



RBC Dominion Securities Inc.
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VIA EMAIL: comments@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

November 1, 2015

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority (Saskatchewan)
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

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: Request for Comments – Next Steps in Regulation and Transparency of the Fixed Income Market

This comment letter is submitted on behalf of RBC Dominion Securities Inc. in response to CSA Staff Notice and Request for Comment 21-315 – Next Steps in Regulation and Transparency of the Fixed Income Market, dated September 17, 2015 (the "Proposal"). We appreciate the opportunity to provide comments in relation to the Proposal.

We agree that leveraging IIROC's soon-to-be implemented fixed income reporting platform for regulatory and transparency purposes is sensible, and will improve efficiencies. We are also in support of a reporting regime that enhances market transparency, provided the data is made broadly available, and the provision of such data does not threaten liquidity in the fixed income market. For these reasons, we

support the efforts of the CSA staff to enhance fixed income regulation and transparency, with certain qualifications as outlined below.

First, the proposal suggests a dissemination delay of T+2 for both liquid and illiquid bonds. Instead of a “one size fits all” approach, we urge the CSA to consider the different characteristics of these securities so that dissemination of data will not negatively impact liquidity. To this end, we agree with a T+2 delay for liquid bonds, but suggest a reasonable compromise of T+5 for illiquid bonds. We would be pleased to discuss filters to differentiate between liquid and illiquid bonds.

Second, while we support the reporting of trades as either “Client” or “Interdealer”, we do not support the release of data related to the direction of a trade (i.e. client purchase or sale), as we believe this will effectively display dealer inventories, and have a negative effect on the dealer market-making function. We would however support the classification of transactions as either Retail or Institutional, as this information would be of value to the general investing public. Additionally, we support volume caps of \$2 million for investment grade corporate bonds and \$200,000 for non-investment grade corporate bonds. These levels are appropriate to mask large-volume trades and protect the anonymity of large transaction counterparties.

Lastly, we ask that IIROC provide dealers with sufficient opportunity to discuss any intentions of commercializing MTRS 2.0 data. Although not specifically referenced in the request for comments, we are generally not supportive of any form of commercialization via third-party vendors, as this is not in the best interest of the general investing public and detracts from the overall focus of the transparency proposal.

We continue to emphasize our support for transparency in fixed income trade reporting and dissemination, and understand that a comprehensive source of reliable trading data will be a benefit to regulators who seek to analyze the data in order to understand market trends and make informed policy decisions. To the extent we can contribute further information to the working group conducting a comprehensive review of dealer allocation practices among clients; we would appreciate the opportunity to do so.

Thank you again for the opportunity to comment on the Proposal. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Jim Byrd
Managing Director and Head, Fixed Income & Currencies, Canada
RBC Capital Markets