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June 25, 2007

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto ON M5H 3S8

Anne-Marie Beaudoin, Directrice du secretariat
Autorité des marchés financiers
Tour de la Bourse, 800, square Victoria
C.P. 246, 22 étage
Montréal, QC H4Z 1G3

Dear Sirs and Mesdames:

Re: Proposed National Instrument 31-103 *Registration Requirements*

Canadian Trading and Quotation System Inc. appreciates this opportunity to respond to the request for comments published February 23, 2007 (the "Request for Comments") respecting proposed National Instrument 31-103 Registration Requirements and Companion Policy 31-103 CP ("NI 31-103").



We are concerned about the proposal to extend the limited market dealer registration category (to be called “exempt market dealer”) to all or most jurisdictions without including the current exemptions from most of the requirements that apply to dealers generally.

Currently, limited market dealers in Ontario and Newfoundland (and persons performing similar functions without needing registration in other jurisdictions) provide a valuable service in assisting junior issuers in raising capital. These issuers often require financing in amounts that are too small to attract the attention of full service dealers. They rely instead on limited market dealers who can assist them in raising the necessary capital. The proposed new registration requirements would create a burden such that many, if not most, limited market dealers will leave the business.

For example, NI 31-103 would impose minimum capital and insurance requirements that are not currently imposed on limited market dealers. It is difficult to see a rationale for these requirements if a dealer does not hold client assets.

The extensive new record-keeping provisions and new audit requirements proposed in NI 31-103 would also be an impediment to entering (or remaining in) the business.

If the exempt market dealer registration category is introduced, it should also include the exemptions currently applicable to limited market dealers. This has proven a workable compromise in Ontario and should not create an insurmountable barrier in other jurisdictions.

We thank you for this opportunity to comment. Please direct any questions to me at 416.572.2000 x2470 (Robert.Cook@cnq.ca) or Mark Faulkner, Director, Listings and Regulation at 416.572.2000 x 2305 (Mark.Faulkner@cnq.ca).

Yours truly,
CANADIAN TRADING AND QUOTATION SYSTEM INC.

Robert Cook
President