



April 11, 2024

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BY ELECTRONIC MAIL: t1am@ciro.ca, marketregulation@osc.gov.on.ca, CMRdistributionofSROdocuments@bcsc.bc.ca

Dear Sirs and Mesdames,

RE: **Proposed Amendments Respecting the Reasonable Expectation to Settle a Short Sale**, January 11th, 2024

National Bank Financial Inc. (“NBF”) appreciates the opportunity to comment on CIRO and the CSA’s proposed Unified Market Integrity Rule (UMIR) amendments and guidance respecting the reasonable expectation to settle a short sale. We support CIRO’s stated mission of protecting investors, providing efficient and consistent regulation, and building Canadians’ trust in financial regulation and the people managing their investments.

NBF is part of the diverse National Bank Financial Group (“NCFG”) which: (i) manufactures mutual funds, owns proprietary distribution channels and supplies services to third party distributors; (ii) operates a discount brokerage firm; and (iii) is a CIRO-regulated investment dealer across Canada.

We support the proposed UMIR amendments and guidance note as circulated. The proposed rule is measured and sets clear guardrails, resolving specific deficiencies with the existing rule. The overall scheme of the proposed rule depends on an affirmative obligation by the broker—acting as the gatekeeper to the capital markets—to demonstrate a *reasonable expectation to settle*, which is reinforced by more specific requirements on how to establish that reasonable expectation. These clearer, more cogent rules and guidance will further ensure that all brokers have a common understanding of the obligations they have as gatekeepers.

These changes are the right ones to make at this time. As always, we appreciate the opportunity to comment on the contemplated proposed amendments and guidance.

Patrick McEntyre, CFA
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