

**Canadian Advocacy Council
of the
CFA Institute Societies of Canada**

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Jamie Bulnes
Director, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600, 121 King Street West
Toronto, ON
M5H 3T9

jbulnes@iroc.ca

Manager of Market Regulation
Ontario Securities Commission
19th Floor, Box 55
20 Queen Street West
Toronto, ON
M5H 3S8

marketregulation@osc.gov.on.ca

Re: IIROC Notice 10-0163 Request for Comments - Proposed over-the-counter securities fair pricing rule and confirmation disclosure requirements

The Canadian Advocacy Council¹ of the CFA Institute² Societies of Canada (the CAC) appreciates the opportunity to comment to the Investment Industry Regulatory Organization of Canada (IIROC) on the the proposed changes to over-the-counter securities fair pricing rule and confirmation disclosure requirements

We support initiatives that enhance the protection of investors' interests. We therefore support the proposed obligation for Member dealers to provide or obtain fair and reasonable prices for OTC securities sold to or purchased from their clients, whether retail or institutional.

¹ The CAC represents the 12,000 Canadian members of CFA Institute and its 12 Member Societies across Canada. The CAC membership includes portfolio managers, analysts and other investment professionals in Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. See the CAC's website at <http://www.cfaadvocacy.ca/>

² With offices in Charlottesville, VA, New York, Hong Kong, and London, CFA Institute is a global, not-for-profit professional association of more than 96,000 investment analysts, portfolio managers, investment advisors, and other investment professionals in 133 countries, of whom nearly 83,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also includes 136 member societies in 57 countries and territories. <http://www.cfainstitute.org/aboutus/index.html>

We also support the inclusion of a requirement to disclose the yield on fixed income securities on trade confirmations delivered to clients. In addition, we believe that the mark-up or mark-down on trades on OTC equity securities should be required to be disclosed on trade confirmations. The proposed inclusion of the statement "The investment dealer's remuneration on this transaction has been added to the price in the case of a purchase or deducted from the price in the case of a sale" is an improvement on the current state of disclosure, but does not go far enough to give retail investors concrete information on what they, in fact, have paid for their trades.

Concluding remarks

We thank you for the opportunity to provide the foregoing comments. We would be happy to address any questions you may have and we appreciate the time you are taking to consider our point of view. Please feel welcome to contact us at chair@cfaadvocacy.ca.

(signed 'Ross Hallett')

Ross E. Hallett, CFA
Chair, Canadian Advocacy Council