



RBC Global
Asset Management®

RBC Global Asset Management Inc.

155 Wellington Street West

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Toronto, ON M5V 3K7

Via E-Mail: comments@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

October 30, 2015

Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Department of Justice, Northwest Territories
Nova Scotia Securities Commission
Registrar of Securities, Legal Registries Division, Department of Justice, Nunavut
Ontario Securities Commission
Registrar of Securities, Prince Edward Island
Saskatchewan Securities Commission
Registrar of Securities, Government of Yukon Territories

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

and

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

Dear Sirs/ Mesdames:

Re: CSA Staff Notice and Request for Comment 21-315

We write on behalf of RBC Global Asset Management Inc. (RBC GAM) in response to the above mentioned notice published for comment on September 17, 2015. With offices in Canada, the United States, Europe and Asia, the broader RBC GAM group of companies provides a comprehensive range of investment solutions and services to both institutional and retail clients. The RBC GAM group of companies manage CAD \$379.4 billion in assets worldwide (as of June 30, 2015). We appreciate the opportunity to provide our comments on the CSA's proposed plan to enhance fixed income regulation.

RBC GAM supports the goal of the CSA staff's plan to enhance the ability of all fixed income investors to make more informed investment decisions by improving post-trade transparency in the Canadian corporate

debt securities market which should improve price discovery for all fixed income investors. We are also aware that foreign jurisdictions such as the United States and the European Union have already implemented or are in the process of implementing post-trade transparency requirements for corporate debt securities. However, while enhanced post-trade transparency has the ability to improve price discovery for all investors, we feel its implementation must be carefully managed so as to balance this goal with the equally important goal to all investors of preserving or improving market liquidity, particularly in certain corporate debt fixed income issues, discussed below, that have historically been relatively illiquid and exhibited greater price volatility. We are pleased that in its proposal, CSA staff has acknowledged the need to balance transparency and liquidity.

The T+2 public dissemination delay of trades and the volume caps of \$2 million for investment grade and \$200,000 for non-investment grade corporate bonds are reasonable measures to balance transparency and liquidity for participants such as RBC GAM that often need to transact in larger volumes on behalf of not only institutional clients such as pensions and endowments but retail clients who own our mutual funds.

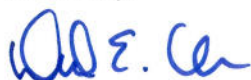
We note that CSA staff intend to monitor the T+2 public dissemination delay with a view to decreasing it over time. We ask that any such decision be preceded by an analysis of such a decrease's impact on liquidity using the trade data reported to regulators and that the CSA consult with the public before implementing any decrease to the dissemination delay.

While we acknowledge that the volume caps contained in the plan represent the status quo, we believe that CSA staff should take this opportunity to adjust the volume caps for corporate bonds rated BBB+ thru BBB- by Standard and Poor's or the equivalent by other agencies. Based on our experience, such bonds tend to be less liquid and more volatile than other investment grade corporate bonds. We would ask that for purposes of the volume cap, they be included in the non-investment grade bucket subject to the \$200,000 volume cap or that CSA staff consider creating a third volume cap for these bonds in order to account for their liquidity characteristics. We are concerned that a \$2 million volume cap for BBB+ thru BBB- or equivalent rated bonds may be too large relative to the traded volume in these bonds as dissemination of a block trade, even without volume details, is taken by other participants as a market moving event which often reduces market depth and therefore liquidity. A lower volume cap would make the occurrence of block trades in BBB+ thru BBB- or equivalent rated bonds more frequent and less likely to be perceived as a market moving indicator. Market depth enables the ability to execute larger volume trades with minimal price impact and is prized by investors such as ourselves who are responsible for achieving best execution of trades for all of our clients, both retail and institutional.

We also note the announcement in the notice of a joint IIROC-CSA working group that will review how dealers allocate new debt offerings amongst clients. We hope that the working group's review will include consultations with investors and in that vein we would appreciate being able to provide our input to the working group at the appropriate time.

We thank the CSA staff for considering our comments on the proposed plan. If you have any questions or require further information, please do not hesitate to contact the undersigned.

Sincerely,



Daniel E. Chornous, CFA
Chief Investment Officer
RBC Global Asset Management Inc.