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 this proposal to amend UMIR to better accommodate ETF NAV trades as well as Jitney Crosses, both aspects of which we are supportive.

NAV orders have become a fixture of ETF trading over the last few years, and the proposed amendments will both improve transparency and reduce operational risk surrounding their printing.

Similarly, Jitney trading is a crucial mechanism for independent participating organizations to access market maker liquidity for their clients. Doing away with the crossing restriction will level the playing field for PO and non-PO firms dealing in these securities.

Addressing the set of questions:

1. **Should we impose any restrictions on the entry of a Net Asset Value Order?**

   While we expect that the vast majority of NAV orders will be large in size, exceeding the 50 standard trading units referenced in the "dark rules", we do not see value in setting a minimum size. We frequently see baskets of NAV orders where some lines are smaller, and it would only introduce operational risk and potentially sub-optimal handling if minimum trade sizes were imposed. We believe that market forces (profitability, operational efficiency) will serve to govern the sizing on these prints toward a reasonable level.

2. Should we impose any restrictions on the use of an intentional cross with jitney?

Jitney crosses serve a key function in block liquidity provision from ETF market making desks to agency dealing desks of all sizes. Especially in the case of wealth or retail routing desks, allowing jitney crosses would put them on equal terms to non-PO wealth desks who have similar order parameters and end-client profiles.

We recommend that jitney crosses be subject to minimum size restrictions similar to those on intentional crosses.

We appreciate that CIRO has expressly highlighted the risk for jitney trading on a more automated level ("non-discretionary") may approach the definition of a "marketplace" pursuant to NI 21-101. The practice being addressed in this proposal would not qualify, but this aspect is one CIRO will need to be vigilant for as they approve and/or audit dealer practices in this arena.

3. While CIRO would generally expect that a Net Asset Value Order should be executed as soon as is practical after publication of NAV by the issuer of the ETF, should this be directly included as a requirement for entry of a Net Asset Value Order

In a T+1 environment the window in which NAV trades can be practically printed and still settle on time is narrow enough that no additional requirements should be necessary.

4. Have you identified any concerns with public disclosure of an order that is a "Net Asset Value Order"?

A new order designation to identify these order types would contribute to overall transparency in the marketplace. We are supportive and have no concerns.

5. The definition of a "Net Asset Value Order" as proposed does not require the execution price to be the exact NAV as published by the issuer of the ETF, but instead at a price that references the published NAV.

We are supportive of this. NAV and NAV-referenced trades are equally common. The rule is significantly more applicable to current practices with the broader definition of "Net Asset Value Order".

6. Have we identified all the material impacts on clients, issuers, Participants, Access Persons, marketplaces or CIRO as a result of the Proposed Amendments?

As this proposal was the result of a detailed consultation with an array of stakeholders in the ETF and securities trading community, we believe that the broad impacts are well-considered. Implementation costs have yet to be fully specified, but we anticipate they will be reasonable in size and scope.

90 days should be sufficient time for updating both dealer systems and policies & procedures, should this proposal be approved.

7. Overall, do you agree with CIRO's qualitative assessment that the benefits of the Proposed Amendments are proportionate to their costs?

Yes, we anticipate the costs associated with the Proposed Amendments to be reasonable and the net benefits to the ETF ecosystem to be significant. As proposed, the new order handling rules will improve transparency and operational efficiency for both investors and ETF liquidity providers.

We thank you for the opportunity to comment.

CSTA Trading Issues Committee