



June 10, 2022

Delivered by email to: memberpolicymailbox@iiroc.ca; marketregulation@osc.gov.on.ca

Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 2000, 121 King Street West
Toronto, ON M5H 3T9

AND

Market Regulation
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8

Dear Sirs and Madams:

Re: Comment on Re-publication of Proposed Derivatives Rule Modernization, Stage 1

OANDA (Canada) Corporation ULC (“OANDA”) is pleased to have the opportunity to submit the following comments to the Investment Industry Regulatory Organization of Canada and Ontario Securities Commission on the proposed amendments respecting re-publication of proposed derivatives rule modernization, dated April 14, 2022 (proposed amendments).

OANDA is very much in support of the proposed amendments which we view them as codifying the current practice and modernizing the requirements of derivatives related business.

1. Rule 3805 Trade Blotter

(ii) in the case of transactions in futures contracts, forward contracts, contracts for difference and similar derivative contracts:

- (a) the contract underlying interest,*
- (b) the contract quantity bought or sold,*
- (c) if applicable, the quantity of the underlying interest bought or sold,*
- (d) the contract delivery date,*
- (e) the price at which the contract was entered into,*
- (f) the transaction dates,*
- (g) the applicable account in which each transaction was effected,*
- (h) if applicable, the name of the derivatives marketplace,*
- (i) if applicable, the name of the dealer, used by the Dealer Member as its agent to effect the transaction, and*
- (j) if applicable, whether the transactions are opening or closing transactions (where required by the marketplace),*

OANDA comment: (ii)(d) does not apply to contracts for difference trades. Please consider changing it to “if applicable, the contract delivery date”.

2. Rule 3808 Client account statements

(1) *A Dealer Member must send a daily statement to each retail client who at the end of the day has in their account:*

- (i) *an open futures contract, forward contract, contract for difference or similar derivative contract position, or*
- (ii) *an unexpired and unexercised option contract, futures contract option or similar derivative contract position.*

OANDA comment: daily statement may not be necessary. Clients have online access to their accounts, including positions. Should clients choose to receive statements via mail, the mail delivery will be costly and overwhelming. Clients may overlook more important communications as they will have to manually filter all incoming letters and notices.

3. Rule 3962 Supervision of retail derivatives accounts

(5) *The Dealer Member must have policies and procedures that specifically:*

- (i) *require the designated Supervisor to approve the solicitation of clients to use derivatives programs, as well as clients' actual use of derivatives,*
- (iii) *prevent a client from transacting in derivatives without executing a derivatives trading agreement with the Dealer Member,*
- (iv) *address the handling of futures contracts, forward contracts and similar derivative contracts with pending delivery months,*
- (v) *address detection of derivatives trading by a client who is an insider of a reporting issuer or any other issuer whose securities are publicly traded to avoid insider trading restrictions,*
- (vi) *prevent a retail client from holding contracts for difference or similar derivatives positions representing more than 0.5% of the float of a reporting issuer or any other issuer whose securities are publicly traded on an intra day or short term basis, and*
- (vii) *prohibit the offering of contracts for difference or similar derivatives to a retail client that confer the right or obligation to acquire or deliver the underlying interest or confer any other rights of shareholders, such as voting rights.*

OANDA comment: (5)(vii) please clarify the rationale. The product structure of contracts for difference itself prohibits retail client from conferring the right or obligation with respect to the ownership of underlying interest and its associated rights.

Thank you for your consideration. Please contact the undersigned if you have any further questions or concerns.



Oleander Li
Chief Compliance Officer
OANDA (Canada) Corporation ULC