



September 12, 2024

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Dear Sirs and Mesdames,

**RE: Proposed Public Interest Rule Amendment to the Cboe Canada Trading Policies**, August, 2024

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National Bank Financial Inc. (NBF) appreciates the opportunity to comment on Cboe Canada's notice and request for comments (RFC) to introduce a collection of new functionalities to its NEO-L, NEO-N, and NEO-D trading books coincident with their technology migration. We support the Ontario Securities Commission's stated mission to foster fair, efficient, and competitive capital markets.

NBF is part of the diverse National Bank Financial Group (NBFG) 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.

NBF is generally supportive of the proposed changes. In particular, we support in principle the proposed updates to the closing call, which would bring NEO's closing auction functionality in-line with other Canadian markets. We acknowledge that the proposal deviates from other Canadian market designs in some subtle ways in order to maintain similarity to other global markets. Harmonizing Canadian and global markets is essential to ensuring that global investors can efficiently and confidently transact in Canada.

However, we would seek clarification on two minor points.

- First, it is unclear from the RFC whether auction imbalance messages will be sent from 3:56-4:00pm; it is our view that updates should be sent during this period.
- Second, regarding order allocation priority in the closing auction, we would recommend a price/broker/time allocation similar to that used on the TSX, as distinguishing between "active" and "passive" sides is not relevant in the context of a call auction. Additionally, the possibility of the sign of the imbalance "flipping" in the final moments of the continuous session could result in unexpected behaviour if different priority rules are applied depending on order side.

As always, we appreciate the opportunity to comment on the subject notice and request for comments.

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