealers and lack of timeliness of execution. Therefore, it’s much easier for the client on inter-listed securities to seek competitive execution in another jurisdiction where such issues are not a hindrance for speedy decisions and execution.

We call on IIROC to implement the recommendations of the Capital Markets Modernization Taskforce to harmonize UMIR 6.4 with Reg M so as to specifically exempt these cross-border bought deal transactions from the requirement to execute on a marketplace, as well as to implement an exemption for similar-sized transactions on Canadian marketplaces with a correspondingly smaller minimum value threshold.

We appreciate the opportunity to provide comments and welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact RBC.

Regards,

A handwritten signature in black ink, appearing to read 'T. Gajer', is positioned below the closing salutation.

Thomas Gajer  
Managing Director  
RBC Dominion Securities Inc.