



March 16, 2023

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Nova Scotia Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Attorney General, Prince Edward Island  
Securities Commission, Newfoundland and Labrador  
Superintendent of Securities, Yukon  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

**Attention:**

Me Phillippe Lebel  
Corporate Secretary and Secretary  
Executive Director, Legal Affairs Ontario Securities Commission  
Autorité des marchés financiers

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**Re: Canadian Securities Administrators Notice and Comment – Proposed Amendments to National Instrument 24-101 – Institutional Trade Matching and Settlement and Proposed Changes to Companion Policy 24-101 – Institutional Trade Matching and Settlement**

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**OVERVIEW**

The Portfolio Management Association of Canada (**PMAC**), through our Industry Regulation & Taxation Committee, is pleased to have the opportunity to submit the following comments regarding the CSA's Notice and Request for Comment: Proposed Amendments to National Instrument 24-101 – Institutional Trade Matching and

Settlement (**NI 24-101**) and Proposed Changes to Companion Policy 24-101 – Institutional Trade Matching and Settlement (**CP** and collectively, the **Consultation**).

PMAC represents over 300 investment management firms registered to do business in Canada as portfolio managers (**PMs**) with the members of the Canadian Securities Administrators (**CSA**). PMAC's members encompass both large and small firms and manage total assets in excess of \$3 trillion.

## **GENERAL COMMENTS**

PMAC supports the work of the CSA to facilitate the move to a T+1 settlement cycle for equity and long-term debt market trades (**T+1**).

PMAC also supports the direction taken by the CSA to not amend sections 9.4 and 10.4 of National Instrument 81-102 - *Investment Funds* at this time to shorten the settlement cycle for primary distributions and redemptions of mutual fund securities.

We would also like to acknowledge with appreciation the work of the CCMA in facilitating dialogue among industry and stakeholders in advance of the move to T+1.

## **CONSULTATION RESPONSES**

1. In a T+1 settlement system, is an ITM deadline of 9pm on T appropriate? Why or why not?

Members suggest that the CSA consider implementing a staged transition for the ITM deadline that would start at midnight on T and, in the absence of any issues, eventually move to a 9pm deadline. Currently, the industry has 20 hours to matching from market close which would be reduced to 5 hours from market close as a result of the amendments. By starting with a midnight ITM deadline, firms would have 8 hours from market close to match trades and the CSA could take the 6-12 months after the amendments are implemented to assess their impact. If industry participants are struggling with the move to the midnight deadline, this would be apparent within this timeframe. If there are no significant issues, the CSA could tighten the matching deadline to 9pm over time.

## **ADDITIONAL COMMENTS**

PMAC would like to acknowledge and thank the CSA for their receptiveness to PMAC's advocacy on this issue and for reducing regulatory burden by repealing the exception reporting requirement. PMAC welcomed the 2020 three-year moratorium on the applicability of the Exception Reporting Requirement, noting that filing Form 24-101F1 represented regulatory burden with limited utility.

We believe that permanently repealing the reporting obligation is an appropriate and useful step and we also appreciate that the CSA proposes to extend the three-year moratorium until the time that the proposed amendments come into effect.

## **CONCLUSION**

Thank you for the opportunity to provide feedback on the Consultation.

Sincerely,

## **PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA**

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