

February 9, 2015

**BY EMAIL**

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Dear Sirs/Mesdames:

**Re: New Debt Market Regulation Fee Model (the “Fee Model”)**

The Canadian Advocacy Council<sup>1</sup> for Canadian CFA Institute<sup>2</sup> Societies (the CAC) appreciates the opportunity to comment on the Fee Model.

We understand that IIROC is recommending a debt market regulation fee model where it would recover its debt regulation costs based on the number of trades in debt transactions. We agree with the principles espoused in the request for comments with respect to the Fee Model. Consistency and transparency for dealer members is important, as is capturing as many transactions as possible, and thus we support the particular transaction based Option #1 fee model, which would be based on primary and secondary transactions including repo transactions. Transparency in the debt market should, over time, reduce transaction spreads and benefit investors. It is important to share pricing data with investors, particularly with respect to the bid/ask prices and volume.

Given cost sensitivities on a dealer by dealer basis, it would be helpful for IIROC to monitor and publicly report back on the fees generated through Option #1. Costs should be kept as low as possible in order to avoid additional reporting costs being borne by the ultimate investors.

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<sup>1</sup>The CAC represents the 14,000 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.cfasociety.org/cac>. Our Code of Ethics and Standards of Professional Conduct can be found at <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>.

<sup>2</sup> CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 119,000 members in 147 countries and territories, including 112,000 CFA charterholders, and 143 member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

We would support the imposition of a late reporting fee on dealers that report trades after the prescribed time. Any such penalty should be sufficient to effectively discourage late or selective transaction reporting and help ensure the integrity of the data collected.

### **Concluding Remarks**

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at [chair@cfaadvocacy.ca](mailto:chair@cfaadvocacy.ca) on this or any other issue in future.

(Signed) *Cecilia Wong*

**Cecilia Wong, CFA**  
**Chair, Canadian Advocacy Council**