

July 16, 2004

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Securities Administration Branch, New Brunswick
Securities Office, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
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Madame Anne-Marie Beaudoin
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Re: CSA Request for Comment on Discussion Paper 24-401 on Straight-through Processing (STP) and Proposed National Instrument 24-101 Post-trade Matching and Settlement and Proposed Companion Policy 24-101CP to National Instrument 24-101 Post-trade Matching and Settlement (Proposed National Instruments)

Dear Mr. Stevenson:

RBC Dominion Securities Inc (RBC DS) would like to thank the Canadian Securities Administrators (CSA) for the opportunity to respond to the Proposed National Instruments. We believe that the Discussion Paper provides a useful summary of the trade settlement and processing issues facing our industry today.

RBC DS supports the concept of trade comparison and matching with our institutional clients and their respective custodians, in a recognized clearing agency, as quickly as practical. We agree with the CSA that trade matching on trade date is the appropriate ultimate goal.

Our firm continues to work with our business partners on STP initiatives and while a great deal has been accomplished, there is still much work ahead that must be completed.

The Canadian Capital Markets Association (CCMA) recently formed the Institutional Trade Processing Advisory Committee. This committee has representation from the broker/dealers, institutional fund managers and custodians. The mandate of this committee is to increase the overall efficiency of trade matching in the Canadian marketplace, by working with all parties to reduce or eliminate the impediments that delay the timely matching of trades today.

Further more, the CCMA Board of Directors decided at their July 8th, 2004 meeting to realign CCMA efforts to focus on institution trade matching.

By implementing the recommendations set out in the CCMA Best Practices and Standards, we believe the industry can attain a greater level of STP, which in turn will increase the trade matching efficiency to the desired level.

In June 2004, the Canadian Depository for Securities Trade Matching Service commenced operation. In conjunction with this, the Investment Dealers Association amended Regulation 800.49, mandating participation by member firms in the Trade Matching Service. This IDA regulation requires that by June 14th, 2005, all IDA Member firms must report trades to the CDS Trade Matching Service within one hour of execution.

Even if the comments received by the CSA do support the implementation of the Proposed National Instruments as a regulatory requirement at this time, we believe the proposed implementation date of July 1st, 2005 is not achievable. For example, the most recent statistics published by the CCMA show that only 48% of domestic trades are confirmed/affirmed by T+1. While a limited number of institutional market participants could be prepared to trade match on trade date by the proposed date of July 1st, 2005 many other firms will be hard-pressed or unable to meet this deadline.

RBC DS provided input to the detailed responses of the IDA and CCMA. We agree with the spirit of the responses both of these parties have put forward. We are also committed to continuing to work with both the IDA and CCMA on their respective STP and trade matching initiatives.

We believe the use of the existing operating framework of the SROs (i.e. IDA) in combination with the ongoing work of the CCMA can be used to achieve the desired results. If, however the targeted results cannot be achieved through these means then it may be necessary to impose regulatory requirements in the future.

As a result of these existing initiatives, RBC DS does not support the implementation of the Proposed National Instrument 24-101 as a securities industry regulation at this time.

Should you have any further questions about our comments, please do not hesitate to contact the undersigned.

Regards,

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