BY FACSIMILE September 11, 2003

Canadian Securities Administrators

c/o Ontario Securities Commission
Cadillac Fairview Tower
Suite 800, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8
Attention: John Stevenson, Secretary

Re: ATS Rules – Proposed Amendments to National Instruments 21-101 and 23-101

We are writing to comment on the proposed amendments to NIs 21-101 and 23-101, and the associated policies and forms.

Best Execution

We applaud the CSA for moving to "focus on ensuring compliance with best execution and fair access requirements", in the words of the request for comments, in the debt market.

Market Data

Proposed ss. 8.1 and 8.2 require the provision of order and trade information to "an information processor". This forcible supply provision could undercut the value of the data provided, and materially and adversely affect the ability of markets to receive reasonable compensation therefor and to negotiate reasonable contractual terms. Accordingly, we would recommend adding the words "on reasonable terms to be negotiated between them, and, failing agreement, on reasonable terms to be determined by the Commission on the application of either". We need to be able to preserve our ability to negotiate appropriate (but reasonable) terms. Otherwise, we will lose a valuable source of revenue or potential revenue, which could undercut our long-term profitability, vibrancy and viability, to the detriment of the capital markets. We note that at present this will only apply to corporate debt securities, and not government debt securities, until 2007, but nonetheless consider it very important to recognize that, like the TSX and other successful marketplaces, we too value our market data and deserve to be compensated for it, and need protections from inappropriate liability. We will need to ensure, for example, that the information processor does not re-sell or re-use our data without our consent and without passing through an appropriate portion of the profit to us, includes appropriate liability disclaimers for our benefit, etc.

In addition, the information to be required by the information processor needs to be subject to negotiation to preserve our competitive position. For example, disclosure of information that would identify our customers (or even types of customers) would be inappropriate in an anonymous market, and excessive disclosure could potentially harm the market and

harm our unique service offering. Accordingly, we would also recommend amending the words “as required by the information processor” at the ends of ss. 8.1(1) and (3) and ss. 8.2(1) and (3) to read instead “as agreed between them, and, failing agreement, as determined by the Commission.”

At a minimum, the former “reasonable requirements” language should apply.

We would note that we have already entered into agreements on commercial terms with Reuters and The Globe and Mail, and have single-handedly brought a whole new level of transparency to the Canadian debt markets. We thus think that negotiation is the best route, with the CSA in the background to resolve disputes.

More importantly, given the limited role for CANPX between now and 2007, and the fact that our corporate debt prices are already publicly available in The Globe and Mail and will shortly be available on a real-time basis via Reuters, we query whether it would be preferable to simply require debt marketplaces to provide post-trade corporate debt information directly to an information vendor, and avoid the not insubstantial costs and conflicts of interest (we have commented previously on these matters) related to CANPX entirely.

The CSA has specifically requested comment on whether the “status quo” approach to government debt is appropriate, or whether they should instead require IDBs and all marketplaces to provide post-trade information to an information processor, subject to volume caps and on a fully anonymous basis (without disclosure of either the subscriber or the marketplace). We believe that the status quo is appropriate to allow the market to determine this issue.

We also note that IDB government security order transparency language is for “orders…executed”. An executed order is a trade, which is separately required to be disclosed. It appears that “orders” are intended to capture “unexecuted” orders, and thus the language should be revised.

Thank you for considering our comments.

Yours truly,

CBID Markets Inc.

Laurence D. Rose
President & Chief Executive Officer