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British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Price Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

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Re: **NOTICE AND REQUEST FOR COMMENTS PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT* AND COMPANION POLICY 24-101CP *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT***

Dear Sir/Madame,

The Northern Trust Company, Canada thanks you for the opportunity to provide comments on the proposed amendments to National Instrument 24-101. Northern Trust Corporation is a leading provider of investment management, asset and fund administration, banking solutions and fiduciary services for corporations, institutions and affluent individuals worldwide. Northern Trust, a financial holding company based in Chicago, has offices in 18 U.S. states and 16 international locations in North America, Europe, the Middle East and the Asia-Pacific region.

Below, please find responses to the questions raised in the notice and request for comments.

Question 1: For what period should the requirement to match no later than the end of T be deferred? Should the requirement be deferred indefinitely until such time as global markets shorten their standard T+3 settlement cycles? Please provide your reasons.

The logical solution would be to defer until all global markets shorten the standard settlement cycle. In a T+3 environment, T+1 matching @ noon is most appropriate, as it is aggressive and allows sufficient time for researching any transactions that have not matched. There is no real benefit to match earlier than this. It will only bring added pressure to increase staff presence during ‘off’ hours and improved automation, with no tangible benefits. Also, the instrument begins to lose credibility if it continues to defer the deadline. It should be clearly tied to the settlement cycle.

Question 2: We seek as much information as possible from stakeholders on the costs and benefits of the requirement to match a DAP/RAP trade no later than the end of T, including any available empirical data. What would be the benefits of moving to matching by midnight on T on July 1, 2015?

As stated above, there is no operational benefit by moving to T matching. The added costs for technology and manpower will be difficult to justify in today’s financial environment. The slight increase in efficiency does not equal the financial impact to all trade matching parties.

Question 3: What are the costs and benefits of extending the current industry ITM processing times to allow market participants to process their trades beyond the CDS 7:30 p.m. cut-off time until late in the evening on T?

Costs would be high to implement the technological modifications and increase staffing if CDS trade processing continued beyond the CDS 7:30 p.m. cut-off time. Meanwhile, the percentage of trades matched in this window would be small, meaning the benefits would be minimal. This move would only be beneficial if a shortened settlement cycle was introduced.

Question 4: What are the costs and benefits of having a specific industry-wide trade identifier to enable dealers to track and segregate their non-western hemisphere trades from western hemisphere trades?

Creating a new CDS trade identifier to track non-western hemisphere trades from western hemisphere trades would create little benefit, as the distinction of these trades is done internally at the custodial level.

Question 5: Would extending the current requirement to match no later than noon on T+1 to a new deadline of 2 p.m. on T+1 help address current ITM processing delays and problems for the next two years?

Extending the current requirement for a temporary period would create more hardship than efficiency. Coordinating the resources for this temporary move, and reverting back two years later will be extremely difficult to justify, as the only known benefit is to appease a small number of the buy side firms who require more time. There will be little witnessed in terms of improvements for matching statistics, since only a small number of trades are involved. While we understand the CSA is trying to find ways for all firms to adjust to these new requirements, focus should be placed on finding out why these firms require additional time and what can be done to improve their efficiency to meet the current deadlines. Moving the deadline temporarily does not do this. In fact, it tarnishes the credibility of the instrument, as a temporary move like this is seen more of a quick fix, and makes the deadlines in place appear to be flexible and ever changing.

Yours truly,

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