

December 17, 2014
The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

VIA E-MAIL to comments@osc.gov.on.ca

Dear Mesdames/Sirs:

The Depository Trust & Clearing Corporation (DTCC) welcomes this opportunity to submit comments to the Ontario Securities Commission (OSC) on the proposed amendments to the OSC Rule 13-502 Fees and Companion Policy 13-502CP (together, the “Fee Rule Proposal”).

About DTCC

DTCC through its subsidiaries operates companies that provide derivatives trade reporting in many jurisdictions globally. The DTCC Data Repository (U.S.) LLC (DDR) is currently designated as a trade repository by the Ontario and Manitoba Securities Commissions under the Securities Acts and Rule 91-507 and is currently recognized as a trade repository by the Quebec Autorité des marchés financiers under the Quebec Derivatives Act and Regulation 91-507. DDR was provisionally registered as a swap data repository (SDR) by the Commodity Futures Trading Commission in 2012 and operates as a SDR in the U.S.

Fees Applicable to Designated Trade Repositories

We understand that OSC is re-evaluating the participation fees for designated trade repositories, among other proposed fee changes, to align them more closely with the OSC’s costs. DTCC concerns about the proposal are as follows:

1. While DTCC appreciates that OSC operates on a cost-recovery basis and is dependent on market participant fees to fund its oversight responsibilities, the proposal to increase trade repository participation fees from an annual fee of \$30,000 to \$75,000 is a significant increase given that oversight has only recently begun. DTCC believes an analysis of OSC costs would be more appropriate following the full implementation of all phases of reporting and a review of data submitted. At that point, OSC may find it can rely on services provided by a designated trade repository to mitigate the need for expanded OSC infrastructure. In addition, DTCC urges that caution be exercised with respect to actions that increase the expense base for designated trade repositories. Such actions would impact customer fees as a result of the increased cost to operate the designated trade repository.
2. The premium fee of \$25,000 is based on the trade repository’s share of the total number of trades of any asset class reported under OSC Rule 91-507 being greater than 50% of global trades in that asset class. This premium appears not to be tied to actual costs for oversight. In addition, it would be difficult for a designated trade repository to determine when it has crossed the threshold of reporting more than 50% of global trades in an asset class or what the time frame is for making such determination. DTCC respectfully submits that the amount of data



held by a designated trade repository is not an accurate indicator of costs required to a designated trade repository.

We wish to thank you again for this opportunity to comment on the Fee Rule Proposal. We can discuss our comments with you in more detail if you so desire.

Yours truly,



Marisol Collazo
Chief Executive Officer
DTCC Data Repository (U.S.) LLC

DTCC Non-Confidential

