



May 2, 2006

**BY EMAIL AND COURIER**

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 and Labrador  
Registrar of Securities, Northwest Territories  
Legal Registries Division, Nunavut  
Registrar of Securities, Yukon Territory

c/o Mr. John Stevenson  
Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 1903, Box 55  
Toronto, ON M5H 3S8

Madame Anne-Marie Beaudoin  
Directrice du secrétariat de l'Autorité  
Autorité des marchés financiers  
800, Square Victoria, 22e étage  
C.P. 246, Tour de la Bourse  
Montréal, PQ H4Z 1G3

Dear Sirs/Mesdames:

**Re: CSA Notice and Request for Comment - Proposed National Instrument 24-101  
Institutional Trade Matching and Settlement, and Proposed Companion  
Policy 24-101CP to National Instrument 24-101 Institutional Trade Matching and  
Settlement**

TSX Group Inc. welcomes the opportunity to comment on behalf of both Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSXV") on Proposed National Instrument 24-101 Institutional Trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Institutional Trade Matching and Settlement (the "Proposed Instrument") published by the Canadian Securities Administrators (the "CSA") on March 3, 2006.

Rik Parkhill  
Executive Vice President  
President, TSX Markets  
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We support the efforts of the CSA to ensure the more efficient and timely settlement and processing of trades, particularly institutional trades. In providing comments on the Proposed Instrument, we will focus on the impact of the Proposed Instrument on TSX and TSXV as marketplaces as opposed to the impact on market participants.

We note in particular that Part 8 of the Proposed Instrument imposes an obligation on marketplaces to have rules or other instruments to promote compliance by its members, participants or users with the requirements of Parts 3 (Trade Matching Requirements) and 7 (Trade Settlement) of the Proposed Instrument.

We see the requirements in Part 8 of the Proposed Instrument as duplicative and unnecessary. In connection with the earlier version of the Proposed Instrument which was published in 2004, the CSA asked a number of questions. In reviewing the responses to the question of whether the CSA should require market participants to match institutional trades on trade date, it appears that the answers can be grouped into three categories. That is, (1) those who supported oversight by the CSA; (2) those who supported oversight by a self-regulatory organization ("SRO"); and (3) those who supported CSA or SRO oversight with complementary/supplementary SRO or CSA rules (as the case may be) to ensure complete "coverage". Part 8 of the Proposed Instrument adds a duplicate level of rules without a corresponding benefit. Given the existing regulatory framework, the CSA, the appropriate SRO, or the combination of the CSA and the appropriate SRO is in the best position to implement and enforce these types of rules. If the CSA decides to extend responsibility for implementing and enforcing these types of rules to a SRO, we would recommend that a SRO with responsibilities for member regulation would be the proper choice as opposed to a marketplace with responsibilities for trading rules.

Thank you for providing us the opportunity to comment on the Proposed Instrument. We would be pleased to discuss our comments directly with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Rik Parkhill". The signature is written in a cursive, slightly slanted style.

Rik Parkhill  
Executive Vice President,  
President TSX Markets