



January 23, 2013

VIA EMAIL

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

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Dear CSA:

Re: Proposed Amendments to National Instrument 23-103 Electronic Trading (the “Proposed Amendments”) published October 25, 2012

TMX Group Limited (“TMX Group”) is pleased to respond to the Proposed Amendments.

In this letter, TMX Group is commenting on behalf of its two national equities exchanges – Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV), as well as Canada’s national derivatives exchange, Montreal Exchange Inc. (Bourse), newly acquired Alpha Exchange Inc. (Alpha) and our alternative trading system, TMX Select. For purposes of this letter, all capitalized terms have the same meanings as defined in the Proposed Amendments unless otherwise defined in this letter. Our comments are primarily in connection with the new marketplace requirement for client identifiers.

TMX Group is supportive of recognition that each marketplace has discretion to determine whether to allow DEA and to impose stricter standards regarding the provision of DEA, as set out in CP23-103CP at Section 1.1(1). TMX Group is considering whether to retain any current procedures in relation to DEA access to our various marketplaces, but we do confirm the intention for each of TSX,

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TSXV, Alpha and TMX Select to propose to repeal various requirements in their DMA rules and policies when the Proposed Amendments and CSA Access Proposals come into force.

DEA Client Identifiers

Section 4.6(2) of the Proposed Amendments requires a participant dealer that assigns a DEA client identifier to immediately provide it to each marketplace to which the DEA client has access through the participant dealer. The Proposed Amendments also provide that current industry practice with respect to the assignment of client identifiers will continue. However IROC Notice 12-0315 dated October 25, 2012 (the "IROC Notice") provides at Rule 10.15 that IROC will assign unique client identifiers to DEA clients. We are therefore uncertain as to whether the administration of assigning client identifiers will be changing, and if yes, we are concerned for the impact on business practices and efficiency. We submit that the Proposed Amendments need to be coordinated with the IROC Notice and clarified to ensure the continuation of the current efficient procedures for the administration and assignment of client identifiers. TMX Group does intend to engage IROC in working out appropriate and efficient procedures for confirming, accepting and enabling DEA access to its marketplaces.

The process at the Bourse is similar to the IROC process in the sense that when a client wishes to have DEA, a request is sent to the Regulatory Division of the Bourse by the approved participant that holds the client's account(s) and a User ID number is issued by the Technical Help Desk.

This process has proved to be very efficient since it allows the Regulatory Division to do some due diligence before giving the Technical Help Desk the green light to grant the requested User ID number. For example, in the case of a request for a User ID for an employee of the approved participant, the Regulatory Division will validate that the employee is properly authorized as required by the Rules of the Bourse. In addition, where a participant requests multiple User IDs for a single client or person, the Regulatory Division will determine whether the granting of multiple User IDs to that single client or person is justified. Also, the Bourse requires that requests for a User ID must be signed by a responsible compliance officer of the firm.¹ This provides the Bourse with some assurance that the Compliance Department of the firm has done its own due diligence prior to asking for a User ID number and that User ID number requests are not made by unauthorized persons.

We would be pleased to discuss our comments with you further at your request.

Yours truly,



Kevan Cowan
President, TSX Markets and Group Head of Equities

¹ The Regulatory Division of the Bourse maintains a list of persons that are authorized to sign User ID number requests. The authorized persons are usually the Chief Compliance Officer (CCO) of the firm and/or persons specifically designated by the CCO. The list is periodically validated and updated.