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**RE: TriAct Canada Marketplace LP – Change to the MATCHNow Trading System – Notice of Proposed Change and Request for Comment CBOE LIS Powered by BIDS (the “New Conditionals Offering”) July 22, 2021**

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National Bank Financial Inc. (“NBF”) appreciates the opportunity to comment on Nasdaq Canada’s proposed enhancement. We support the OSC’s stated mission to provide a securities regulatory system that protects investors from unfair, improper or fraudulent practices and fosters fair, efficient, and vibrant capital markets.

NBF is part of the diverse National Bank Financial Group (“NBFG”) which: (i) manufactures mutual funds, owns proprietary distribution channels and supplies services to third party distributors; (ii) operates a discount brokerage firm; and (iii) is an IIROC-regulated investment dealer across Canada. We take great interest in the proposed size priority enhancement and its effect on the institutional traders and liquidity providers.

We support this proposal to expand the existing Conditionals offering to allow Sponsored Access for eligible institutional investors. Institutional block crossing networks have been a valued tool for buyside traders to access latent block liquidity on blotters across the country and around the world for years now. But up to now, in Canada, such networks have only been available from the dealers who own the marketplaces on which the trades are matched.

The BIDS Offering will be the first truly broker-neutral block crossing network in Canada and we support this initiative whole heartedly.

We do have a couple of concerns with the proposal as written.

First, Regarding the compliance mechanism whereby MATCHNow will be tracking subscriber firms’ fall-down rates on a symbol by symbol basis, we would suggest that 20 trading interactions is too many to require before engaging any enforcement mechanisms (and thereby potentially risking a shut off for the day). Especially in the case of Sponsored Access users, who will be human traders, this number is simply too high for a typical day.

Second, we appreciate that “appropriate” target firm-up & fall-down rates will change over time as users with multiple available networks proliferate and overall conditional usage increases. We believe that monitoring firm-up and fall-down rates will be crucial to maintaining a healthy trading environment. However, we would caution against enshrining appropriate fall-down rates in policy, as it could later fetter the marketplace’s ability to use a principles-based approach to adjust these levels as may be necessary.

MATCHNow’s existing reporting on the firm-up rates is strong and they have done a good job maintaining their conditionals book. We expect we will observe similar integrity as the BIDS Offering rolls out to critical mass.

As always, we appreciate the opportunity to provide comments on this proposal.

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Patrick McEntyre  
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National Bank Financial Inc.