

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, 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

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The Secretary
Ontario Securities Commission
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Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
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BY EMAIL

comments@osc.gov.on.ca
consultation-en-cours@lautorite.qc.ca

August 17, 2015

Dear Sirs and Mesdames:

Re: Proposed Amendments to the Companion Policy to NI 23-101 (Trading Rules)

I am Chief Compliance Officer of PI Financial Corp. (“PI”), a member of the Investment Industry Regulatory Organization of Canada (“IIROC”). I write further to your publication of the Notice dated June 12, 2015 and your request for comment in that regard (the “Notice”).

PI is an independent self-clearing dealer. PI has approximately 200 employees in four major Canadian cities and has over 25,000 clients.

In relation to the specific questions posed on page 7 of the Notice:

1. OPR should continue to apply to marketplaces which have an order processing delay. In order to fulfil a dealers’ best execution obligation, fully automated systems are required. In our opinion, removing OPR from marketplaces which have an order processing delay, but at the same time



requiring dealers to maintain “policies and procedures” which “consider information from all appropriate marketplaces”, is not a viable solution for smaller dealers.

2. Removing OPR from marketplaces which have an order processing delay creates technological and practical problems, which to our knowledge currently have no solution, for example:
 - In order to provide best execution, would order routers need to consider the non-OPR marketplaces in any event?
 - Would there be two data streams (for OPR and non-OPR marketplaces)?
 - Would OPR and non-OPR marketplaces have different quotes, and what is the “real” quote on a marketplace which has an order processing delay?
 - Would high frequency trading algorithms (“HFT”) be able to exploit the marketplace protection differences?

3. PI feels that removing OPR from marketplaces which have an order processing delay would have a negative impact on retail investors.

Ultimately, PI is not in favour of *any* marketplaces having order processing delays. Those delays would create confusion with respect to price transparency, locked and crossed markets, and technological challenges. Rather, PI is in favour of marketplaces having minimum order lives, which would eliminate some of the problems we see being caused by HFT.

Yours truly,
PI FINANCIAL CORP.

A handwritten signature in blue ink, appearing to read 'Richard Thomas'.

Richard Thomas
Senior Vice President Compliance & Corporate Secretary

RWT/ap

Cc: Executive – Internal Only
Compliance Committee