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Submitted via Email

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Dear OSC and CBOE,

**RE: CBOE CANADA INC. PROPOSED PUBLIC INTEREST RULE AMENDMENT
DIRECTED INDICATIONS OF INTEREST**

Thank you for the opportunity to consider proposed Directed Indications of Interest.

We recognize that the proposed process seeks to emulate the current practice used by institutional desks who provide indications of interest with the hope of ultimately firming up a trade which will be executed on a marketplace as a cross

We provide as follows in response to the questions posed:

Question 1: In your view, is the proposed Directed IOI functionality consistent with the fair access requirement?

We have received concerns regarding fair access requirements outlined in 21-101 Marketplace Operation, to which, MATCHNow, as a Canadian marketplace would be subject. The proposed order type creates a segmented marketplace between brokers and a select group of their clients. In particular, liquidity is only accessible to pre-selected “Sponsored User clients,” and Indications of Interest are limited to users with uncommitted liquidity in their blotters. While selectiveness may be reasonable when exercised by a Member Dealer, it has raised concern for a marketplace. Marketplace participants include the public and other participants who may not necessarily have an uncommitted order in their blotter. Consequently, general market participants are unfairly restricted from accessing price-impacting information within the marketplace due to factors beyond their control.

Marketplace access to client blotters and privileged client-broker communications creates informational advantages unavailable to other Canadian marketplaces.

Question 2: Would users of Directed IOIs have an informational advantage over other market participants since they would have information, including the nature of the counterparties, that is not available to other market participants?

Yes. Sponsored Users” receiving Directed IOI messages are not obligated to automatically firm up their orders. They can also modify their blotters by adding or deleting names to manipulate Directed IOIs. Given their privileged access, these users can act on this information ahead of the public, benefiting themselves while undermining the integrity of a fair marketplace.

Respectfully submitted,

THE INVESTMENT INDUSTRY ASSOCIATION OF CANADA