

December 4, 2014

Via Electronic Submission

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

Dear Sirs/Mesdames:

Re: Proposed Amendments to OSC Rule 13-502 – Fees and Companion Policy 13-502CP Fees

This letter is in response to the request for comments regarding the proposed amendments to OSC Rule 13-502 – Fees and Companion Policy 13-502CP Fees (collectively, the “Fee Rule”). ICE Trade Vault, LLC (“ICE Trade Vault”) appreciates the opportunity to comment on the proposed amendments to the Fee Rule. ICE Trade Vault is designated as a Trade Repository (“TR”) in the province of Ontario. ICE Trade Vault has similar regulatory approvals from the provinces of Quebec and Manitoba. In the United States, ICE Trade Vault is a provisionally registered swap data repository regulated by the Commodity Futures Trading Commission. ICE Trade Vault is a wholly owned subsidiary of Intercontinental Exchange Holdings, Inc. (“ICE”), which itself is owned by Intercontinental Exchange, Inc. ICE is a leading operator of regulated global markets and clearing houses, including futures exchanges, over-the-counter markets, derivatives clearing houses and post-trade services.

We acknowledge that OSC has designed a fee structure for all capital markets participants that seeks to recover the costs OSC incurs to provide protection to investors and promote efficient capital markets. We also acknowledge that the proposed amendments to the Fee Rule are meant to align fees more closely with the Commission’s costs. Nevertheless, we are very concerned that OSC is proposing to increase the fee for designated TRs from the current \$30,000/year to \$75,000/year. This proposed 150% increase of the TR supervisory fee that, in our respectful view, is not aligned with OSC’s actual costs for the ongoing oversight of designated TRs and is not consistent with other regulatory fee increases, either in Ontario or internationally. The notice that accompanies the proposed amendments to the Fee Rule states the following to justify the fee increase:

Staff have estimated that the current participation fee rate does not properly reflect the costs associated with the ongoing oversight of a TR. The new proposed fee is forecasted to be closer to the future actual costs of monitoring of how the TR meets the requirements under the TR Rule (91-507) and the designation order.

Respectfully, OSC staff is not in a position to accurately estimate the costs associated with the ongoing oversight of TRs. The three designated TRs in Ontario received their designation orders from the OSC in September of this year and trade reporting began on October 31. There is a very limited history of

TR oversight by OSC. At best, OSC staff can assess the costs associated with reviewing the designation applications filed by the three TRs and developing the designation orders; however, these costs should be reflected in the trade repository application fee, which is proposed to be increased substantially to \$83,000.

In our view, a 150% increase to the annual TR registration fee is exorbitant and sets an unfair precedent for capital market participants in Ontario. Such a dramatic fee increase would also cause substantial difficulties for ICE Trade Vault to execute its business plan in Ontario. It is important to emphasize that ICE Trade Vault is a commercial entity with significant expenses necessary to discharge its regulatory duties. No regulators, including the OSC, have been willing to devote the significant resources necessary to building its own derivatives TR utility in order to fulfill G20 commitments. TR duties and responsibilities are significant: a TR must ensure market participants' trade data is maintained in a secure manner, a TR must provide provincial regulators access to data and a TR must generate public reports. To fulfill these duties and responsibilities and operate in accordance with OSC rules, a TR must invest in enterprise systems, hosting facilities, data security and staffing.

To that end, ICE Trade Vault performed a thorough analysis of costs and potential revenues when deciding whether to enter the Canadian market. Such a large and unexpected fee increase as the one proposed by OSC will jeopardize the financial viability of ICE Trade Vault in Ontario and will require subsequent fee increases to our customers. ICE Trade Vault will also need to adopt additional precautionary measures to guard against future unexpected fee increases, either in Ontario or in other Canadian provinces that might be influenced by OSC's willingness to substantially increase supervisory fees.

In the notice that accompanies the proposed amendments to the Fee Rule, it states that the OSC's year-over-year costs have increased 2.5%. This notice also states that most activity fees are proposed to increase by an average of 6-8% (10% for Specified Regulated Entities, such as TRs). In our respectful opinion, it would be far more fair, reasonable and consistent with international norms for TR annual fees to increase in line with the OSC's actual costs and other comparable OSC fee increases. TR fee increases should not be greater than OSC's annual cost increases in an effort to ultimately minimize reporting costs on market participants; many of which are end-users. ICE Trade Vault recommends that the OSC reject its proposed 150% year-over-year fee increase.

Thank you for the opportunity to comment on the proposed amendments to the Fee Rule. If you have any questions or comments, please feel free to contact me at (770) 916-7812 or kara.dutta@theice.com.

Sincerely,



Kara Dutta
ICE Trade Vault, LLC
General Counsel