STATE STREET.

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Via E-mail

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Price Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

c/o Mr. John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

Mme Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3

RE: Proposed Amendments to NI 24-101 Institutional Trade Matching and Settlement

Dear Sir / Madame:

State Street Corporation ("State Street") appreciates the opportunity to comment on the proposed amendments to National Instrument 24-101 Institutional Trading Matching and Settlement ("NI 24-101"), as published by the Canadian Securities Administrators ("CSA") on October 30, 2009. Headquartered in Boston, U.S.A., State Street provides a full range of products and services—including investment servicing, investment management and investment research and trading—to meet the needs of institutional investors worldwide. With $18.8 trillion of assets under custody and administration, and $1.9 trillion of assets under management, State Street operates in 25 countries and more than 100 markets worldwide.[1] In

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[1] As of December 31, 2009.

Canada, State Street's branch and subsidiaries employ more than 1,000 people and have offices located in Toronto, Ontario; Montréal, Québec; and Vancouver, British Columbia.

State Street welcomes the CSA's ongoing efforts to enhance Institutional Trade Matching ("ITM"), a process that is critical to the smooth and efficient functioning of capital markets. We strongly support the CSA's efforts to create a more streamlined and efficient settlement framework, and acknowledge the positive impact of NI 24-101 on the ITM rate since entering into force in April 2007.

As a committed member of the Canadian financial industry, State Street is pleased to provide the enclosed comments. Should you have any questions regarding this submission, please do not hesitate to contact me.

Very truly yours,

Stefan M. Gavell
Executive Vice President &
Head of Regulatory and Industry Affairs

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Question 1: For what period should the requirement to match no later than the end of T be deferred? Should the requirement be deferred indefinitely until such time as global markets shorten their standard T+3 settlement cycles? Please provide your reasons.

State Street believes that the requirement to match no later than the end of T should be deferred indefinitely, or until such time as global markets, including the U.S., shorten their standard T+3 settlement cycles. Under the current T+3 cycle, State Street sees no compelling need to match on T. Moreover, we believe that any efficiencies gained from moving matching requirement from noon on T+1 to midnight on T would likely be outweighed by potential technological and other costs related to advancing the matching deadline.

Question 2: We seek as much information as possible from stakeholders on the costs and benefits of the requirement to match a DAP/RAP trade no later than the end of T, including any available empirical data. What would be the benefits of moving to matching by midnight on T on July 1, 2015?

As noted above, State Street sees no compelling reason to advance the trade deadline under the current T+3 settlement cycle.

Question 3: What are the costs and benefits of extending the current industry ITM processing times to allow market participants to process their trades beyond the CDS 7:30 p.m. cut-off time until late in the evening on T?

In order to allow market participants to process trades beyond the 7:30 p.m. cut-off time set by CDS, all market participants would be required to institute a processing shift that extends beyond the normal hours of operation. Costs related to adding a late evening shift would include hiring and training new staff to cover the extended processing times.

Question 4: What are the costs and benefits of having a specific industry-wide trade identifier to enable dealers to track and segregate their non-western hemisphere trades from western hemisphere trades?

As a custodian, State Street would incur one-time costs associated with enhancing its trade match reports to segregate trades from non-western hemisphere managers. Additionally, if the trade identifier were included in trade details obtained from CDS, State Street would be required to make certain systems adjustments and enhancements to ensure that the trade identifier is captured properly and the trade field populated accurately.

Question 5: Would extending the current requirement to match no later than noon on T+1 to a new deadline of 2 p.m. on T+1 help address current ITM processing delays and problems for the next two years?

State Street does not support extending the current requirement to match no later than noon on T+1 to a new deadline of 2:00 p.m. on T+1 for a variety of reasons. Most notably, the proposed extension seems contrary to the CSA's ultimate goal of implementing a matching deadline of midnight on T. Extending the current deadline from noon to 2:00 p.m. on T+1 would simply delay the systems changes that must inevitably be enacted by all market participants. Although the proposed extension would likely improve the ITM rate for some participants in the near-term, over the longer-term State Street does not believe it would improve overall trade matching efficiency, nor would it encourage market participants to confront current technical challenges related to matching by noon on T+1, and eventually by midnight on T.

Additionally, the proposed extension would needlessly create operational challenges. For example, should the extension be implemented, market participants would be forced to reallocate staff and other resources dedicated to settling same-day trades in order to match T+3 trades for an additional two hours each day. Again, the proposal appears to favor achieving short-term advances in ITM matching rates ahead of enhancing overall efficiency in the settlement cycle over the long-run.