



CANADIAN SECURITY TRADERS' ASSOCIATION, INC.

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The Canadian Security Traders Association, Inc. (CSTA) is a professional trade organization that works to improve the ethics, business standards and working environment for members who are engaged in the buying, selling, and trading of securities (mainly equities). The CSTA represents over 850 members nationwide and is led by Governors from each of four distinct regions (Toronto, Montreal, Prairies and Vancouver). The organization was founded in 2000 to serve as a national voice for our affiliate organizations. The CSTA is also affiliated with the Security Traders Association (STA) in the United States of America, which has approximately 4,200 members globally, making it the largest organization of its kind in the world. This letter was prepared by CSTA Trading Issues Committee (TIC) representatives with various areas of market structure expertise. It is important to note that there was no survey sent to our members to determine popular opinion. The views and statements provided below do not necessarily reflect those of all CSTA members or of their employers.

The TIC appreciates the opportunity to comment on the notice and request for comments on the Introduction of CSE Market-on-Close by the Canadian Securities Exchange (CSE).

We are supportive of the CSE's efforts to introduce a closing facility to their exchange. Capital formation is critical to the Canadian economy and trading ecosystem. By adding a closing facility to the CSE, Canada will have another venue for investors trading into Canada to source closing liquidity on CSE listed securities.



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The CSE proposal encompasses a strong design proven out both in Canada and the USA. Aligning the functionality to an existing Canadian Closing mechanism on TSX listed names, and one that is similar in design to the NASDAQ USA model helps standardize Canadian market structure on a global scale. Foreign and Canadian investors easily understand the mechanism with their familiarity in trading USA equities.

By introducing the proposed mechanism to the CSE market, CSE listed equities and investors in those equities will benefit from a fair and transparent closing facility. This is expected to lead to transparent price and liquidity discovery while trading into the close on CSE listed equities.

The CSTA TIC believes we all have a collective interest to protect and preserve a Canadian equity market that is fair and efficient for everyone. The CSE proposal is in line with our beliefs, and we are supportive of their effort.

We thank you for the opportunity to comment.

CSTA Trading Issues Committee