



Market Regulation Services Inc.

Services de réglementation du  
marché inc.

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December 18, 2003

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Ontario Securities Commission,  
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20 Queen Street West,  
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Attention: Secretary of the Commission

Dear Sirs and Mesdames:

**Re: Notice and Request for Comment  
- Canadian Trading and Quotation Systems Inc. ("CNQ")**

Staff of Market Regulation Services Inc. ("RS") has had an opportunity to review CNQ's application for recognition as a stock exchange and all documents related thereto published in the Ontario Securities Commission Bulletin, dated November 21, 2003.

Based upon our review of the application and materials, RS is of the opinion that the proposed changes would have little effect on the regulation services agreement between RS and CNQ. The recognition of CNQ as a stock exchange and other changes which would occur as a result would require some minor editorial amendments to the regulation services agreement, but these changes would be immaterial and would have no effect on RS's relationship with CNQ or the manner which RS will conduct its role as a regulation services provider for CNQ. RS will be capable of providing regulation services to CNQ, utilizing the present regulatory model, without operational changes.

Based on our review of the proposed changes to the Rules of CNQ, RS has not identified any additional changes which would be required in order to be consistent with or to comply with the requirements of the Universal Market Integrity Rules. As such, RS does not recommend any addition changes to CNQ's rules.

If you have any questions regarding the content of this letter or any other matters regarding CNQ's application for recognition and its impact on RS, please do not hesitate to contact me at (416) 646-7280.

Yours truly,

Michael Brady,  
Counsel

cc. Rosemary Chan, Vice-President Market Policy and General Counsel, RS  
Timothy Baikie, General Counsel and Secretary, CNQ