



May 1, 2006

VIA EMAIL

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
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M5H 3S8

- and to -

Madame Anne-Marie Beaudoin
Directrice du secretariat de L'Autorité
Autorité des marchés financiers
800, square Victoria, 22d étage
C.P. 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear Sirs/Mesdames:

Re: Proposed National Instrument 24-101 ("NI 24-101")

We have reviewed the Canadian Securities Administrators' Notice and Request for Comment on NI 24-101 and are pleased to provide our comments on the proposed rule regarding institutional trade matching and settlement.

Pam Thadani
Compliance Manager

Capital International
Asset Management (Canada), Inc.
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Background

Capital International Asset Management (Canada), Inc. (“CIAM”), registered as an investment counsel, portfolio manager (“IC/PM”) in the provinces of Ontario and British Columbia also manages seven mutual funds known as the “Capital International” funds distributed throughout Canada. CIAM is part of The Capital Group Companies, Inc., a global investment management firm which originated in 1931.

Comments

We believe that NI 24-101 will assist in enhancing the global competitiveness of Canada’s capital markets. While CIAM is generally in favour and supportive of the proposed new framework for ensuring more efficient and timely processing and settlement of institutional trades, we have the following comments regarding the practical implementation of the proposed rule. Please note that the provided comments below are in connection with our advisory activities as an IC/PM registrant which include, among other things, providing investment advisory services to our mutual funds, pooled funds and separate account clients.

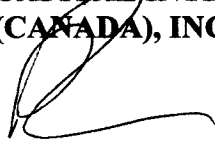
1. Part 3 of NI 24-101 requires that compliance agreements or signed written statements be in place before accounts are opened with dealers or before orders may be given to dealers to execute trades. On behalf of its mutual funds, pooled funds and separate accounts, CIAM’s affiliates currently use multiple dealers to effect trades. Under this section of the proposed rule, it appears that CIAM and other IC/PM registrants would be expected to have such compliance agreements/statements in place as of the date the rule becomes effective on July 1, 2006. We are concerned that, having such documents in place by July 1, 2006 would be administratively burdensome and impractical for CIAM. In order to allow CIAM and other IC/PMs sufficient time to have such agreements and statements in place by the date the rule becomes effective, we propose that the Canadian Securities Administrators implement a staggered, phased-in approach in order that such documents may be appropriately executed and finalized.
2. Part 4 of the NI 24-101 prescribes certain exception reporting requirements for IC/PMs and other registrants, to be made in accordance with Form 24-101F1. Such reporting, which is to be transitioned over the next two years, is triggered by prescribed percentage thresholds of matched trades and will be supplemented by similar filings made by regulated clearing agencies and matching service utilities pursuant to NI 24-101. Such exception report filings are intended to assist the Canadian securities regulatory authorities in identifying problem areas in matching, including identifying trade-matching

parties with insufficient policies and procedures in place to ensure timely matching of trades. While we support the CSA's proposed initiative to oversee and monitor the trade matching process, we believe the requirement to report exceptions by IC/PMs may be duplicative and result in unnecessary burden for the industry as the reporting requirement also extends to other registrants such as broker/dealers who would be primarily responsible for executing trade orders.

We appreciate the opportunity to provide our comments on the proposed NI 24-101. If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned. Thank you.

Yours truly,

**CAPITAL INTERNATIONAL ASSET MANAGEMENT
(CANADA), INC.**



Pam Thadani
Compliance Manager