



**RBC Dominion Securities Inc.**  
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August 2, 2016

**Via Email:** [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

Market Regulation Branch  
Ontario Securities Commission  
20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto ON, M5H 3S8

**Re: Recent Changes to Marketplaces' Trading Fee Models**

RBC Dominion Securities Inc. ("RBC DS" or "we") would like to take this opportunity to provide general comments to the OSC with respect to an increasing number of trading fee changes recently proposed or implemented by various marketplaces.

RBC DS is generally supportive of market developments and pricing tools that make markets more liquid and thus attractive to all investors. We also recognize market forces at play with variable trading fee models which offer potential opportunities for reduction of trading costs. We are concerned, however, with the method by which these changes are being introduced and resulting technological challenges they create for market participants. More specifically, marketplaces are increasingly developing venue specific requirements for order flow segmentation based on the type of trader or characteristics of the underlying client. As a result executing dealers in pursuing best execution are forced to continually amend coding of their trading systems in order to be able to apply different order markers to each order and for every exchange in compliance with the marketplace specific rules. This in turn may create greater operational risks, and increase expenditures on technology and related expertise.

In our view the unrestricted ability of marketplaces to impose unique order designations unreasonably increases complexity of trading and add latency with no obvious benefits. We urge the OSC to fully examine potential effects on market participants and market quality overall when reviewing any proposal that may create further instances of order segmentation. While we strongly support all changes that encourage innovation and improve liquidity, we are of the view that the concerns related to order flow segmentation must be carefully managed going forward.

We thank the OSC for considering our comments. Should you have any questions or require further information, please do not hesitate to contact the undersigned.

Sincerely,

*"John Reilly"*

John Reilly  
Managing Director, Wealth Management Trading  
RBC Dominion Securities Inc.

Cc:

Aequitas Neo Exchange Inc.  
TMX Group and TSX Inc.  
CNSX Markets Inc.

Alpha Exchange Inc. and Alpha Trading Systems Limited Partnership  
TSX Venture Exchange Inc.  
Bourse de Montréal Inc.  
Bloomberg Tradebook Canada  
Chi-X Canada / CX2 Canada  
Instinet Canada Cross  
Liquidnet Canada  
MATCH Now  
Omega ATS  
TMX Select