

July 17, 2020

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MARKETAXESS CANADA COMPANY NOTICE OF PROPOSED CHANGE AND REQUEST FOR COMMENT

The Investment Industry Association of Canada (“IIAC”) appreciates this opportunity to provide comment on the proposal from MarketAxess Canada Company’s (“MA”) that would allow their Canadian Clients access to the LiquidityEdge electronic fixed income trading platform (“LE Platform”) for the purposes of trading US Treasury Securities (“UST”). The IIAC is the professional association representing the position of 115 IIROC-regulated dealer member firms on securities regulation, public policy, and industry issues. Included among our member firms are all Canadian primary dealers and other key intermediaries that support bond trading and underwriting in Canada.

Whether it be for cash re-investment, diversification or hedging purposes, the market for UST is important to Canadian dealers and their clients. The IIAC, therefore, supports initiatives that provide Canadian market participants with increased, and fair, access to UST. Increasingly, Canadian debt market participants are also looking to transact electronically reflecting the continued evolution of our marketplace. We believe; therefore, the MA proposal will help cater to the needs of Canadian market participants.

An important element of the MA proposal is that it confines the list of securities eligible for trading by Canadian clients to USTs, including: On the Runs, Off the Runs, TBills and guaranteed spread products. Given the market size for these instruments it is unlikely that trading by Canadian market participants via the LE Platform will have major impacts on market structure. Should MA, however, wish to expand its list of eligible securities on the LE platform to encompass Canadian fixed-income products, including US\$ denominated Canadian named debt, we believe this would warrant a separate review by the Canadian Securities Administrators given the more pronounced impact this could have on market structure in Canada. Accordingly, the CSA should have a process for ensuring MA, and ATS's generally, do not deviate from the NI 21-101 exemptions they have been granted.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Rando". The signature is fluid and cursive, with a large initial "J" and a stylized "Rando".

Jack Rando
Managing Director