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B.C. Securities Commission
P.O. Box 10142, Pacific Centre
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Re: CIRO's Request for Comments – Proposed Amendments Respecting Contingent Derivative Orders (25-0059) issued on February 27, 2025

The **Canadian Independent Finance and Innovation Counsel (CIFIC)** appreciates the opportunity to provide comments to CIRO and the CSA on CIRO's proposed amendments to the Universal Market Integrity Rules (UMIR) respecting Contingent Derivative Orders.

The Canadian Independent Finance and Innovation Counsel represents national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CRO-regulated Investment Dealers in the Canadian securities industry.

Impact of the Proposal on Investment Dealers

We have reviewed the proposed amendments to UMIR and note that they appear to be relatively modest in scope. Based on our analysis, the operational implications are expected to be minimal, and the proposed changes are unlikely to result in any significant disruption to current market practices. Overall, the amendments appear to be clarifying and incremental updates, rather than a substantive shift in regulatory requirements.

Clarity and Alignment

Currently, the TSX permits the execution of contingent option trades; however, due to the absence of a corresponding order type definition within the UMIR framework, market participants have historically defaulted to marking these trades as "Special Terms Orders" when submitting them to the exchange. This workaround, while functional, has introduced a degree of interpretive ambiguity and inconsistency in how such trades are handled across systems.

CRO's proposal to formally define and incorporate this order type into UMIR represents a thoughtful step toward regulatory harmonization. By aligning the rulebook with established industry practices, the proposed amendments would not only enhance operational clarity but also promote greater confidence in the regulatory treatment of these transactions.

New Order Marker

While the proposed amendments will likely necessitate the introduction of a new order marker at the point of order entry, this adjustment is expected to be relatively straightforward to implement within existing order routing systems such as Fidessa and Iress.

These platforms should be well equipped to accommodate such incremental changes without significant development burdens or disruptions to workflow.

Conclusion

Given the limited operational impact expected and the potential benefits of improved regulatory clarity, the Investment Dealers we represent have no objections to the proposal and are supportive of its implementation.

Please feel free to contact me at annie@cific.co with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

A. Sinigagliese

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