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BY EMAIL

May 29, 2019

Robert Day
Senior Specialist Business Planning
Ontario Securities Commission
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Dear Mr. Day:

Re: OSC Statement of Priorities – Request For Comment re: Financial Year to End March 31, 2020 (the “RFC”)

We apologize for missing the May 27, 2019 deadline for comments and are providing the feedback below in the hopes that it can still be considered. For ease of reference we have reproduced the goals and key priorities from the RFC, as applicable, to frame our comments.

1. Promote Confidence in Ontario’s Capital Markets

Continue Developing and Consulting on Client Focused Reforms

We encourage the OSC to ensure that the CSA refocuses on best execution reporting, as in our view it is important that dealers’ routing information be made available to all clients and that more detailed, comparable information be made available to institutional clients from the dealers with which they place orders. We acknowledge that there is a second element of the best execution reporting that has been under review in Canada (and in place in the US), i.e. marketplace reporting, and are supportive of that element of the initiative as well.

Improve Experience for Retail Investors

The OSC’s focus for improving the experience for retail investors has mainly been on education and disclosure documents. We believe that the trading experience for retail investors would be greatly improved if a consolidated market data solution was put in place. The majority of investors do not see all the quotes and trades in any particular security, which has best execution implications in addition to having a potentially negative impact on investor confidence, should investors become less certain that the information they are receiving properly reflects current market conditions.

Timely and Impactful Enforcement Actions

We suggest the following to assist the OSC in taking timely and impactful enforcement actions:

- Market structure training for enforcement staff and more interaction with the operational branches to ensure the nature of the harm that is being addressed is well understood.
- Continual enhancement of coordination with other members of the CSA and IIROC.
- Additional resources to strengthen the OSC's enforcement capabilities.

Support Transition to the CMRA

We continue to support the CMRA initiative. It has the potential to be a significant driver in reducing regulatory burden and we hope the non-participating CSA jurisdictions will begin to look at the practical implications of continuing with fragmented securities regulation, and to come to a better solution for market participants.

2. Reduce Regulatory Burden

Engage with Stakeholders on Burden Reduction Opportunities

We appreciate the attention being given to exchanges' regulatory frameworks, as reducing burden on exchanges allows us to in turn reduce the burden on market stakeholders/participants. We suggest that, in addition to looking at removing requirements, the approach to regulation should be considered. Some areas require prescriptive rules, but others would benefit from principles-based regulation. Further, current and future principles-based provisions should be reviewed to ensure they are implemented and enforced as such. Analysis of the "how" in addition to the "what" could bring significant efficiency and cost reduction benefits and, most importantly, would allow the OSC to respond to changes with increased agility.

3. Facilitate Financial Innovation

Engage with Fintech/Start-Up Sector

While significant resources are being directed to ensuring innovation by new entrants is addressed in a timely manner we ask that innovation arising in traditional entities be embraced in the same way.

4. Strengthen Our Organizational Foundation

Continue Redevelopment of National Systems Renewal Program (NSRP)

This is an important project and we hope that the OSC and the CSA will ensure that the systems are more flexible and can accommodate new entrants in a timely way, so that there are no disparities in treatment for similar activities. As an example, SEDAR has had longstanding functionality for pushing issuers' information to the TMX exchanges and required a significant amount of time to do the same for CSE. We have asked for similar treatment and were told it could not be done prior to the redevelopment project.

Implement First Phase of Market Analysis Platform (MAP)

It would be helpful to know what this is intended to cover and how it will avoid creating duplication with IIROC's mandate.

Modernize OSC Technology Platform

See above.

Build a Data Driven, Evidence Based and Risk Focused Organization

This is a broad priority, but a very important one, as it is key to virtually all of the above.

We also want to note our support for the international work, mentioned in the section on "The Environment", as it ensures that Ontario is at the table for and contributes to the development of global standards.

Thank you for your consideration.

Yours truly,

"Cindy Petlock"

Cindy Petlock
Chief Legal Officer

cc: Market Regulation, Ontario Securities Commission
Joacim Wiklander, Chief Business Officer, Neo Exchange Inc.
Jos Schmitt, Chief Executive Officer, Neo Exchange Inc.