

April 27, 2006

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
New Brunswick Securities Commission  
Office of the Attorney General, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland & Labrador  
Registrar of Securities, Northwest Territories  
Legal Registries Division, Nunavut  
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary  
Ontario Securities Commission  
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Madame Anne-Marie Beaudoin  
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Autorité des marchés financiers  
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**Comments on Proposed National Instrument 24-101  
Institutional Trade Matching and Settlement and  
Proposed Companion Policy 24-101CP to National Instrument 24-101**

The Canadian Depository for Securities Limited (“CDS”) is writing to the Canadian Securities Administrators (“CSA”) regarding its notice and request for comment on its proposed National Instrument 24-101 – Institutional Trade Matching and Settlement and Proposed Companion Policy 24-1010CP to National Instrument 24-101 - Institutional Trade Matching and Settlement.

CDS is a regulated clearing agency as defined in proposed National Instrument 24-101. The proposed Instrument and the proposed Companion Policy to the Instrument contain certain requirements for regulated clearing agencies, such as CDS. More specifically, clearing agencies are required to have rules or other instruments promoting compliance

by their participants with Parts 3 and 7 of the Instrument. CDS concurs with this recommendation.

Also, clearing agencies will be required to file quarterly information relating to the matching activities of their participants to assist the CSA or self-regulatory authorities in monitoring and enforcing the Instrument's matching requirements. As the CSA will be aware, CDS is producing reports that are provided monthly to participants, on an individual and industry basis, and to the Ontario Securities Commission and the Autorité des marchés financiers, on an industry basis, that show statistics regarding its participants' institutional trade entries and confirmations, including the percentage of matched institutional trades at T, T+1, T+2, T+3 and after T+3. Form 24-101F2 of the Instrument indicates the information required to be reported by clearing agencies. In addition to the information already being reported by CDS, Form 24-101F2 requires that the reports include information about the institutional trades matched as of 12:00 p.m. on T+1 for the first transitional period. As CDS only captures entry and matched trade data as of 7:30 p.m. on T, additional development work will be required to capture matched trade data as of 12:00 p.m. on T+1. Also, in order for CDS's report to comply with Form 24-101F2, development work will be required to differentiate settled trades between dealers and custodians, to capture matched trades by matching utilities and other service providers and to create a separate exception report.

CDS has estimated the development effort required to implement the required changes to the report to conform with Form 24-101F2. The changes will be implemented in time to begin collecting the additional information for trades executed after December 31, 2006, which represents the start of the first transitional period. Although the Instrument is to come into force on July 1, 2006, CDS's interpretation is that information for Form 24-101F2 should start to be collected for the beginning of the first transitional period.

In concluding, CDS supports the proposed National Instrument as a sound and measured approach towards achieving 98% matching of institutional trades by T, a key step for improving straight through processing. CDS believes that the inclusiveness of the Instrument's application and the timeline for achieving the 98% threshold are appropriate for the Canadian capital markets and is committed to providing the necessary support in order to achieve the objectives of the CSA.

Sincerely,

A handwritten signature in black ink, appearing to read "Allan R. Cooper". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Allan R. Cooper  
President and Chief Executive Officer